

Thiago M. Coelho (SBN 324715)
thiago.coelho@wilshirelawfirm.com
Chumahan Bowen (SBN 268136)
chumahan.bowen@wilshirelawfirm.com
Jesse S. Chen (SBN 336294)
jesse.chen@wilshirelawfirm.com
Karen L. Wallace (SBN 272309)
karen.wallace@wilshirelawfirm.com
WILSHIRE LAW FIRM, PLC
660 S. Figueroa Street, Sky Lobby
Los Angeles, California 90017
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

Attorneys for Plaintiff

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO**

MARIA TREJO, individually, and on behalf of
all others similarly situated,

Plaintiff,

v.

CHOICE HEALTH SYSTEMS, INC., an entity;
and DOES 1 through 10, inclusive,

Defendants.

Case No.: 24CU019700C

*[Assigned for all purposes to the Hon. Euketa
Oliver, Dept. C-75]*

**PLAINTIFF'S NOTICE OF MOTION
AND MOTION FOR PRELIMINARY
APPROVAL OF CLASS ACTION AND
PAGA SETTLEMENT; MEMORANDUM
OF POINTS AND AUTHORITIES**

Preliminary Approval Hearing:

Date: April 9, 2027

Time: 10:00 a.m.

Dept.: C-75

Complaint filed: October 28, 2024

FAC filed: April 13, 2026

Trial date: None set

1 **TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:**

2 **PLEASE TAKE NOTICE** that on April 9, 2027, at 10:00 a.m., or as soon thereafter as
3 the matter may be heard in Department C-75 of the Superior Court of California, County of San
4 Diego, located at 330 W Broadway, San Diego, CA 92101, Plaintiff Maria Trejo (“Plaintiff”)
5 will and hereby does move this Court for an Order:

- 6 1. Granting preliminary approval of the proposed Class Action and PAGA Settlement
7 Agreement (“Agreement”);
8 2. Conditionally certifying the proposed Class for settlement purposes only;
9 3. Appointing Plaintiff as the Class Representative;
10 4. Appointing Wilshire Law Firm, PLC as Class Counsel;
11 5. Appointing Phoenix Settlement Administrators as the Administrator; and
12 6. Setting a final approval hearing date.

13 Pursuant to Code of Civil Procedure § 382 and California Rules of Court 3.769, *et seq.*,
14 this Motion is made on the grounds that the proposed Settlement satisfies all criteria for
15 preliminary approval and falls well within the range of reasonableness. The Settlement was
16 reached through informed, arm’s length bargaining between experienced attorneys with the
17 assistance of an experienced neutral, and Plaintiff and Plaintiff’s Counsel will fairly and
adequately represent the Class.

18 This Motion is based on this Notice of Motion, the accompanying Memorandum of
19 Points and Authorities (“MPA”), the Declarations of Thiago M. Coelho and Maria Trejo, and all
20 records and documents on file, together with such oral and documentary evidence that may be
21 presented at the hearing on this matter.

22 Respectfully submitted,

23 Dated: September 29, 2026

WILSHIRE LAW FIRM, PLC

24 By: _____

25 
26 Thiago M. Coelho
27 Chumahan Bowen
28 Jesse S. Chen
Karen L. Wallace

Attorneys for Plaintiff

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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Pursuant to Code of Civil Procedure § 382 and California Rules of Court 3.769, *et seq.*, Plaintiff seeks preliminary approval of the proposed Settlement between Plaintiff and Defendant Care Choice Health Systems, Inc.¹ (“Defendant”) that resolves all pending class claims and the representative claim for civil penalties pursuant to the Private Attorneys General Act (“PAGA”), Lab. Code § 2698, *et seq.* Pursuant to the proposed Class Action and PAGA Settlement Agreement (“Agreement”), the proposed Class consists of all hourly-paid, non-exempt employees who worked for Defendants in California during the period from October 28, 2020, through June 13, 2026, (“Class Members”). Declaration of Thiago Coelho (“Coelho Decl.”) ¶ 5, Ex. 2.

Under this non-reversionary Settlement, Defendant will fund a Gross Settlement Amount (“GSA”) of \$318,800.00, from which the following deductions will be made:

1. Class Counsel Fees up to \$106,266.67 (one-third (1/3) of the GSA);
2. Class Counsel Litigation Expenses up to \$19,000.00 for reasonable litigation costs incurred;
3. An Enhancement Award up to \$10,000.00 to Plaintiff for her service;
4. Administration Costs up to \$12,500.00; and
5. PAGA Penalties of \$20,000.00, allocated 65% (\$13,000.00) to the Labor and Workforce Development Agency (“LWDA”) and 35% (\$7,000.00) to Aggrieved Employees, *infra*.

The amount remaining after these deductions (the “Net Settlement Amount”), approximately \$151,033.33, will be distributed to approximately 964 Class Members on a pro rata basis as Individual Class Payments, *infra. Id.* ¶¶ 8-11, 18.

The Settlement meets all criteria for preliminary approval and falls within the range of reasonableness given the risks and expenses of further litigation and was reached through adversarial, arm’s length negotiations between experienced attorneys with the assistance of an

¹ The initial complaint identified the defendant, in error, as Choice Health Systems, Inc.

experienced, well-respected neutral. *Id.* ¶ 5. Accordingly, Plaintiff requests that the Court grant preliminary approval of the Settlement, conditionally certify the Class for settlement purposes, appoint Plaintiff as the Class Representative, appoint Plaintiff’s counsel as Class Counsel, appoint Phoenix Settlement Administrators (“Phoenix”) as the Administrator, authorize the Administrator to mail notice of the Settlement to Class Members, and set a final approval hearing date.

II. PROCEDURAL HISTORY

On October 28, 2024, Plaintiff initiated a putative class action against Defendant Care Choice Health Systems, Inc. (“Defendant”). The complaint, which identified, in error, Choice Health Systems, Inc. as the defendant, alleges the following causes of action: 1) failure to pay minimum and straight time wages; 2) failure to pay overtime wages; 3) failure to provide meal periods; 4) failure to authorize and permit rest periods; 5) failure to timely pay final wages at termination; 6) failure to provide accurate itemized wage statements; 7) failure to indemnify employees for expenditures; and 8) unfair business practices under the Unfair Competition Law (“UCL”), Bus. & Prof. Code § 17200, *et seq.* (the “Action”). Coelho Decl. ¶ 3.

On January 8, 2026, Plaintiff provided written notice to Defendant and the LWDA of the Labor Code violations alleged and the facts and theories in support (“PAGA Notice”). *Id.* ¶ 4, Ex. 1. The LWDA did not notify Plaintiff that it intended to investigate within the statutory waiting period, and, on April 13, 2026, Plaintiff filed a First Amended Complaint (“FAC” or “Operative Complaint”) to add a PAGA cause of action seeking civil penalties for the Labor Code violations alleged in the PAGA Notice. *Id.*

On November 4, 2025, the Parties participated in a private mediation with Gig Kyriacou, Esq. (the “Mediator”), which led to the Settlement and the Agreement. *Id.* ¶ 5, Ex. 2. The negotiations were adversarial and conducted at arm’s length, with both Parties prepared to continue litigating if the mediation had been unsuccessful. *Id.* ¶ 6.

On September 25, 2026, Plaintiff submitted a copy of the Agreement to the LWDA. *Id.* ¶ 7, Ex. 3.

III. SUMMARY OF SETTLEMENT TERMS

The Parties have agreed to settle the claims alleged in this case for a Gross Settlement

Amount of \$318,800.00, and Defendant will pay employer payroll taxes owed on the wage portions of the Individual Class Payments separate from the GSA. Coelho Decl. ¶¶ 8, 9. Subject to Court approval, Defendant shall fund a Gross Settlement of \$318,800.00, from which the following payments will be deducted: 1) Class Counsel Fees up to \$106,266.67 (one-third (1/3) of the GSA); Class Counsel Litigation Expenses up to \$19,000.00 to reimburse reasonable litigation costs incurred; 3) an Enhancement Award up to \$10,000.00 to Plaintiff for her service; 4) Administration Costs up to \$12,500.00 to Phoenix, the proposed Administrator; and (5) PAGA Penalties of \$20,000.00, allocated 65% (\$13,000.00) to the LWDA and 35% (\$7,000.00) to Aggrieved Employees. After all the requested payments are deducted, the remainder of \$151,033.33 (the “Net Settlement Amount”) shall be distributed to Participating Class Members on a pro rata basis as Individual Class Payments. *Id.* ¶¶ 10, 11.

Individual Class Payments will be calculated based on the number of Workweeks worked by each Class Member during the Class Period and allocated 20% to wages and 80% to interest and penalties for tax purposes. *Id.* ¶ 12.

The 35% share of PAGA Penalties (\$7,000) allocated to Aggrieved Employees will be distributed pro rata as Individual PAGA Payments calculated based on the number of Pay Periods worked by each Aggrieved Employee during the PAGA Period. For tax purposes, the individual PAGA payments will be considered 100% penalties. *Id.* ¶ 13.

Any payment, or the remainder of any payment, not approved by the Court will be retained by the Administrator in the Net Settlement Amount for distribution to Participating Class Members, and funds represented by any checks uncashed and cancelled after the void date will be transmitted by the Administrator to the California Controller’s Unclaimed Property Fund in the name of the Class Member. None of the GSA will revert to Defendant. *Id.* ¶¶ 14, 15.

A. Definitions

“Class Members” means all current and former hourly, non-exempt employees who were employed by Defendant, either directly or through any predecessor, successor, assign, subsidiary, staffing agency, or professional employer organization, in California during the Class Period, from October 28, 2020, through June 13, 2026. Defendant represents the Class consists of approximately

964 Class Members. *Id.* ¶¶ 16-18.

“Participating Class Member” means a Class Member who does not submit a timely Request for Exclusion from the class action portion of the Settlement. *Id.* ¶ 19.

“Aggrieved Employees” means all Class Members employed by Defendant in California during the PAGA Period from January 21, 2025, through June 13, 2026. *Id.* ¶¶ 20, 21.

“Effective Date” means the date by which the Court’s Judgment is final, which is the date the Judgment is entered if no Participating Class Member objects to the Settlement. *Id.* ¶ 22.

“Released Parties” means Defendant and Defendant’s officers, directors, employees, and agents. *Id.* ¶ 23.

B. Releases

Effective on the date when Defendant fully funds the GSA and all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff, Class Members, and Class Counsel will release claims against the Released Parties. *Id.* ¶ 24.

1. Plaintiff’s Release

Plaintiff discharges Released Parties from all claims, transactions, or occurrences, that occurred during the Class Period, including all claims that were, or reasonably could have been, alleged, based on the facts contained in the Action; and claims under the Fair Employment and Housing Act, Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, the California Labor Code, and all equivalent claims under federal law (“Plaintiff’s Release”). Plaintiff also expressly waives all rights under Civil Code section 1542. *Id.* ¶ 25.

2. Participating Class Members’ Release

All Participating Class Members will waive and release all claims arising during the Class Period that were asserted, or that could have been asserted, against the Released Parties based on the factual allegations in the Operative Complaint (“Released Class Claims”). *Id.* ¶ 26.

3. Aggrieved Employees’ Release

Aggrieved Employees, including Non-Participating Class Members who are Aggrieved Employees, are deemed to release all claims for PAGA civil penalties arising during the PAGA Period that were alleged, or that could have been alleged, against the Released Parties based on the

facts asserted in the PAGA Notice and the Operative Complaint (“Released PAGA Claims”). *Id.* ¶ 27.

C. Settlement Administration

The Parties’ proposed Notice of Action and PAGA Settlement (“Class Notice”) complies with the requirements of California Rules of Court, Rule 3.766(d). Coelho Decl. ¶ 5, Ex. 2, Ex. A. The Class Notice provides information regarding the nature of this lawsuit, a summary of the settlement terms, the formula for calculating Individual Class and PAGA Payments, instructions how to opt out of or object to the Settlement and how to dispute the calculations, the amounts sought for the Enhancement Award, Class Counsel Fees and Costs, and Administration Costs, and the date, time, and location of the final approval hearing. *Id.* ¶ 28. The Class Notice will be mailed in English and in Spanish by first-class mail and notifies Class Members that they do not need to submit a claim in order to participate in the Settlement and receive a payment. *Id.* ¶¶ 29, 30.

Within seven (7) days of receipt, Class Notices returned to the Administrator as undeliverable will be re-mailed to the USPS forwarding address provided or to an address ascertained through a National Change of Address search. *Id.* ¶ 31. The 60-day deadline to opt-out of the Settlement or to submit an objection or workweek dispute will be extended by fourteen (14) days for all Class Members whose Class Notice was remailed. *Id.* ¶ 32.

IV. THE SETTLEMENT SHOULD BE PRELIMINARILY APPROVED

A. Conditional Class Certification is Appropriate

“The party advocating class treatment must demonstrate the existence of an ascertainable and sufficiently numerous class, a well-defined community of interest, and substantial benefits from certification that render proceeding as a class superior to the alternatives.” *Brinker Rest. Corp. v. Superior Ct.* (2012) 53 Cal. 4th 1004, 1021 (citations omitted). A lesser standard is used for settlement certification, although courts still need to review and consider the relevant factors. *Glob. Mins. & Metals Corp. v. Superior Ct.* (2003) 113 Cal. App. 4th 836, 859 (“[N]o trial is anticipated in a settlement class case, so the case management issues inherent in the ascertainable class determination need not be confronted.”) (citations omitted).

///

1 1. The Proposed Class is Numerous and Ascertainable

2 “An ascertainable class is one defined in objective terms that make the eventual
3 identification of class members possible.” *Noel v. Thrifty Payless, Inc.* (2019) 7 Cal. 5th 955, 980.
4 In addition, “a class must be numerous in size such that it is impracticable to bring them all before
5 the court,” but there is no minimum requirement. *Hendershot v. Ready to Roll Transportation, Inc.*
6 (2014) 228 Cal. App. 4th 1213, 1222 (internal quotations and citations omitted).

7 Here, the Class consists of approximately 964 members identified by Defendant from its
8 business records based on the Parties’ definition. Coelho Decl. ¶¶ 16-18. As Class Members are
9 readily ascertainable and joinder would be impracticable, these requirements are met.

10 2. A Well-Defined Community of Interest Exists

11 “[T]he community of interest requirement embodies three factors: (1) predominant
12 common questions of law or fact; (2) class representatives with claims or defenses typical of the
13 class; and (3) class representatives who can adequately represent the class.” *Ayala v. Antelope*
14 *Valley Newspapers, Inc.* (2014) 59 Cal. 4th 522, 530 (internal quotations and citations omitted).

15 a. Common Questions Predominate

16 In determining whether common issues “predominate,” courts consider both plaintiff’s
17 legal theories and defendant’s affirmative defenses. *Duran v. U.S. Bank Nat’l Ass’n* (2014) 59
18 Cal.4th 1, 28-29. “Generally, if the defendant’s liability can be determined by facts common to all
19 members of the class, a class will be certified even if the members must individually prove their
20 damages.” *Cortina v. N. Am. Title Co.* (2026) 120 Cal. App. 5th 1030, 1075, *reh’g denied* (June
21 23, 2026), *review denied* (Sept. 2, 2026) (internal quotations and citation omitted). Moreover,
22 predominance does not require that all class members have identical claims; the focus is on whether
23 issues shared by the class members are sufficiently uniform to permit class-wide assessment.
24 *Ayala*, 59 Cal.4th at 530.

25 Plaintiff has alleged that Defendant maintained uniform employment policies and practices
26 that unlawfully deprived Class Members of wages, meal periods, rest periods, reimbursement of
27 business expenses, accurate wage statements, and timely payment of wages both during and on
28 separation of employment. Coelho Decl. ¶ 35. These allegations present common factual and legal

1 questions regarding, *inter alia*, whether Defendant applied the same policies, including for
2 scheduling, timekeeping, compensation, meal periods, rest periods, and reimbursement, to all Class
3 Members, whether these policies and practices resulted in Labor Code violations, whether
4 Defendant's conduct was intentional, and whether Class Members are entitled to relief. Relevant
5 common questions could be resolved using Class Members' common proof, including Class
6 Members' time and payroll records, Defendant's written policies, and testimony from Defendant
7 and Class Members. *Id.* Accordingly, conditional class certification is appropriate for purposes of
8 settlement.

9 b. *Plaintiff is Typical of the Class*

10 “The test of typicality ‘is whether other members have the same or similar injury [as the
11 named plaintiffs], whether the action is based on conduct which is not unique to the named
12 plaintiffs, and whether other class members have been injured by the same course of conduct.’”
13 *Martinez v. Joe's Crab Shack Holdings* (2014) 231 Cal. App. 4th 362, 375, *as modified on denial*
14 *of reh'g* (Dec. 3, 2014) (quoting *Seastrom v. Neways, Inc.* (2007) 149 Cal.App.4th 1496, 1502)

15 Plaintiff alleged that she and Class Members were employed in California by the same
16 Defendant and suffered the same injuries from Defendant's uniform wage and hour policies and
17 practices, including with respect to compensation, scheduling, timekeeping, meal periods, rest
18 periods, and reimbursement. Through informal discovery, Plaintiff confirmed that these challenged
19 policies and practices applied to Plaintiff and Class Members alike. Coelho Decl. ¶¶ 35, 37-44.
20 Accordingly, Plaintiff's claims are aligned with Class Members' claims and arise from the same
21 challenged employment policies and practices, based on the same legal theories.

22 c. *Plaintiff and Class Counsel Will Adequately Represent the Class*

23 Certification requires that both the named plaintiff and his or her counsel are adequate to
24 represent the proposed class. Code Civ. Proc. § 382. However, “[o]nly a conflict that goes to the
25 very subject matter of the litigation will defeat a party's claim of representative status.” *Richmond*
26 *v. Dart Industries* (1981) 29 Cal.3d 462, 470. In other words, only conflicts that are
27 “irreconcilable” can defeat adequacy. *Nat'l Solar Equip. Owners' Ass'n v. Grumman Corp.* (1991)
28 235 Cal.App.3d 1273, 1286.

1 Plaintiff, the proposed representative, and proposed Class Counsel have no such conflict.
2 Declaration of Maria Trejo in Support of Plaintiff’s MPA (“Trejo Decl.”) ¶ 6; Coelho Decl. ¶¶ 57,
3 58. For example, Plaintiff has demonstrated an ability to advocate for the interests of Class
4 Members over her own by initiating this lawsuit, communicating with Class Counsel regarding the
5 claims, being available to answer questions, including the day of mediation, and reviewing the
6 proposed Settlement and other relevant documents. *Id.* ¶¶ 6-19.

7 Class Counsel, who have demonstrable experience and success with complex litigation like
8 the instant Action, have also expended considerable time and effort on this case and will continue
9 to do so through final approval. Coelho Decl. ¶¶ 5, 37-44. Accordingly, Plaintiff is adequate to
10 serve as Class Representative, and Class Counsel should be appointed as such.

11 “Public policy has long favored the ‘full and prompt payment of wages due an employee.’”
12 *Sav-On Drug Stores, Inc. v. Superior Court* (2004) 34 Cal.4th 319, 340. Even so, class treatment
13 must be “superior to the other available methods for the fair and efficient adjudication of the
14 controversy.” *Dean Witter Reynolds, Inc. v. Superior Court* (1989) 211 Cal.App.3d 758, 773.
15 Accordingly, section 382 of the Code of Civil Procedure provides in pertinent part: “[W]hen the
16 question is one of a common or general interest, of many persons, or when the parties are numerous,
17 and it is impracticable to bring them all before the court, one or more may sue or defend for the
18 benefit of all.” *Id.* at 773, fn. 5.

19 Here, a class action is superior to a multitude of individual lawsuits. Given the size and
20 amounts of their respective potential claims, each Class Member has little incentive to litigate on
21 an individual basis because the out-of-pocket expenses and personal commitment necessary to
22 litigate each claim likely exceed any potential recovery. Coelho Decl. ¶ 34; *see, e.g., Sav-On Drug*
23 *Stores*, 34 Cal.4th at 340 (“[T]he class suit both eliminates the possibility of repetitious litigation
24 and provides small claimants with a method of obtaining redress for claims which would otherwise
25 be too small to warrant individual litigation.”) (citation omitted). A class action is thus superior to
26 other methods for the efficient adjudication of the claims at issue.

27 **B. The Settlement Meets the Standards for Preliminary Approval**

28 The moving party must demonstrate that “the settlement is fair, adequate and reasonable.”

1 *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 126. In making that determination,
2 “the trial court should consider relevant factors, such as ‘the strength of plaintiffs’ case, the risk,
3 expense, complexity and likely duration of further litigation, the risk of maintaining class action
4 status through trial, the amount offered in settlement, the extent of discovery completed and the
5 stage of the proceedings, the experience and views of counsel, the presence of a governmental
6 participant, and the reaction of the class members to the proposed settlement.’” *Wershba v. Apple*
7 *Computer, Inc.* (2001) 91 Cal. App. 4th 224, 244–45, *disapproved of by Hernandez v. Restoration*
8 *Hardware, Inc.* (2018) 4 Cal. 5th 260 (quoting *Dunk v. Ford Motor Co.* (1996) 48 Cal. App. 4th
9 1794, 1801, *as modified* (Sept. 30, 1996)).

10 1. The Settlement is Entitled to a Presumption of Fairness

11 A settlement is entitled to a presumption of fairness “where: (1) the settlement is reached
12 through arm’s length bargaining; (2) investigation and discovery are sufficient to allow counsel
13 and the court to act intelligently; (3) counsel is experienced in similar litigation; and (4) the
14 percentage of objectors is small.” *Dunk*, 48 Cal.App.4th at 1801. The Settlement here satisfies the
15 first three factors. Plaintiff will analyze the fourth factor at final approval after Class Members
16 have been notified of the Settlement and provided with an opportunity to object.

17 a. *The Settlement is the Result of Arm’s Length Negotiation*

18 Courts have recognized that the involvement of a respected mediator provides a high degree
19 of assurance that the settlement is the result of arm’s length bargaining. *See Chavez v. Netflix, Inc.*
20 (2008) 162 Cal.App.4th 43, 52-53. This Settlement is the product of a full-day mediation with the
21 Mediator, and negotiations were adversarial, conducted at arm’s length, and tempered by the
22 efforts of both sides to serve the interests of their clients. Coelho Decl. ¶ 5.

23 b. *Sufficient Investigation and Discovery Have Been Conducted*

24 In advance of the mediation, Class Counsel thoroughly investigated the claims and defenses
25 at issue and all applicable law. Coelho Decl. ¶ 33. Class Counsel assessed the potential value of
26 the claims alleged using the data and documents that Defendants produced in informal discovery,
27 including Plaintiff’s personnel file, Class data, a 25% random sampling of Class Members’ time
28 and payroll records, and Defendant’s written policies in effect during the Class Period. *Id.*

1 c. *Class Counsel is Experienced*

2 Plaintiff is represented by Wilshire Law Firm, PLC. Coelho Decl. ¶ 48. Class Counsel have
3 extensive experience litigating wage and hour class actions on behalf of employees and have been
4 involved as counsel in numerous class actions that have resulted in millions of dollars in recovery.
5 *Id.* ¶¶ 49-56.

6 2. The Settlement is Reasonable Given the Risks of Further Litigation

7 A settlement does not have to provide 100% of the damages sought to be considered fair
8 and reasonable. *See Rebney v. Wells Fargo Bank* (1991) 220 Cal.App.3d 1117, 1139. Although the
9 exposure Class Counsel calculated is substantial, the risks of failing to certify a class,
10 decertification, or failing to prevail at trial affected the valuation of the claims for purposes of
11 settlement. Coelho Decl. ¶ 36.

12 Minimum and Overtime Wages: Plaintiff alleged that Defendant required Class Members
13 to perform work while off the clock, which time was necessarily not compensated. Coelho Decl.
14 ¶ 37. For example, Plaintiff alleged that she and other Class Members were required to continue
15 working after they had clocked out for meal breaks or during rest breaks. Class Counsel assumed
16 that 20% of unpaid work should have been paid at the overtime rate of pay and that Class
17 Members worked one (1) hour of unpaid time per workweek. Defendant's potential maximum
18 exposure for this claim is approximately \$705,217.48 (((31,880 workweeks x .8) x \$20.11
19 average hourly rate of pay x 1 hour/workweek) + ((31,880 x .2) x (\$20.11 x 1.5 overtime rate))).
20 Because this claim would have relied heavily on Class Member testimony and would not be
21 evidenced in Defendant's time and payroll records, Class Counsel discounted this figure based
22 on a 40% chance of certifying a class and a 40% chance of prevailing at trial on the merits.
23 Defendant's estimated realistic exposure is thus \$112,834.80 (\$705,217.48 x .4 x .4). *Id.*

24 Meal Periods: Plaintiff alleged that Defendant failed to provide Class Members with all
25 legally compliant meal periods to which they were entitled or pay meal period premiums in lieu
26 thereof. Coelho Decl. ¶ 38. For example, Plaintiff alleged that she and other Class Members were
27 required to continue working after they had clocked out for meal breaks. Class Counsel's
28 consultant found a 93.8% meal period violation rate from Class Members' time and payroll records,

1 where meal periods were short, late, or missed. Defendant's estimated maximum exposure for this
2 claim is \$621,447.47 (32,945 shifts over 5 hours x \$20.11 average hourly rate x 93.8% violation
3 rate). Taking into account the difficulty of certifying and proving meal period claims, as well as
4 Defendant's contentions that the claim lacks merit and that a 93.8% violation rate is unrealistic,
5 Class Counsel discounted this figure based on a 50% chance of certifying a class and a 40% chance
6 of prevailing at trial. Defendant's estimated realistic exposure is thus \$124,289.49 ($\$621,447.47 \times$
7 $.5 \times .4$). *Id.*

8 Rest Periods: Plaintiff alleged that Defendant failed to provide Class Members with all
9 legally compliant rest periods to which they were entitled or pay rest period premiums in lieu
10 thereof. Coelho Decl. ¶ 39. For example, Plaintiff alleged that she and other Class Members were
11 required to continue working during rest breaks. Class Counsel assumed a 100% violation rate for
12 all qualifying shifts during the Class Period, and Defendant's estimated maximum exposure for
13 this claim is \$1,505,193.28 (74,848 shifts of 3.5 hours or longer x \$20.11 average hourly rate x
14 100% violation rate). However, to account for the difficulty of certifying and proving rest period
15 claims, particularly because rest periods are not recorded, Class Members may elect to forego rest
16 periods, and this claim would have relied exclusively on Class Member testimony, Class Counsel
17 discounted this figure based on a 30% chance of certifying a class and a 20% chance of prevailing
18 at trial. Defendant's estimated realistic exposure is thus \$90,311.60 ($\$1,505,193.28 \times .3 \times .2$). *Id.*

19 Reimbursements: Plaintiff alleged that Defendant failed to indemnify Class Members for
20 expenses necessarily incurred in the performance of their duties, such as using personal cell phones
21 for work. Coelho Decl. ¶ 40. Class Counsel estimated unreimbursed expenses of \$12.50 per
22 workweek per Class Member, for a total of approximately \$398,500.00 ($\$12.50 \times 31,880$
23 workweeks). However, Defendant argued that these expenses were not required by Defendant, and
24 that it could not have known that these expenses were being incurred. Accordingly, Plaintiff's
25 Counsel discounted this claim based on a 30% chance of succeeding at class certification and a
26 30% chance of succeeding at trial, yielding a realistic damage estimate of approximately \$35,865
27 ($\$398,500 \times .3 \times .3$). *Id.*

28 In sum, Class Counsel estimated that Defendant's maximum potential exposure for the off-

1 the-clock work, meal period violations, and rest period violations (i.e., the “Wage Claims”) is
2 approximately \$2,831,858.23. However, considering the risk and uncertainty of certifying a class
3 and prevailing at trial, Class Counsel estimates that Defendant’s estimated realistic exposure for
4 the Wage Claims is approximately \$327,435.90. *Id.* ¶ 41.

5 Derivative Penalties: Plaintiff alleged that Defendant owed waiting time penalties and wage
6 statement penalties as a result of the failure to pay all wages. Coelho Decl. ¶ 42. Class Counsel
7 estimated that Defendant’s realistic exposure for these statutory penalties is \$129,981.26. Based
8 on approximately 502 formerly employed Class Members during the 3-year limitations period and
9 an average 5.2-hour shift, Defendant’s estimated maximum exposure for waiting time penalties is
10 \$1,574,854.32 (502 employees x \$20.11 average hourly rate x 5.2 hours/day x 30 days). Based on
11 approximately 728 Class Members who worked approximately 6,279 pay periods during the 1-
12 year limitations period, Defendant’s estimated maximum exposure for inaccurate wage statements
13 is \$591,500 (\$36,400 [728 employees x 1 initial violation/employee x \$50 per violation] +
14 \$555,100 [(6,279 pay periods - 728 initial violations) x \$100 per subsequent violation]). Given
15 Defendant’s defenses, the contested nature of Plaintiff’s claims, the challenges of establishing
16 willfulness as applicable, and the discretionary nature of penalties, Class Counsel believe that it
17 would be unrealistic to expect the Court to award the full \$2,166,354.32 for statutory penalties. *Id.*
18 Accordingly, these figures were discounted to account for the risk and uncertainty of certifying a
19 class (20%) and prevailing at trial (30%), resulting in an estimated realistic exposure of \$94,491.26
20 for waiting time penalties (\$1,574,854.32 x .3 x .2), and \$35,490 for wage statement penalties
21 (\$591,500 x .3 x .2), or approximately \$129,981.26 for statutory penalties. *Id.*

22 PAGA: Assuming the default \$100 penalty would apply to each of 6,279 pay periods in the
23 PAGA Period, Defendant’s maximum potential exposure is \$627,900. Coelho Decl. ¶ 43. However,
24 even assuming success on the merits of each claim, the Court has discretion to reduce penalties,
25 including where to do otherwise would result in an award that is unjust, arbitrary and oppressive,
26 or confiscatory. Accordingly, Class Counsel discounted this figure to account for the risk and
27 uncertainty of prevailing at trial (10%), and Defendant’s estimated realistic exposure is \$62,790.00
28 (\$627,900 x .1). The settlement allocates \$20,000.00 from the GSA to PAGA, which represents

1 6% of the GSA and approximately 32% of Defendant’s realistic exposure for PAGA penalties
2 (\$20,000 / \$62,790). *Id.*

3 Using these estimated figures, Defendant’s estimated realistic exposure for all claims,
4 including penalties, would be approximately \$556,072.16, which represents approximately 57% of
5 the GSA (\$318,800.00 / \$556,072.16). Considering the risk and uncertainty of prevailing at class
6 certification and at trial, this is an excellent result for the Class. Indeed, because of the proposed
7 Settlement, Class Members will receive timely, guaranteed relief and will avoid the risk of an
8 unfavorable judgment. *Id.* ¶ 44.

9 As provided in the Agreement, the Net Settlement Amount available for distribution to
10 Participating Class Members is currently \$151,033.33. Defendant’s updated estimates based on
11 current records show approximately 964 Class Members and 33,953 total workweeks.
12 Accordingly, the Workweek value would be approximately \$4.74 (\$151,033.33 / 33,953), and the
13 average Individual Class Payments to each Participating Class Member approximately \$156.67
14 (\$151,033.33 / 964 class members). *Id.* ¶ 45.

15 **C. The PAGA Allocation is Reasonable**

16 Where settlements negotiate a good faith amount for PAGA penalties, and there is no
17 indication that this amount was the result of self-interest at the expense of other class members,
18 such amounts are generally considered reasonable. *Moniz v. Adecco USA, Inc.* (2021) 72 Cal. App.
19 5th 56, 89, *disapproved of on other grounds by Turrieta v. Lyft, Inc.* (2024) 16 Cal. 5th 664 (“[A]
20 trial court thus must scrutinize whether, in resolving the action, a PAGA plaintiff has adequately
21 represented the state's interests, and hence the public interest.”). Courts have approved PAGA
22 penalties in the range of zero to two percent of the total maximum amount of the Settlement. *See*
23 *Jack v. Hartford Fire Ins. Co.* (S.D. Cal. Oct. 13, 2011) 2011 WL 4899942 at *6 (approving a
24 PAGA payment of 0.25%); *McKenzie v. Fed. Express Corp.* (C.D. Cal. Jan. 23, 2012) 2012 WL
25 12882124 at *5 (acknowledging that courts approve PAGA claim settlements in the range of zero
26 to two percent of the total settlement).

27 Here, the Parties negotiated PAGA Penalties in the amount of \$20,000, allocated pursuant
28 to statute, 35% to Aggrieved Employees (\$7,000.00) and 65% to the LWDA (\$13,000.00) to settle

all PAGA claims. Coelho Decl. ¶ 10. The amount is higher than many other agreements approved by the courts where seemingly nominal amounts were allocated to settle PAGA claims. *See, e.g., Zubia v. Shamrock Foods Co.* (C.D. Cal. Dec. 21, 2017) No. CV1603128ABAGRX, 2017 WL 10541431, at *14 (approving a PAGA settlement of 0.1%); *Hopson v. Hanesbrands Inc.*, No. CV-08-0844 EDL, 2008 WL 3385452, at *1 (N.D. Cal. Aug. 8, 2008) (approving a PAGA settlement of 0.3% or \$1,500); *Garcia v. Gordon Trucking, Inc.* (E.D. Cal. Oct. 31, 2012) No. 1:10-CV-0324 AWI SKO, 2012 WL 5364575, at *3 (approving a PAGA settlement of 0.27%). The proposed PAGA Penalties, negotiated in good faith, are approximately 6% of the Gross Settlement Amount, which exceeds amounts that are routinely approved. Coelho Decl. ¶ 43.

D. The Enhancement Award is Reasonable

A named plaintiff is eligible for payment or service award that reasonably compensates him or her for undertaking and fulfilling a fiduciary duty to represent absent class members. *See Cellphone Termination Fee Cases* (2010) 186 Cal.App.4th 1380, 1393; *Bell v. Farmers Ins. Exch.* (2004) 115 Cal.App.4th 715, 726. Here, Plaintiff seeks an Enhancement Award of up to \$10,000.00 for accepting the responsibility for representing Class interests and potential costs that were not borne by any other Class Member. Declaration of Maria Trejo (“Trejo Decl.”) ¶ 17; Coelho Decl. ¶¶ 24-26.

Plaintiff assisted Class Counsel throughout this case, providing information necessary to prosecute claims, communicating with the attorneys regarding the claims and defenses at issue, making herself available the day of mediation to answer questions, and reviewing the Agreement, among other documents, to ensure it was fair to all Class Members. Trejo Decl. ¶¶ 6, 19. No action would likely have been taken by Class Members individually and no compensation would have been recovered for them, but for Plaintiff’s services on behalf of the Class. By actively pursuing this action, Plaintiff furthered the California public policy goal of enforcing the State’s wage-and-hour laws. Coelho Decl. ¶¶ 46, 47; *see also Sav-On*, 34 Cal.4th at 340 (noting “a clear public policy...that is specifically directed at the enforcement of California’s minimum wage and overtime laws for the benefit of workers.”) (citation omitted). The requested Enhancement Award is reasonable and should be preliminarily approved. Plaintiff has provided a declaration regarding

her work performed to date and will provide additional information as requested by the Court at final approval.

E. Class Counsel Fees and Costs Are Reasonable

The purpose of an attorneys’ fee award in class action litigation is to reward counsel who invested in a case despite the risk of non-payment and achieved a substantial positive result for the class. California courts routinely award attorneys’ fees equaling one-third or more of the potential value of the common fund. *See Chavez*, 162 Cal.App.4th at 66, fn. 11 (“Empirical studies show that, regardless of whether the percentage method or the lodestar method is used, fee awards in class actions average around one-third of the recovery.”).

Plaintiff seeks appointment of Wilshire Law Firm, PLC as Class Counsel. The attorneys performed significant work and incurred litigation costs in prosecuting this matter with no guarantee of payment. Coelho Decl. ¶ 48. Class Counsel seeks preliminary approval for attorneys’ fees up to \$106,266.67 (one-third (1/3) of the Gross Settlement Amount) and up to \$19,000.00 for reasonable litigation costs. Class Counsel achieved a settlement and substantial recovery for the Class through efficient and diligent work. *Id.* ¶ 44. At final approval, Class Counsel will fully brief the merits of its request for the award of attorneys’ fees and litigation costs.

F. Administration Costs Are Reasonable

Subject to Court approval, the Parties selected Phoenix to administer this Settlement. Plaintiff seeks preliminary approval of \$12,500.00 for Phoenix to administer this Settlement pursuant to Phoenix’s will-not-exceed bid. Coelho Decl. ¶ 59, Ex. 4. The services covered by this payment are extensive and necessary to carry out the Settlement administration. *Id.* ¶¶ 28-32.

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1 **V. CONCLUSION**

2 The Parties have negotiated a fair and reasonable settlement of the class claims in light of
3 the risks presented in this case. Plaintiff has presented the materials and information necessary to
4 demonstrate that the requirements for preliminary approval have been met, and therefore
5 respectfully requests that the Court preliminarily approve the Settlement and schedule a date for
6 the final approval hearing.

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8 Dated: September 29, 2026

WILSHIRE LAW FIRM, PLC

9
10 By: _____


Thiago M. Coelho
Chumahan Bowen
Jesse S. Chen
Karen L. Wallace

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13 Attorneys for Plaintiff
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