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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SACRAMENTO

OLGA GONZALEZ, on behalf of herself and all others similarly situated,

Plaintiff,

v.

PACIFIC POWDER COATING, INC., a California Corporation; and DOES 1-50, inclusive.

Defendants.

CASE NO.: 25CV030852

Assigned to the Hon. Lauri A. Damrell

PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT

[*Declarations of Mehrdad Bokhour, Joshua Falakassa, Olga Gonzalez, and [Proposed] Order filed concurrently herewith*]

HEARING INFORMATION

Date: August 14, 2026
Time: 9:00 a.m.
Dept.: 8B

Reservation No. A-30852-001

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on August 14, 2026, at 9:00 a.m., or as soon thereafter as the matter may be heard, in Department 8B of the Sacramento County Superior Court, located at 500 G Street, Sacramento, CA 95814, before the Honorable Lauri A. Damrell, Plaintiff Olga Gonzalez, individually and on behalf of all others similarly situated, will and hereby does move the Court for an order:

1. Certifying the proposed Settlement Class for settlement purposes only;
2. Preliminarily appointing Plaintiff Olga Gonzalez as the Class Representative for settlement purposes only;
3. Appointing Mehrdad Bokhour of Bokhour Law Group, P.C. and Joshua S. Falakassa of Falakassa Law, P.C. as Class Counsel for settlement purposes only;
4. Preliminarily approving the Parties' Class Action and PAGA Settlement Agreement and Release of Claims ("Settlement") as fair, reasonable, and adequate;
5. Approving the form and manner of the Class Notice and directing its dissemination to Settlement Class Members, including notice of their rights to request exclusion from, or object to, the Settlement; and
6. Setting a date for the Final Approval Hearing to determine whether the Settlement should receive final approval.

This Motion is based on this Notice of Motion and Motion, the accompanying Memorandum of Points and Authorities, the Declarations of Mehrdad Bokhour, Joshua S. Falakassa, and Plaintiff Olga Gonzalez, the Class Action and PAGA Settlement Agreement and Release of Claims, the Proposed Order Granting Preliminary Approval, all pleadings and papers on file in this action, and such other oral and documentary evidence as may be presented at the hearing.

Dated: July 22, 2026

BOKHOUR LAW GROUP, P.C.
FALAKASSA LAW, P.C.

BY: ______________________

Mehrdad Bokhour, Esq.
Joshua Falakassa, Esq.
Attorneys for Plaintiff and the Putative Class

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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Plaintiff Olga Gonzalez ("Plaintiff"), individually and on behalf of all others similarly situated, respectfully moves for preliminary approval of the Parties' Class Action and PAGA Settlement Agreement ("Settlement"). Subject to Court approval, Plaintiff and Defendant Pacific Powder Coating, Inc. ("Defendant") (collectively, the "Parties") have agreed to resolve the claims asserted in this Action, as well as the claims of the proposed Settlement Class and PAGA Members, for a non-reversionary Gross Settlement Amount of $218,000.

Plaintiff seeks certification, for settlement purposes only, of a Settlement Class consisting of all individuals who are or were employed by Defendant as non-exempt hourly employees in California during the Class Period, defined as December 19, 2021 through March 19, 2026. The Settlement also resolves Plaintiff's representative claims under the Private Attorneys General Act ("PAGA") on behalf of all non-exempt hourly employees who worked for Defendant in California during the PAGA Period, defined as December 19, 2024 through March 19, 2026 ("PAGA Members").

Under the Settlement, Defendant will not oppose Plaintiff's requests for: (1) attorneys' fees of up to $72,666.67, representing one-third of the Gross Settlement Amount; (2) litigation costs of up to $20,000; (3) settlement administration costs of up to $10,000; (4) a Class Representative Service Payment of up to $10,000; and (5) a $10,000 allocation to settle the PAGA claims, of which $6,500 (65%) will be paid to the California Labor and Workforce Development Agency ("LWDA") and $3,500 (35%) will be distributed to the PAGA Members.

	Total Amount
Gross Settlement Amount	$218,000
Class Counsel Fees Payment	$72,666.67
Class Counsel Litigation Expenses Payment	$20,000
Administration Expenses Payment	$5,000
PAGA Penalties to LWDA (65% of $10K award)	$6,500
PAGA Penalties to PAGA Members	$3,500
Class Representative Service Payment	$10,000
Net Settlement Amount	**$100,333.33**

The Settlement Class consists of approximately 226 current and former non-exempt hourly employees who worked for Defendant in California during the Class Period. Plaintiff alleges that, regardless of their specific job titles or positions, all Settlement Class Members were subject to Defendant's uniform wage-and-hour policies and practices.

Individual Class Payments will be distributed on a pro rata basis based on the number of Workweeks each Participating Class Member worked during the Class Period, as reflected in Defendant's payroll records. Accordingly, Class Members who worked more Workweeks during the Class Period will receive proportionately larger Individual Class Payments.

Based on Defendant's records, Settlement Class Members worked approximately 15,163 Workweeks during the Class Period. After the maximum requested deductions from the Gross Settlement Amount, approximately $100,333.33 will remain as the Net Settlement Amount for distribution to Participating Class Members. Based on these figures, the estimated average Individual Class Payment is approximately $442. Actual payments will depend on the number of Participating Class Members, their respective Workweeks, and the deductions ultimately approved by the Court.

The Settlement is non-reversionary, and Settlement Class Members are not required to submit claim forms to receive payment. Instead, each Settlement Class Member will automatically receive a Court-approved Notice advising them of their estimated Individual Class Payment, the Workweeks attributed to them, their right to challenge those Workweeks, and their right to request exclusion from or object to the Settlement.

Participating Class Members will automatically receive their Individual Class Payments following Final Approval. PAGA Members will also receive their Individual PAGA Payments regardless of whether they elect to opt out of the class settlement because the PAGA settlement is binding on all aggrieved employees during the PAGA Period.

The proposed Settlement is fair, reasonable, and adequate and is the product of informed, arm's-length negotiations undertaken after Plaintiff's investigation and analysis of Defendant's records and data. Accordingly, Plaintiff respectfully requests that the Court: (1) preliminarily approve the Settlement, including the PAGA settlement; (2) certify the Settlement

Class for settlement purposes only pursuant to Code of Civil Procedure section 382; (3) approve the proposed Class Notice and method of dissemination; (4) appoint Plaintiff Olga Gonzalez as Class Representative and Bokhour Law Group, P.C. and Falakassa Law, P.C. as Class Counsel for settlement purposes only; (5) appoint ILYM Group, Inc. as the Settlement Administrator; and (6) schedule a Final Approval Hearing. (Bokhour Decl. ¶ 12.)

II. BACKGROUND

A. THE PARTIES AND THE PROPOSED CLASS

Defendant Pacific Powder Coating, Inc. ("Defendant") is engaged in metal finishing and fabrication in Northern California, specializing in industrial powder coating, sandblasting, and contract manufacturing. (Bokhour Decl. ¶ 14.)

Plaintiff was employed by Defendant as a non-exempt employee with the title of Painter beginning in approximately 2018 out of Defendant's Sacramento, California facility. Plaintiff alleges that she and other non-exempt employees—including Production Technicians, Painters, Powder Coating Technicians, Maintenance Technicians, and Sandblasters—performed work essential to Defendant's business operations. Plaintiff alleges that Defendant maintained uniform wage-and-hour policies and practices that: (1) failed to record and pay employees for all hours worked, including time spent performing off-the-clock work; (2) failed to pay all overtime and paid sick leave wages at the correct regular rate of pay; (3) failed to provide legally compliant meal and rest periods or premium pay at the correct regular rate in lieu thereof; (4) failed to furnish accurate itemized wage statements; and (5) engaged in unfair business practices in violation of California law. (Bokhour Decl. ¶ 15.)

The proposed Settlement Class consists of all individuals who are or were employed by Defendant as non-exempt hourly employees in California during the Class Period, defined as December 19, 2021 through March 19, 2026. The Settlement also resolves Plaintiff's representative claims under the Private Attorneys General Act ("PAGA") on behalf of all non-exempt hourly employees who worked for Defendant in California during the PAGA Period, defined as December 19, 2024 through March 19, 2026. (Settlement Agreement ¶¶ 1.4, 1.11, 1.29, 1.31.)

B. PROCEDURAL HISTORY

On December 19, 2025, Plaintiff commenced this Action by filing a Complaint alleging wage-and-hour claims against Defendant.

On February 24, 2026, Plaintiff filed the operative First Amended Complaint ("FAC") alleging causes of action for: (1) failure to pay all minimum wages; (2) failure to pay all overtime wages; (3) meal-period violations; (4) rest-period violations; (5) failure to pay all sick-time wages; (6) wage-statement violations; (7) unfair competition in violation of Business and Professions Code section 17200, et seq.; and (8) civil penalties under the Private Attorneys General Act ("PAGA"). Plaintiff also provided notice of the alleged Labor Code violations to Defendant and the California Labor and Workforce Development Agency ("LWDA") pursuant to Labor Code section 2699.3. (Settlement Agreement §§ 2.1–2.3.)

Before entering into the Settlement, Plaintiff conducted a thorough investigation and informal discovery, including Plaintiff's personnel, payroll, and timekeeping records; Defendant's relevant employment policies and practices; and information concerning the size of the proposed Settlement Class, total Workweeks, and PAGA Pay Periods. Class Counsel analyzed this information to evaluate the potential damages associated with Plaintiff's claims, the strengths and weaknesses of the Action, Defendant's anticipated defenses, and the risks of continued litigation.

The Parties also considered Defendant's contention that numerous putative class members executed arbitration agreements containing class-action waivers, which created additional litigation risk and uncertainty and informed the settlement negotiations.

Following informed, arm's-length negotiations, the Parties reached the Settlement now before the Court. The Settlement was negotiated by experienced wage-and-hour counsel only after Plaintiff and Class Counsel had obtained sufficient information to evaluate the claims, potential recovery, and risks of continued litigation. (Bokhour Decl. ¶ 18; Settlement Agreement § 2.5.)

Defendant denies the allegations in the operative FAC, denies that it failed to comply with any applicable law, and denies any liability for the causes of action alleged. Defendant also disputes that class certification or representative treatment would be appropriate absent settlement. No class has been certified in the Action. (Settlement Agreement §§ 2.2, 2.4.)

After conducting a thorough investigation, reviewing Defendant's records, consulting with Plaintiff, and carefully weighing the risks, expense, and delay of continued litigation against the benefits afforded by the Settlement, Plaintiff and Class Counsel concluded that the Settlement is fair, reasonable, adequate, and in the best interests of the Settlement Class and PAGA Members.

C. SUMMARY OF PLAINTIFF'S CLAIMS

Plaintiff alleges that Defendant maintained uniform wage-and-hour policies and practices that violated the California Labor Code and applicable Industrial Welfare Commission Wage Orders. Specifically, Plaintiff contends that Defendant failed to accurately record and pay employees for all hours worked, including time spent performing off-the-clock work; failed to include certain bonuses, commissions, and incentive compensation when calculating the regular rate of pay for overtime and paid sick leave; failed to provide legally compliant meal and rest periods or premium compensation at the correct regular rate in lieu thereof; and failed to furnish accurate itemized wage statements. Plaintiff further alleges that these practices constituted unlawful business practices in violation of Business and Professions Code section 17200, *et seq.,* and seeks civil penalties under the PAGA.

D. SUMMARY OF DEFENDANT'S DEFENSES

Defendant denies all material allegations in the Action and contends that it complied with all applicable provisions of the California Labor Code and Industrial Welfare Commission Wage Orders. Defendant maintains that it accurately recorded and paid employees for all hours worked; properly paid all minimum, overtime, and paid sick leave wages at the applicable rates; correctly calculated employees' regular rates of pay; provided legally compliant meal and rest periods or premium compensation when required; and furnished accurate itemized wage statements. Defendant further contends that certain putative Class Members executed arbitration agreements containing class-action waivers, which could exclude those employees from any certified class or otherwise limit the scope of the Action. Defendant denies that Plaintiff or any putative Class Member suffered compensable damages, disputes that Plaintiff's claims would be appropriate for class or representative treatment absent settlement, and maintains that it possesses factual and legal defenses that could preclude or substantially limit any recovery if the Action were litigated.

III. SUMMARY OF THE PROPOSED SETTLEMENT

The following is a summary of the principal terms of the Settlement Agreement.

A. SETTLEMENT CONSIDERATION AND ALLOCATION

Defendant agrees to pay a non-reversionary Gross Settlement Amount of $218,000 in full settlement of the Action. In addition to the Gross Settlement Amount, Defendant will separately pay all employer-side payroll taxes attributable to the wage portions of the Individual Class Payments. (Settlement Agreement §§ 1.21, 3.1.)

Subject to Court approval, the Gross Settlement Amount will be allocated as follows: (1) attorneys' fees of up to $72,666.67, representing one-third of the Gross Settlement Amount; (2) litigation costs of up to $20,000; (3) a Class Representative Service Payment of up to $10,000; (4) Settlement Administration Expenses of up to $10,000; (5) $10,000 allocated to settle the PAGA claims, of which $6,500 (65%) will be paid to the California Labor and Workforce Development Agency ("LWDA") and $3,500 (35%) will be distributed to PAGA Members; and (6) the remaining balance, or the "Net Settlement Amount," will be distributed to Participating Class Members. (Settlement Agreement §§ 1.27, 3.2.1–3.2.6.)

Assuming the Court approves the maximum requested deductions, the estimated Net Settlement Amount will be approximately $95,333.33. Defendant's records reflect that approximately 226 Settlement Class Members collectively worked approximately 15,163 Workweeks during the Class Period. Accordingly, each Participating Class Member's Individual Class Payment will be calculated on a pro rata basis according to the number of Workweeks the Participating Class Member worked during the Class Period. Likewise, each PAGA Member will receive an Individual PAGA Payment based on the PAGA Member's proportionate number of PAGA Pay Periods worked during the PAGA Period. (Settlement Agreement §§ 3.2.4, 3.2.6.1, 4.1.)

B. NOTICE PROCEDURES

Within seven days after entry of the Preliminary Approval Order, Defendant will provide the Settlement Administrator with the Class Data, including each Settlement Class Member's name, last-known mailing address, Social Security number, and the number of Class Period Workweeks and PAGA Pay Periods reflected in Defendant's records. (Settlement Agreement §§ 1.7, 4.2.)

Within 15 days after receiving the Class Data, the Settlement Administrator will update Settlement Class Members' addresses using the National Change of Address database and mail the Court-approved Class Notice via first-class U.S. Mail. The Class Notice will advise Settlement Class Members of the material terms of the Settlement, including each individual's estimated Individual Class Payment and Individual PAGA Payment, credited Workweeks and PAGA Pay Periods, procedures for requesting exclusion, objecting to the Settlement, or challenging the credited Workweeks or PAGA Pay Periods, and the date of the Final Approval Hearing. Settlement Class Members will have 45 days after the initial mailing of the Class Notice to exercise these rights. (Settlement Agreement §§ 1.43, 7.4.2, 7.4.4.)

If a Class Notice is returned as undeliverable, the Settlement Administrator will re-mail the Notice to any forwarding address provided by the United States Postal Service. If no forwarding address is available, the Settlement Administrator will conduct a Class Member Address Search using reasonably available sources, including skip tracing, and re-mail the Notice to the most current address located. Settlement Class Members whose Notices are re-mailed will receive an additional 14 days to submit a Request for Exclusion, objection, or challenge to their credited Workweeks or PAGA Pay Periods. (Settlement Agreement §§ 1.9, 1.43, 7.4.3–7.4.4.)

C. EXCLUSION AND OBJECTION PROCEDURES

Settlement Class Members who wish to exclude themselves from the class settlement must submit a signed written Request for Exclusion to the Settlement Administrator by mail, email, or fax no later than 45 calendar days after the initial mailing of the Class Notice (the "Response Deadline"). Settlement Class Members who do not timely submit a valid Request for

Exclusion will automatically participate in the Settlement, receive their Individual Class Payments without submitting a claim form, and be bound by the Settlement, the Judgment, and the applicable class release. (Settlement Agreement §§ 1.43, 7.5.1–7.5.3.)

Participating Class Members may object to the Settlement by submitting a written objection to the Settlement Administrator by mail, email, or fax on or before the Response Deadline. Alternatively, Participating Class Members may appear at the Final Approval Hearing, either personally or through counsel retained at their own expense, and present an objection to the Court. Participating Class Members who object will remain members of the Settlement Class and, if the Settlement is finally approved, will remain bound by its terms unless they also submit a timely and valid Request for Exclusion. Non-Participating Class Members have no right to object to the class-action components of the Settlement. (Settlement Agreement §§ 7.7.1–7.7.3.)

D. SETTLEMENT ALLOCATION FORMULA FOR SETTLEMENT SHARES

Each Participating Class Member's Individual Class Payment will be calculated on a pro rata basis according to the number of Workweeks the Participating Class Member worked during the Class Period. Specifically, the Net Settlement Amount will be divided by the total number of Workweeks worked by all Participating Class Members, and that amount will be multiplied by each Participating Class Member's individual Workweeks. Any amounts otherwise attributable to Class Members who timely and validly request exclusion will remain in the Net Settlement Amount and be redistributed pro rata among the Participating Class Members. (Settlement Agreement §§ 3.2.4–3.2.5.)

Each PAGA Member will also receive an Individual PAGA Payment from the PAGA Members' $3,500 share of the PAGA Penalties. The Settlement Administrator will calculate each Individual PAGA Payment on a pro rata basis according to the number of PAGA Pay Periods the PAGA Member worked during the PAGA Period. (Settlement Agreement § 3.2.6.1.)

The Class Notice will identify each Settlement Class Member's credited Workweeks, PAGA Pay Periods, if applicable, and estimated Individual Class Payment and Individual

PAGA Payment. Settlement Class Members may challenge the number of credited Workweeks or PAGA Pay Periods by submitting a timely challenge to the Settlement Administrator. The Settlement Administrator will consider any supporting documentation submitted by the Settlement Class Member, consult Defendant's records, and make a final determination regarding the challenge. (Settlement Agreement §§ 7.4.2, 7.6.)

E. TIMING OF SETTLEMENT DISBURSEMENTS

The Settlement Administrator will establish a Qualified Settlement Fund and provide Defendant with wire-transfer instructions. Defendant will fully fund the Gross Settlement Amount no later than 15 days after Final Approval and will separately fund all employer-side payroll taxes attributable to the wage portions of the Individual Class Payments. Within 10 days after Defendant funds the Gross Settlement Amount, the Settlement Administrator will mail the Individual Class Payments and Individual PAGA Payments and distribute the LWDA PAGA Payment, Court-approved attorneys' fees and litigation costs, Class Representative Service Payment, and Settlement Administration Expenses. The Settlement Administrator may not distribute the attorneys' fees, litigation costs, or Class Representative Service Payment before distributing the Individual Class Payments and Individual PAGA Payments. (Settlement Agreement §§ 3.1, 4.3–4.4, 7.3.)

F. TAX TREATMENT

For tax purposes, 20% of each Individual Class Payment will be allocated as wages, subject to applicable tax withholdings, and reported on an IRS Form W-2. The remaining 80% will be allocated as interest and penalties and reported on an IRS Form 1099. The Settlement Administrator will calculate and withhold all applicable employee payroll taxes from the wage portions of the Individual Class Payments and issue the required tax-reporting forms. Defendant will separately pay all employer-side payroll taxes attributable to the wage portions of the Individual Class Payments. Individual PAGA Payments will be reported on IRS Form 1099. Participating Class Members and PAGA Members will be responsible for any taxes owed on their respective settlement payments. (Settlement Agreement §§ 3.1, 3.2.4.1, 3.2.6.1–3.2.6.2.)

G. PARTICIPATING CLASS MEMBERS' RELEASE OF CLAIMS

After the Settlement becomes Final and Defendant fully funds the Gross Settlement Amount and applicable employer-side payroll taxes, Participating Class Members will release the Released Parties from all claims that arise out of or reasonably relate to the claims alleged in the Complaint, operative First Amended Complaint, or applicable LWDA letters, including claims that could have been asserted based on the facts alleged in those documents through the date Plaintiff signed the Settlement Agreement. The release includes claims for unpaid minimum and overtime wages; failure to calculate wages, including paid sick leave, using the correct regular rate of pay; meal- and rest-period violations; wage-statement violations; failure to timely pay final wages; unreimbursed expenses; statutory and civil penalties; unfair competition; attorneys' fees and costs; and interest. (Settlement Agreement §§ 5, 5.2.)

After the Settlement becomes Final, all PAGA Members will release the Released Parties from all claims for PAGA civil penalties that arise out of or reasonably relate to the claims alleged in the Complaint, operative First Amended Complaint, or applicable LWDA letters, including PAGA claims that could have been asserted based on the facts alleged in those documents during the PAGA Period. Because the PAGA release binds all PAGA Members, they will receive their Individual PAGA Payments and be bound by the PAGA release regardless of whether they request exclusion from the class settlement. PAGA Members may not opt out of the PAGA portion of the Settlement. (Settlement Agreement §§ 5.3, 7.5.4.)

In consideration for the Class Representative Service Payment, Plaintiff's Individual Class Payment, Plaintiff's Individual PAGA Payment, and the other terms of the Settlement, Plaintiff separately agrees to release the Released Parties from all known and unknown claims arising on or before the date she signed the Settlement Agreement. Plaintiff expressly waives the protections of Civil Code section 1542. The release excludes claims for workers' compensation benefits, unemployment insurance benefits, and any other claims that cannot lawfully be released. (Settlement Agreement §§ 5.1, 5.3.)

IV. PROVISIONAL CERTIFICATION OF THE CLASS UNDER THE LESSER STANDARD OF SCRUTINY FOR SETTLEMENT-ONLY CERTIFICATION IS APPROPRIATE FOR PURPOSES OF SETTLEMENT

California Rule of Court 3.769(d) authorizes the Court to provisionally certify a settlement class for purposes of settlement. Because settlement-only certification eliminates concerns regarding trial manageability, courts apply a more relaxed standard when evaluating whether provisional certification is appropriate. (*Dunk v. Ford Motor Co*. (1996) 48 Cal.App.4th 1794, 1807, fn. 19.) Plaintiff therefore requests that the Court provisionally certify the Settlement Class pursuant to Code of Civil Procedure section 382.

A. NUMEROSITY AND ASCERTAINABILITY

Defendant's records identify approximately 226 non-exempt employees who fall within the Settlement Class. The Class is readily ascertainable from Defendant's payroll and employment records, and joinder of all members would be impracticable. Accordingly, the numerosity and ascertainability requirements are satisfied.

B. WELL-DEFINED COMMUNITY OF INTEREST

1. Commonality

Plaintiff alleges that Settlement Class Members were subject to common wage-and-hour policies and practices governing the calculation of the regular rate of pay, meal and rest periods, wage statements, reimbursement practices, and final wage payments. These common issues are sufficient to support provisional certification for settlement purposes.

2. Typicality

Plaintiff's claims arise from the same alleged wage-and-hour policies and practices affecting the Settlement Class and are therefore sufficiently typical for settlement purposes.

3. Adequacy of Representation

Adequacy requires that the class representative's interests are aligned with those of the class and that class counsel are qualified and experienced. *Barboza v. West Coast Digital GSM, Inc.* (2009) 179 Cal.App.4th 540, 546.

Plaintiff was employed by Defendant during the Class Period, was subject to the same challenged policies as other Class Members, understands her responsibilities as Class Representative, and has no conflicts of interest with the Settlement Class. Plaintiff is represented by Class Counsel with extensive experience litigating wage and hour class actions and PAGA representative actions. (Bokhour Decl. ¶¶ 2–5; Falakassa Decl. ¶¶ 2–11.) Adequacy is therefore satisfied.

4. *Superiority*

Settlement-only certification promotes judicial economy, avoids duplicative litigation, and provides meaningful relief to Settlement Class Members whose individual claims would likely be impractical to pursue separately.

V. THE COURT SHOULD PRELIMINARILY APPROVE THE SETTLEMENT, WHICH IS FAIR, ADEQUATE, AND REASONABLE

A. CLASS ACTION SETTLEMENTS ARE SUBJECT TO JUDICIAL REVIEW AND APPROVAL UNDER THE CALIFORNIA RULES OF COURT

California law strongly favors settlement, particularly in class actions. (*Bush v. Superior Court* (1992) 10 Cal.App.4th 1374, 1385.) Under Rule 3.769, the Court's role at the preliminary approval stage is simply to determine whether the proposed settlement falls within the range of possible approval, appears to be the product of serious, informed, and non-collusive negotiations, and warrants notice to the class. (*Dunk v. Ford Motor Co*. (1996) 48 Cal.App.4th 1794, 1801-1802.)

B. THE EXTENT OF THE INVESTIGATION WAS MORE THAN SUFFICIENT TO PERMIT PRELIMINARY APPROVAL OF THE SETTLEMENT

Plaintiff and Class Counsel conducted a thorough investigation into the factual and legal bases of the claims. The Parties exchanged informal discovery, including arbitration agreements, payroll records, policies and procedures, and workforce data. Class Counsel evaluated the strengths and weaknesses of the Action before recommending settlement. This level of investigation was more than sufficient to permit Class Counsel and the Court to evaluate the strengths and weaknesses of the claims and to support preliminary approval of the Settlement. (Bokhour Decl. ¶ 19.)

C. THE SETTLEMENT IS A REASONABLE COMPROMISE OF CLAIMS

1. Failure to Pay All Wages

First, Plaintiff alleged that Defendant failed to accurately record and pay non-exempt employees for all hours worked, including time spent under Defendant's control. Specifically, Plaintiff alleged that employees performed compensable pre-shift tasks off the clock that were not recorded or paid. (Bokhour Decl. ¶ 20.)

Defendant denied these allegations and maintained that it accurately recorded and paid employees for all hours worked. Defendant further disputed class certification, contending that determining whether any employee performed uncompensated work would require individualized inquiries into each employee's activities and circumstances. (Bokhour Decl. ¶ 21.)

Although Plaintiff believes this claim has merit, Plaintiff recognizes the substantial risks associated with establishing class-wide liability and damages. Defendant disputes that employees performed compensable work off the clock, and Plaintiff would be required to establish through common evidence that the alleged practice existed and resulted in unpaid work. Plaintiff also recognizes the risk that the Court could deny class certification, grant summary judgment, or otherwise substantially limit any recovery. (Bokhour Decl. ¶ 22)

In light of these risks and the relatively *de minimus* amount of uncompensated time allegedly incurred by each employee, Plaintiff discounted the wage value of this claim when evaluating the Settlement. Instead, Plaintiff separately considered the potential derivative wage-statement and waiting-time penalties arising from any failure to pay for all hours worked, while accounting for the additional factual and legal defenses applicable to those penalties. (Bokhour Decl. ¶ 23.)

2. Waiting Time Penalties

Further, Plaintiff alleged that Defendant failed to timely pay all wages due upon separation from employment, thereby entitling former employees to waiting-time penalties under Labor Code sections 201 through 203. Based on Defendant's records, approximately 90 Settlement Class Members were separated from employment during the applicable statutory period. Assuming the statutory maximum penalty of thirty (30) days, an 8-hour workday, and an average hourly rate of $20.50, Plaintiff estimated a maximum theoretical exposure of approximately $442,800 for waiting time penalties. (90 employees × 8 hours per day × $20.50 per hour × 30 days.) (Bokhour Decl. ¶ 24.)

Defendant disputed this claim and asserted that any alleged failure to pay wages in a timely manner at separation was not willful and therefore did not give rise to waiting time penalties. Defendant further contended that it maintained compliant payroll practices and that any waiting time penalty claim was derivative of underlying wage claims. Defendant contended that the claims lacked merit or were unsuitable for class treatment. (Bokhour Decl. ¶ 25.)

To account for these risks, including the risk of denial of class certification and the risk of an adverse ruling at summary judgment or trial, Plaintiff applied a combined 50% discount to the maximum theoretical exposure. Applying this discount, Plaintiff estimates a risk-adjusted value of approximately $221,400 for the waiting time penalties claim. (Bokhour Decl. ¶ 26.)

3. <u>Failure to Provide Meal and Rest Periods or Compensation in Lieu Thereof at the "Regular Rate of Pay"</u>

With respect to Plaintiff's meal and rest period claims, Settlement Class Members collectively worked approximately 75,000 shifts during the Class Period. Based on an expert analysis of Defendant's sampling of payroll and time data, Plaintiff applied an estimated 15% violation rate for meal periods and a 25% violation rate for rest periods. Using an applicable premium rate of $20.50 per missed break, Plaintiff estimated a maximum theoretical exposure of approximately $230,625 for the meal period claim (75,000 shifts × 15 percent × $20.50) and approximately $384,375 for the rest period claim (75,000 shifts × 25 percent × $20.50). (Bokhour Decl. ¶ 27.)

However, Defendant disputed liability on both claims and asserted that meal and rest-period compliance presented highly individualized issues that were inappropriate for class treatment. Defendant maintained that its written policies were facially compliant with California law, that employees were afforded flexibility to take breaks, and that compliance varied based on job duties, location, management practices, and individual employee choice. Defendant further argued that these individualized issues created a substantial risk that the Court would deny class certification. (Bokhour Decl. ¶ 28.)

In light of these risks, Plaintiff applied a 75% discount to the maximum theoretical exposure for these claims. Applying this discount, Plaintiff estimates a risk-adjusted value of approximately $57,656 for the meal period claims and approximately $96,093 for the rest period claims. (Bokhour Decl. ¶ 29.)

4. Failure to Provide Accurate Itemized Wage Statements

Moreover, Plaintiff further alleged that as a result of the above Labor Code violations, Defendant issued non-compliant itemized wage statements in violation of Labor Code section 226, based on the same alleged conduct underlying Plaintiff's claims for unpaid wages, meal and rest period premiums, and failure to include all required forms of compensation in the regular rate of pay. Based on Defendant's records, Plaintiff estimates that approximately 4,735 allegedly non-compliant wage statements were issued during the Class Period. (Bokhour Decl. ¶ 30.)

In calculating Defendant's maximum potential exposure, Plaintiff conservatively assumed that only the initial statutory penalty of fifty dollars per violation would apply, consistent with Labor Code section 226(e) and authority holding that higher penalties apply only after notice of a violation. (*Amaral v. Cintas Corp. No. 2* (2008) 163 Cal.App.4th 1157, 1207.) Using this conservative assumption, Plaintiff estimated a maximum theoretical exposure of approximately $236,750 (4,735 wage statements multiplied by $50). (Bokhour Decl. ¶ 31.)

Defendant disputed this claim and asserted that its wage statements fully complied with Labor Code section 226. Defendant further argued that, even if any technical deficiencies existed, they were not knowing and intentional and did not result in the injury required to recover penalties. Defendant also relied on its defenses to the underlying wage-and-hour claims and to class certification. (Bokhour Decl. ¶ 32.)

In light of these risks, including the risk of denial of class certification and an adverse ruling on the merits, Plaintiff applied an 80% discount to the maximum theoretical exposure. Applying this discount, Plaintiff estimates a risk-adjusted value of approximately $47,350 for the wage statement penalty claim. (Bokhour Decl. ¶ 33.)

5. PAGA Penalties

Plaintiff also sought civil penalties under the Private Attorneys General Act of 2004 ("PAGA") for alleged Labor Code violations for which PAGA penalties are available, and asserted that such penalties could be assessed on a cumulative basis. Assuming application of the default penalty of $100 per pay period under Labor Code section 2699(f)(2), and assuming no reduction or exercise of judicial discretion, Plaintiff estimated a maximum theoretical exposure of approximately $473,500, based on approximately 4,735 pay periods. (Bokhour Decl. ¶ 34.)

This theoretical maximum, however, does not account for significant legal and practical uncertainties. Courts are divided as to whether PAGA penalties may be stacked across multiple violations within a single pay period, particularly where the violations are derivative of one another. In addition, Labor Code section 2699(e)(2) grants courts broad discretion to reduce civil penalties where necessary to avoid awards that are unjust, arbitrary, oppressive, or confiscatory. Courts routinely exercise this discretion, particularly where an employer did not act willfully or where the legal obligations were unsettled. *See Cotter v. Lyft, Inc.* (2016) 193 F. Supp. 3d 1030, 1037. In addition, recent amendments to PAGA and the broad discretion afforded courts under Labor Code section 2699(e)(2) created significant uncertainty regarding the amount of recoverable penalties. (Bokhour Decl. ¶ 36.)

In light of these risks, the Parties agreed to allocate $10,000 of the Gross Settlement Amount to the resolution of the PAGA claim, which Plaintiff submits is fair, reasonable, and adequate under the circumstances. (Bokhour Decl. ¶ 37.)

In sum, when factoring in defenses and risks of ongoing litigation, Plaintiff estimates the risk-adjusted class recovery as follows:

- Failure to Pay All Wages: $0 (*discounted*)
- Labor Code §§ 201 – 203 Claims: $221,400
- Meal Period Claims: $57,656
- Rest Break Claims: $96,093

- Wage Statement Claims: $47,350
- PAGA Penalties $10,000
- **<u>Total Risk-Adjusted Penalties and Damages</u>**: $432,499

After accounting for the substantial litigation risks, including certification, liability, damages, derivative penalties, and PAGA reductions, Plaintiff estimated a risk-adjusted value of approximately $432,499. The $218,000 Gross Settlement Amount therefore represents approximately 50% of the estimated risk-adjusted value of the Action and provides immediate, meaningful relief while avoiding the delay, expense, and uncertainty of continued litigation. Under these circumstances, the Settlement falls well within the range of reasonableness and merits preliminary approval.

D. <u>CLASS COUNSEL IS EXPERIENCED IN SIMILAR WAGE-AND-HOUR LITIGATION</u>

Class Counsel have extensive experience litigating wage-and-hour class actions and PAGA representative actions and have obtained court approval of numerous class and PAGA settlements throughout California, have been repeatedly recognized as Super Lawyers in employment litigation, an honor awarded to only a small percentage of attorneys statewide, and have achieved substantial class-action settlements on behalf of California employees. (Bokhour Decl. ¶¶ 2–5; Falakassa Decl. ¶¶ 2–10.)

E. <u>THE CLASS NOTICE CONFORMS TO ALL APPLICABLE STATUTES AND RULES</u>

The proposed Class Notice fully and fairly informs Settlement Class Members of the nature of the Action, the material terms of the Settlement, and their rights and options under the Settlement Agreement and applicable law. The notice program is reasonably calculated to reach all or nearly all Settlement Class Members and therefore satisfies due process.

The content and dissemination of the Class Notice comply with California Rules of Court 3.766 and 3.769. The Class Notice describes the material settlement terms, the proposed attorneys' fees and costs and Settlement Administration Expenses, the Final Approval Hearing, and the procedures and deadlines for requesting exclusion or submitting an objection, and informs Class Members of their estimated Individual Class Payments.

The Class Notice will be mailed by the Settlement Administrator via first-class U.S.

Mail to the last known addresses of Settlement Class Members, using Defendant's records, with address updating and re-mailing procedures for undeliverable notices. This method constitutes meaningful notice with a reasonable likelihood of reaching a substantial percentage of the Class. (*Archibald v. Cinerama Hotels* (1976) 15 Cal.3d 853, 861.)

The 45-day response period provides Class Members with a reasonable opportunity to evaluate the Settlement, seek advice if desired, and elect whether to participate, object, or request exclusion. Settlement Class Members who do not request exclusion will be bound by the Settlement and will automatically receive settlement payments upon Final Approval.

F. THE NON-REVERSIONARY "CHECKS CASHED" DISTRIBUTION ENSURES MAXIMAL RECOVERY FOR CLASS MEMBERS

Under the Settlement, all Settlement Class Members who do not request exclusion will automatically receive an Individual Class Payment without submitting a claim form. This structure maximizes participation by ensuring that Participating Class Members receive payment without taking any affirmative action.

The Settlement is also non-reversionary, meaning that no portion of the Gross Settlement Amount will revert to Defendant. Settlement checks will remain negotiable for at least 180 days. If an Individual Class Payment or Individual PAGA Payment remains uncashed after the applicable check-cashing period, the Settlement Administrator will cancel the check and transmit the funds represented by that check to the California Controller's Unclaimed Property Fund in the name of the applicable Class Member. Accordingly, Defendant will receive no financial benefit from uncashed settlement checks, and each Class Member will retain the ability to claim their funds through the State's unclaimed-property process. (Settlement Agreement §§ 1.21, 3.1, 4.4.1, 4.4.3.)

G. THE ATTORNEYS' FEES ALLOCATION UNDER THE SETTLEMENT AGREEMENT IS FAIR

Under the terms of the Settlement Agreement, Class Counsel requests an amount not to exceed one-third of the Settlement Amount for attorneys' fees. (S*ee, e.g., Laffite v. Robert Half Int'l Inc.* (2016) 1 Cal.5th 480 (approving 1/3 fee in the amount of $6.33 million at a 2.13

lodestar multiplier, when class action litigation establishes a monetary fund for the benefit of the Class Members, the trial court may determine the amount of a reasonable fee by choosing an appropriate percentage of the fund created); *Singer v. Becton Dickinson and Co*. (S.D. Cal. June 1, 2010) No. 08-cv-1501-IEG (BLM), 2010 WL 2196104, at *8 (approving fee award of 33.33% of the common fund); *Romero v. Producers Dairy Foods, Inc.* (E.D. Cal. Nov. 14, 2007) No. 1:05cv0484 DLB, 2007 WL 3492841, at *4 (awarding fees of 1/3 of common fund in a wage and hour class action, noting: "[f]ee awards in class actions average around one-third of the recovery.")

Once the Court grants preliminary approval of the Settlement Agreement and the Class Notice is disseminated, Class Counsel will submit a request for attorneys' fees and costs with its final approval motion.

H. THE CLASS REPRESENTATIVE SERVICE PAYMENTS ARE FAIR AND APPROPRIATE

The Settlement Agreement provides for a Service Award to Plaintiff Olga Gonzalez in an amount not to exceed $10,000. The requested Service Award is reasonable in light of Plaintiff's substantial time, effort, and personal risk undertaken on behalf of the Class and PAGA Members.

Plaintiff actively assisted Class Counsel throughout the litigation, including by providing detailed factual information supporting the class and PAGA claims; producing documents; participating in strategy discussions; remaining available throughout the litigation to analyze claims and defenses;; and reviewing the Settlement documents. Plaintiff also assumed the risk associated with serving as Class Representative, including potential exposure to costs and workplace retaliation. (See Declaration of Plaintiff in Support of Plaintiff's Motion for Preliminary Approval of Class Action Settlement.)

The requested Service Award is within the range approved by courts in comparable cases. See, e.g., *Bond v. Ferguson Enterprises, Inc.* (E.D. Cal. 2011) No. 1:09 cv 1662 OWW MJS, 2011 WL 2648879 (approving $11,250 service award); *Ross v. U.S. Bank National Association* (N.D. Cal. 2010) No. C 07 02951 SI, 2010 WL 3833922, at *2 (approving $20,000 service award); *Vasquez v. Coast Valley Roofing, Inc.* (E.D. Cal. 2010) 266 F.R.D. 415, 493 (approving $15,000 service awards).

Accordingly, the requested Service Award is fair, reasonable, and appropriate under the circumstances.

VI. THE COURT SHOULD APPOINT ILYM GROUP, INC. AS THE SETTLEMENT ADMINISTRATOR

Subject to Court approval, the Parties have stipulated that ILYM Group, Inc. ("ILYM Group") be appointed as the Settlement Administrator. ILYM Group will, among other things, receive and process the Class Data, update addresses through the National Change of Address database, disseminate the Class Notice, perform skip tracing as necessary, calculate Individual Class Payments and Individual PAGA Payments, establish and administer the Qualified Settlement Fund, issue settlement payments, remit the LWDA's share of the PAGA allocation, and prepare all required tax reporting forms. The Parties estimate that the costs of settlement administration will not exceed $5,000, subject to Court approval.

VII. TIMELINE AND SCHEDULING A FINAL APPROVAL HEARING

The final step in the approval process is a hearing at which the Court considers the terms of the Settlement and hears any timely objections and arguments from the Parties in support of final approval.

VIII. CONCLUSION

For all of the foregoing reasons, Plaintiff respectfully requests that the Court grant her Motion for Preliminary Approval of Class Action Settlement.

Dated: July 22, 2026

BOKHOUR LAW GROUP, P.C.
FALAKASSA LAW, P.C.

BY: ______________________________

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