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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN LUIS OBISPO

LEIGH K BARTON-PRENTIS, individually and on behalf of all others similarly situated, Plaintiff, vs. SPORTS WAREHOUSE; WILDERNESS SPORTS WAREHOUSE, LLC; and DOES 1 through 20, inclusive, Defendants.	Case No. 23CV-0230 *Assigned for all purposes to* *Hon. Rita Federman* *Dept. 2* **MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF PLAINTIFF'S MOTION FOR APPROVAL OF PAGA SETTLEMENT** Date: TBD Time: TBD Dept: 2

MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Plaintiff Leigh K Barton-Prentis ("Plaintiff") seeks approval of a settlement of claims under the Private Attorneys General Act of 2004, California Labor Code § 2698 *et seq*. ("PAGA") against Defendants Sports Warehouse and Wilderness Sports Warehouse, LLC ("Defendants") in the amount of $650,000.00. The Settlement resolves claims for PAGA penalties for certain wage and hour violations allegedly suffered by approximately 600 aggrieved employees, defined as a person employed by at least one of the Defendants as a non-exempt employee in California during the PAGA Period of May 4, 2022 to November 11, 2025.

Under Labor Code § 2699(l)(2), the Court must review and approve any proposed PAGA settlement. Here, the proposed Settlement is sufficient to deter and punish future violations. The Settlement is attached to the Declaration of Julia M. Toscano ("Toscano Decl.") as **Exhibit 1**, and the proposed letter to be sent to the aggrieved employees is attached thereto as **Exhibit A**. Plaintiff now seeks this Court's approval of the Settlement terms.

II. FACTUAL AND PROCEDURAL BACKGROUND

On May 4, 2023, Plaintiff filed her Complaint as a class action lawsuit, alleging that, Defendants failed to: (1) pay minimum wages, (2) pay overtime wages, (3) provide lawful meal periods or compensation in lieu thereof, (4) authorize or permit lawful rest breaks or provide compensation in lieu thereof, (5) provide accurate itemized wage statements, (6) timely pay all wages during employment, (7) pay all wages timely upon separation of employment and, (8) abide by the requirements of California Business and Professions Code Section 17200 *et seq.* Toscano Decl. at ¶ 3.

On May 4, 2023, Plaintiff's counsel sent a letter to the California Labor & Workforce Development Agency ("LWDA") via online submission and to Defendants via certified mail regarding Defendants' alleged violations. *See* Toscano Decl., ¶ 4, **Exhibit 2**. The LWDA did not respond to this notice within 65 days, indicating it did not intend to investigate, thus allowing Plaintiff to add a claim for Enforcement of the Private Attorneys General Act ("PAGA") to the instant lawsuit pursuant to Labor Code Section 2699.3(a)(2)(A). *Id*. On August 22, 2023, Plaintiff filed a First Amended Complaint adding the PAGA claim. Toscano Decl., ¶ 4.

Due to the presence of arbitration agreements that Plaintiff and class members allegedly signed, Plaintiff dismissed her individual and class claims and proceeded on a PAGA-only basis. Toscano Decl., ¶ 5.

The Parties agreed to attend private mediation. Toscano Decl., ¶ 6. In preparation for mediation, Defendant informally produced data and documents for Plaintiff to evaluate the PAGA claims and calculate the alleged exposure, including policy documents, a sample of time and payroll records, and the total pay periods worked by aggrieved employees. *Id.* Plaintiff's Counsel engaged an expert to quantify the potential exposure using the time and payroll records, and then assessed the risks associated with each of the claims. *Id.*

The parties attended mediation on September 11, 2025, with Deborah Crandall Saxe, Esq., a respected class action and PAGA action mediator. Toscano Decl., ¶ 7. After a full day of negotiating, the Parties agreed to a settlement amount and executed a Memorandum of Understanding with the material terms the parties had agreed to. *Id.* The Parties spent the next few months negotiating the terms of the Settlement, which was finalized in April of 2026. *Id.*

On April 10, 2026, Plaintiff submitted an Amended PAGA Notice to the LWDA. Toscano Decl., ¶ 8, **Exhibit 3**. On April 22, 2026, Plaintiff filed a Second Amended Complaint. *Id*.

Plaintiff provided notice of the Settlement to the LWDA on July 1, 2026. Toscano Decl., ¶ 9, **Exhibit 4**.

III. PAGA REQUIREMENTS

Based on the California Supreme Court's opinions in *Arias v. Superior Court*, 46 Cal. 4th 969 (2009), and *Iskanian v. CLS Transportation Los Angeles, LLC,* 59 Cal. 4th 348 (2014), Plaintiffs can seek appropriate civil penalties as called for under PAGA on behalf of the State of California and other similarly aggrieved employees without seeking class certification or meeting the requirements of class certification (i.e. numerosity, typicality, commonality and adequacy). As such, the class action two-step preliminary and final approval process is not required.

PAGA was enacted to allow enforcement of the Labor Code and recovery of penalties by the State and by private individuals who have been aggrieved by their employers. The statute calls for 75% of any penalties recovered to be paid to California's LWDA and the remaining 25% to the aggrieved employees (Cal. Lab. Code § 2699(i) (2016)).

In order to enforce and seek penalties under PAGA in a civil action, an aggrieved employee must first provide written notice to the LWDA and the employer of the particular Labor Code violations the aggrieved employee alleges the employer has violated. *See* Cal. Labor Code§ 2699.3(a)(l)(A) (2016). Once the LWDA notifies the aggrieved employee that it does not intend to investigate the alleged violations, or if the LWDA does not respond within a certain time period, the aggrieved employee is then allowed to proceed in a civil action against the employer on behalf of the LWDA and all other similarly aggrieved employees. *See* Cal. Labor Code § 2699.3(a)(2)(A) (2016).

In 2009, the California Supreme Court considered the issue of whether an aggrieved employee who brings a PAGA representative claim needs to meet class certification requirements. *Arias,* 46 Cal. 4th at 976. After a substantial review of the legislative history of PAGA, the Court held that an aggrieved employee's representative action brought on behalf of other aggrieved employees against an employer for PAGA violations does not need to meet the requirements for class certification. *Id*. at 975, 980-88. As the Court held, a plaintiff bringing suit under PAGA does so as the proxy or agent of California's labor law enforcement agencies. *Id*. at 986. Because the employee's PAGA action functions as a substitute for an action brought by the government itself, a judgment in the PAGA action binds all those who would be bound by a judgment in an action brought by the government. *Id.*

Finally, in a settlement of a PAGA action brought by an aggrieved employee, the court need only "review and approve" the settlement. Cal. Lab. Code § 2699(1)(2) (2016). The Parties to this current PAGA action have reached such an agreement and now seek this Court's approval of the proposed settlement.

IV. THE SETTLEMENT TERMS AND DISTRIBUTION OF PENALTIES

The Parties have agreed that Defendant will pay a total settlement amount of $650,000.00 (the "Gross Settlement Amount"). *See* Settlement Agreement, § 3.1. From this amount, up to thirtyfive percent (35%) of the Gross Settlement Amount, or $227,500.00, is allocated to attorneys' fees and up to $35,000.00 to actual litigation costs. *Id.* at § 3.2.1. Plaintiff's counsel requests an allocation of one-third of the Gross Settlement Amount, or $216,666.67, to attorneys' fees. Toscano Decl., ¶ 30. To date, Plaintiff's counsel has spent $33,943.37 in actual litigation costs. *See* Toscano Decl., ¶¶ 29, **Exhibit 5**. The Settlement allocates up to $5,250.00 in payment to Atticus Administration, LLC for costs associated with administration of the Settlement. Settlement Agreement, § 3.2.3.

After deducting the above amounts for attorneys' fees and costs, and Settlement Administrator's costs, the remaining fund will constitute the "PAGA Penalties" in which 75% will be paid to the LWDA (the "LWDA PAGA Payment") and 25% will be paid to the Aggrieved Employees as their "Individual PAGA Payments". Settlement Agreement, § 3.2.4. The Aggrieved Employees are persons employed by at least one of the Defendants as a non-exempt employee in California during the PAGA Period. *Id.* at § 1.4. The PAGA Period means the period from May 4, 2022 to November 11, 2025. *Id.* at § 1.22.

The Individual PAGA Payments will be calculated pro rata based on the number of pay periods working during the PAGA Period. Settlement Agreement, § 3.2.4.1. If the number of pay periods worked by Aggrieved Employees in the PAGA Period exceeds 28,611 by more than 7.5%, then Defendants may elect to (1) increase the Gross Settlement Amount in proportion to the increased amount over 7.5%--for example, if such increase in pay periods during this time frame is 10% more than 28,611 pay periods, the Gross Settlement Amount will increase by 2.5%, or (2) end the PAGA Period on the earlier of September 11, 2025, or the date on which the number of pay periods reached 28,611. *Id.* at § 8. The Individual PAGA Payments shall be paid to the Aggrieved Employees by way of a single check which will be valid for 180 days. *Id.* at § 4.4.1. All funds not claimed within 180 days of mailing of payment shall be sent to the California State Controller's Office Unclaimed Property Fund with an identification of the amount of unclaimed funds attributable to each PAGA Employee. *Id.* at § 4.4.3. The Individual PAGA Payments will be characterized as penalties for tax purposes and reported on IRS Form 1099. *Id.* at § 3.2.4.2.

Prior to this disbursement, the Settlement Administrator shall check the Aggrieved

Employees' addresses provided by Defendant using the National Change of Address database. Settlement Agreement, § 4.4.1. For any returned payments without a forwarding address, the Settlement Administrator shall run a skip trace. *Id*. at § 4.4.2. Aggrieved Employees will receive a letter along with their Individual PAGA Payment explaining the reason for the payment, the content of which will be submitted to the Court for approval. *Id*. at § 4.4.1. The proposed letter is attached to the Settlement Agreement as **Exhibit A**.

In exchange for the settlement payment, the State of California and the Aggrieved Employees will release the "Released Parties," meaning "Defendants and each of their former, present, and future parents, subsidiaries, affiliated entities, commonly owned or controlled entities, its present, future, and former owners, board members, officers, directors, trustees, shareholders, members, partners, employees, agents, insurers, attorneys, representatives, heirs, executors, administrators, successors and assigns, from

> all claims alleged in the Operative Complaints, PAGA Notice, or filings with the LWDA, or which reasonably could have been alleged based on the facts, allegations, and legal theories raised in them, and which arose during PAGA Release Period. Without limiting the foregoing, Released Claims shall include any and all claims for civil penalties or causes of action arising under and/or assertable under PAGA regarding unpaid wages or wage and hour violations, including but not limited to failure to pay minimum wages, straight time wages, overtime compensation, double time compensation, the correct regular rate of pay, and interest; failure to timely pay regular and final wages; failure pay paid sick leave at the correct rate; failure to provide compliant meal and rest periods; failure to pay premiums at all or at the correct rate for any violation of meal and rest periods; invalid meal period waivers; failure to reimburse for necessary business expenditures; payment for all hours worked; wage statement or paystub related violations, including wage statements and paystubs furnished or available in physical, electronic, or other forms; failure to keep accurate records; and any and all related penalties, including recordkeeping penalties, wage statement penalties, minimum wage penalties, waiting time penalties, and other statutory or civil penalties associated with any of the foregoing. ("Released PAGA Claims"). Further, such Released Claims shall include all claims for PAGA penalties arising from violations that can provide standing for a PAGA claim as outlined at Labor Code Section 2699.5 (i.e. Labor Code Sections 201-204, 210, 226, 226.3, 510, 1174, 1174.5, 1194, 1197.1, 1198, 2802, and the associated wage orders, and Labor Code Section 2698 et. seq. itself), include, but are not limited to those claims arising under California Labor Code sections 201, 202, 203, 204, 206, 207, 208, 210, 218.5, 218.6, 221, 222, 223, 225.5, 226, 226.3, 226.7, 246, subd. (i), 248.5, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2802, 2698 et seq., and 2699 et seq., and/or those arising under the applicable Industrial

> Welfare Commission Wage Order(s) (including, but not limited to, IWC Wage Orders 1-2001, 4-2001, 7-2001, or 17-2001 [also including the provisions of the California Code of Regulations codifying the applicable Wage Order(s)]), all claimed or unclaimed penalties recoverable via PAGA under California law arising from the claims alleged in the Operative Complaints, PAGA Notice, or filings with the LWDA. The Parties intend that this release be construed as broadly as allowed by law. The release excludes the release of claims not permitted by law.

Settlement Agreement, §§ 1.27, 5.

V. THE SETTLEMENT IS FAIR AND REASONABLE

A. Standard for Approval

PAGA settlements must be "fair, reasonable, and adequate in view of PAGA's purposes to remediate present labor law violations, deter future ones, and to maximize enforcement of state labor laws." *Moniz v. Adecco USA, Inc*., 72 Cal.App.5th 56, 77 (2021). The court must find that the plaintiff "has adequately represented the state's interests, and hence the public interest." *Id.* at 89. The LWDA must be notified of the settlement and be given an opportunity to object. The court may look to parallel class action guidelines to determine what is "fair, adequate and reasonable." *Kullar v. Foot Locker Retail,* 168 Cal.App.4th 116, 126 (2008). In that analysis, the court has "broad discretion in making this determination." *In re Microsoft I-V Cases*, 135 Cal.App.4th 706, 723 (2006). Relevant factors may include "the strength of the plaintiffs' case, the risk, expense, complexity and likely duration of further litigation, … the amount offered in settlement, the extent of discovery completed and the stage of the proceedings, the experience and views of counsel, the presence of a governmental participant …." *Dunk v. Ford Motor Co*., 48 Cal.App.4th 1794, 1801 (1996).

B. The Settlement Meets the Standard for Approval

Here, the $650,000.00 Gross Settlement Amount is reasonable for a group of approximately 600 employees, which is equivalent to a penalty of about $1,083.33 per employee using the Gross Settlement Amount. This penalty is large enough to punish Defendant for alleged past violations and deter future violations. At the same time, the penalty amount is not so large as to be unjust, oppressive or confiscatory, considering the company's potential exposure explained below. Toscano Decl., ¶ 10. The Gross Settlement Amount is also reasonable in light of the facts of the foregoing action, the real risk that no PAGA penalties would be paid, and inherent risks and uncertainties associated with PAGA claims. *Id.* at ¶ 11.

Plaintiff calculated the potential exposure at the initial violation rate of $100.00 per pay period as follows: 28,611 x $100.00 per pay period is $2,861,100.00. If the Court stacked different types of penalties in each pay period, Plaintiff calculated the exposure as follows:

- 28,611 pay periods x $100 per pay period x 73.2% violation rate = $2,094,325.2 for meal period violations;
- 28,611 pay periods x $100 per pay period x 87.6% violation rate = $2,506,323.60 for rest break violations;
- 28,611 pay periods x $100 per pay period x 41.8% violation rate (for failure to pay overtime at the regular rate) = $1,195,939.80 for unpaid wages;
- 28,611 pay periods x $250 per pay period x 100% violation rate = $6,265,809.00 for wage statement penalties and;
- $100 x 225 former employees = $22,500.00 for waiting time penalties.

Toscano Decl., ¶ 12. Defendant raised a number of arguments during settlement negotiations and provided evidence that could have defeated Plaintiff's claims. Toscano Decl. ¶ 13. For example, Plaintiff argued that Defendant fails to provide aggrieved employees with compliant meal and rest breaks because Defendant fails to ensure adequate store coverage and requires aggrieved employees to remain "on-call" via their work cell phones and constantly responsive to customer needs. *Id*. Defendants responded by citing policy documents that authorize compliant meal breaks and arguing that the vast majority of the meal period violations shown in the records were for meal breaks employees had waived during shifts that were between 5-6 hours. *Id*. As for rest periods, Defendants cited policy documents that authorize compliant rest periods and argued that only a small percentage of employees recorded rest breaks, therefore Plaintiff's assumption that all employees suffered rest break violations at the rate shown in the records of only some employees resulted in an over-inflated exposure calculation. *Id*. Plaintiff argued that Defendant fails to pay overtime at the regular rate due to its failure to include bonuses in the regular rate of pay. Defendant responded by arguing that daily overtime is paid correctly and the bonuses on which Plaintiff bases her claim are discretionary. *Id*.

Another crucial factor in evaluating the value of a PAGA-only case is that all PAGA awards are discretionary and can be reduced by the Court. Toscano Decl., ¶ 14. Under Labor Code § 2699(e)(2), the Court can reduce the PAGA penalties "if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory." In other words, were this matter to go to trial, any award granted would be at the discretion of the Court. *Id.* In settling this case, Plaintiff recognizes that, although he believes there would be no persuasive grounds to reduce the penalties, the Court could determine otherwise and significantly reduce the PAGA penalties. *Id*. The wide range of potential recovery and the additional delays and risks of trial justified settling for a reasonable amount of recovery. *Id*.

VI. CONCLUSION

For the foregoing reasons, Plaintiff requests the Court approve the proposed settlement pursuant to PAGA in this Action.

Dated: July 1, 2026

AEGIS LAW FIRM, PC

By ____________________________

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