Alan Romero (SBN 249000)
Sara Simms (SBN 268011)
ROMERO LAW, APC
251 S. Lake Avenue, Suite 930
Pasadena, CA 91101
Telephone: (626) 396-9900
Facsimile: (626) 396-9990
Email: private@romerolaw.com

Attorneys for Plaintiff
VERONICA NOVELA

MELIS ATALAY, CA Bar No. 301373
melis.atalay@ogletree.com
OGLETREE, DEAKINS, NASH, SMOAK & STEWART, P.C.
400 S. Hope Street, Suite 1200
Los Angeles, CA 90071
Tel.: 213-239-9800
Fax: 213-239-9045

SUPERIOR COURT OF CALIFORNIA

COUNTY OF LOS ANGELES – CENTRAL DISTRICT

VERONICA NOVELA, an individual; Plaintiff, v. GANAHL LUMBER COMPANY, a California corporation; and DOES 1-99, inclusive; Defendants.	Case No.: 23STCV24128 **JOINT STATEMENT IN SUPPORT OF MOTION FOR APPROVAL** Hearing Date: November 16, 2026 Time: 9:30 A.M. Judge: Hon. Jerrold Abeles Department: 510 Complaint Filed: October 4, 2023

TO THE HONORABLE COURT, ALL PARTIES, AND THEIR COUNSEL OF RECORD:

On August 21, 2026, this Court denied plaintiff Veronica Novela's ("Plaintiff") Motion for

Approval of a Private Attorneys General Act ("PAGA") Action settlement without prejudice ("Motion"). The Court's Order posed three topics that the Court wanted resolved before ruling on Plaintiff's Motion. Accordingly, Plaintiff and defendant Ganahl Lumber Company ("Ganahl" or "Defendant"; together with Plaintiff as the "Parties") provide the following joint response to the Court's August 21, 2026, Order.

Also in response to the Court's August 21, 2026, Order, the Parties have also prepared a revised settlement agreement, which provides: (1) clarification that the settlement releases only PAGA claims and that it does not release any class claims; (2) a reduction in Plaintiff's requested enhancement award from $5,000.00 to $2,500.00, with the difference going to the Aggrieved Employees and the State of California; (3) an increase in the Gross Settlement Amount from $137,500 to $147,500. A redlined and clean copy of the revised settlement agreements are provided as Exhibits A and B to the Supplemental Declaration of Alan Romero ["Supp. Romero Decl."] ¶¶ 3-4.) Plaintiff also submits an updated Employee Notice to reflect these changes. (Supp. Romero Decl. ¶ 5, Exh. C.)

I. The Settlement Is Fair.

The Court's August 21, 2026, Order first provided the following about the fairness of the proposed settlement.

> First and foremost, the proposed settlement does not appear to be fair. Plaintiff amended the original complaint after settlement to include new Labor Code violations that alone would increase Defendant's exposure substantially. That amendment occurred almost three months after the settlement agreement was signed, with no corresponding value provided to the Aggrieved Employees. Plaintiff now claims that there were more than nine separate Labor Code violations, which if proven could entitle each Employee to multiple hundreds of thousands of dollars in statutory penalties. [¶] The import can easily be demonstrated with a simple example. Plaintiff asserts representative claims for violation of Labor Code section 203, which provides for a penalty for an employer's failure to promptly pay owed wages when an employee quits and other circumstances. If established, a penalty of up to 30 days' wages is mandated. If each employee was paid $4,000 per month, rather modest for many professions, the penalty for the Aggrieved Employees would exceed $4,640,000.
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> (Order, pp. 1-2.)

First, the Parties respectfully submit that Plaintiff's original PAGA notice submitted to the

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Labor Workforce and Development Agency ("LWDA") on July 31, 2023 contained 18 Labor Code claims, as compared to the 19 Labor Code claims at issue in the amended PAGA notice submitted to the LWDA on March 30, 2026. The following chart compares the overlap. (*Compare* Supp. Romero Decl. ¶¶ 6-7, Exh. D [original PAGA notice] *with* Exh. E [Amended PAGA Notice].) In sum, there a modest increase in the resolved claims, with just a derivative claim concerning pay timing under Labor Code § 204 and a vacation pay claim under Labor Code § 227.3.

	Original Paga Notice	**Amended PAGA Notice**
Labor Code Sections 201-203	✓	✓
Labor Code Section 204		✓
Labor Code Section 223	✓	✓
Labor Code Sections 226(a), (e)	✓	✓
Labor Code Section 226.3	✓	✓
Labor Code Sections 226.7, 512	✓	✓
Labor Code Section 226.8	✓	✓
Labor Code Section 227.3		✓
Labor Code Section 246	✓	✓
Labor Code Section 510	✓	✓
Labor Code Section 552	✓	
Labor Code Section 558	✓	✓
Labor Code Section 1174	✓	✓
Labor Code Section 1194	✓	✓
Labor Code Section 1199	✓	✓
Labor Code Sections 2800 and 2802	✓	✓

Second, the Parties negotiated a release of the civil penalty claims in the amended PAGA notice during the mediation. In other words, the Gross Settlement Amount already contemplated valuation for the two additional claims. (*See* Romero Decl. ¶¶ 4, 8, Exh. F (original stipulation of settlement Section I (16)) and Exh. B (amended stipulation of settlement Section I(16).) This claims were not added

following the settlement agreement.

Third, it is perfectly permissible for the Parties to negotiate a settlement of claims beyond those pled in the original complaint. In the context of a class action, for instance, it has been held that "there is no rigid rule against the addition of new claims shortly before submission of a proposed settlement." *Villacres v. ABM Indus. Inc.*, 189 Cal. App. 4th 562, 586 (2010); *see also Edwards v. Heartland Payment Sys., Inc.*, 29 Cal. App. 5th 725, 730 (2018) (affirming denial of motion to intervene in class and PAGA settlement where claims were amended following settlement). This is a commonplace practice and promotes PAGA's purpose—*i.e.*, for a deputized PAGA plaintiff to investigate claims and determine whether they are appropriate for resolution. If during the course of discovery or preparation for a mediation, the PAGA plaintiff identifies additional Labor Code violations but cannot amend their PAGA notice to include these additional claims, the PAGA plaintiff will not be effectively acting as a private attorney general in remedying all Labor Code violations identified. Moreover, if a PAGA plaintiff cannot amend a PAGA notice to add violations discovered, an employer will be left with inadequate protection because the settlement will only be piece-meal. If an employer cannot enter into a settlement that releases all claims identified in the action, it will significantly discourage an employer from resolving a PAGA action at all. Instead, the employer will be left with three poor options: (1) settle multiple PAGA lawsuits with each alleging unique Labor Code violations resulting in the employer essential paying multiple sets of attorneys' fees, (2) wait for an employee to file the "perfect" PAGA claim alleging all potential Labor Code violations at issue, or (3) litigate multiple PAGA actions because settling multiple PAGA lawsuits would be cost-prohibitive. This is why the PAGA statute does not preclude additional claims to be added to a PAGA notice prior to settlement approval.[1]

Fourth, the settlement provides for a release of PAGA claims; it does not release any class claims. In response to the Court's August 21, 2026, Order, the Parties have revised the settlement agreement's definition of Released Claims to clarify that this fact. (Romero Decl. ¶ 4, Exh. B, Section

[1] The LWDA provided notice of this proposed rulemaking on February 6, 2026; one such proposed new rule was to prevent the addition of claims prior to a PAGA settlement. Following the public comment period, that proposed rule **was revoked**. See https://www.labor.ca.gov/resources/paga/rulemaking-labor-code-private-attorneys-general-act-of-2004/ (last accessed September 15, 2026).

I(16).) The revised settlement agreement now provides:

> "Released Claims" means and refers to all claims for civil penalties pursuant to California Labor Code Private Attorneys General Act of 2004 and attorneys' fees thereon that were alleged in the Operative Complaint in the Action, as described in Paragraph V(1) below, or that could have been based on the factual or legal theories/allegations of the original and Operative Complaint, for the following Labor Code claims: (a) failure to provide proper meal periods, and to properly provide premium pay in lieu thereof at the correct rate of pay; (b) failure to provide proper rest periods, and to properly provide premium pay in lieu thereof at the correct rate of pay; (c) failure to pay wages due because of alleged off-the-clock work and/or an alleged miscalculation of the regular rate of pay, including but not limited to claims for unpaid minimum wages, straight-time wages, overtime wages, vacation wages, sick pay, meal period premiums, rest period premiums, reporting time wages, split differentials, commissions, and bonuses; (d) failure to reimburse for all necessary expenditures or losses, including without limitation tools, personal cell phone expenses, and mileage; (e) failure to pay all wages timely at the time of termination and/or during employment, including but not limited to any claims for failure to pay vacation wages and/or accrued paid time off at termination; (f) failure to provide complete, accurate or properly formatted wage statements, including but not limited to failure to provide information pertaining to sick pay balances, amount of sick pay available for use, and/or payments on wage statements; (g) failure to maintain accurate records of hours worked and meal periods; (h) failure to produce requested employment records. The period of the Release shall extend to the date that the Court enters the order granting approval of the settlement. The res judicata effect of the Judgment will be the same as that of the Release.
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> **"Released Claims" does not include claims for statutory penalties or statutory remedies for the above Labor Code claims, other than claims for attorneys' fees and costs pursuant to the PAGA**.

(emphasis in original).

Because the settlement agreement only releases PAGA claims, the Aggrieved Employees will not be releasing their claims for statutory remedies. This is established by governing authorities. In a lawsuit brought under the PAGA, "the employee plaintiff represents the same legal right and interest as state labor law enforcement agencies—namely, recovery of civil penalties that otherwise would have been assessed and collected by the [LWDA]." *Arias v. Sup. Ct.*, 46 Cal. 4th 969, 986 (2009). The "civil penalties recovered on the state's behalf are intended to 'remediate present violations and deter future 'ones,' *not* to redress employees' injuries." *Kim v. Reins International California, Inc*., 9 Cal.5th 73, 86 (2020) (emphasis in original). Accordingly, if the Parties' proposed settlement is approved, employees will be free to pursue claims for statutory penalties pursuant to California Labor Code Section 203, among other statutory claims they will be free to pursue.

Fifth, California appellate authority provides that it is proper for the Parties' settlement agreement to release claims that were alleged "or that could have been based on the factual or legal theories/allegations of the original and Operative Complaint," which is provided for in the Parties' proposed settlement agreement. (Romero Decl. ¶ 4, Exh. B, Section I(16).) "A clause providing for the release of claims . . . may refer to all claims, both potential and actual, that *may have been raised* in the pending action with respect to the matter in controversy.'" *Villacres v. ABM Industries Inc.*, 189 Cal. App. 4th 562, 586 (2010). "A court may release not only those claims alleged in the complaint and before the court, but also claims which "could have been alleged by reason of or in connection with any matter or fact set forth or referred to in the complaint.'" *Id.*; *see also, Amaro v. Anaheim Arena Mgmt., LLC*, 69 Cal. App. 5th 521, 537 (2021) (same). In sum, the proposed settlement is fair and should be approved.

II. The Notice Procedure Comports with Law.

Next, the Court's August 21, 2026, Order made the following statement with respect to the proposed notice procedures:

> Second, according to the proposed Employee Notice attached as Exhibit A to the to the settlement agreement, each of the more than 1,160 Aggrieved Employees would first learn about the settlement, and the fact that they have waived all claims and penalties against their employer, after the Court approved the settlement and they have been handed a check for less than $15.00. The employees have no opportunity to opt out, to retain counsel, or to even receive additional information about what the case is about. (The only contact information is for the Settlement Administrator.)
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> (Order, p. 2.)

The Court's observation is resolved by the fact that this is a PAGA-only settlement and does not release any class claims. The California Supreme Court has explained that no notice to allegedly aggrieved employees is required in PAGA-only settlements. *Turrieta v. Lyft, Inc*., 16 Cal. 5th 664, 692, (2024). Insofar as PAGA does not require that notice of a settlement be given to other aggrieved employees, a PAGA action is different from a class action. In class actions, "class representatives [must] notify [absent] class members of a pending settlement on the merits and provide them with the opportunity to object at the final settlement fairness hearing." *Hernandez v. Restoration Hardware, Inc.*, 4 Cal.5th 260, 266, 228 (2018). "These duties are necessary in the class action context to protect

absent employees' due process rights because a class action resolves "'the claims of many individuals'"—*i.e.*, absent class members—"'at the same time'" *Richmond v. Dart Industries, Inc.*, 29 Cal.3d 462, 469 (1981); *Estrada v. Royalty Carpet Mills Inc.*, 15 Cal.5th 582, 599 (2024) ("A class-action plaintiff can raise a multitude of claims because he or she represents a multitude of absent individuals"]).

"[N]o similar due process concerns arise under PAGA because absent employees do not own a personal claim for PAGA civil penalties [citation], and whatever personal claims [they] might have for relief are not at stake." Williams v. Sup. Ct., 3 Cal. 5th 531, 547 fn. 4 (2017). In other words, because a PAGA plaintiff "'represents a single principal'"—the LWDA—and a PAGA action "do[es] not adjudicate [the] individually held claims" of absent employees, "the due process rights of third parties are not paramount." *Estrada*, *supra*, 15 Cal.5th at p. 599. In these respects, the interests of a nonparty PAGA plaintiff differ from those of absent class members. In sum, because the settlement resolves only PAGA claims, and not class claims, there is no need for the notice to provide any mechanism to opt-out, object, let alone any notice at all. Here, the Parties' proposed settlement nonetheless provides case information, a case number and venue from which the allegedly aggrieved employee can obtain additional information, the released claims, the released parties, their recovery, and the settlement administrator's information.

III. Plaintiff's Requested Enhancement Award Is Reasonable.

Finally, the Court's August 21, 2026, Order made the following statement with respect to the proposed enhancement award to Plaintiff:

> Third, under the deal the individual Plaintiff would be paid $5,000, or nearly 340 times more than the average employee would receive. Nowhere, though, is there any indication that Plaintiff's alleged harm from the various Labor Code violations is any greater than that of her fellow employees. The fact that she was a named Plaintiff does not warrant such disparate treatment, especially where it is to the detriment of some many other employees.
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> (Order, p. 2.)

First, Plaintiff has agreed to take a reduced enhancement award from $5,000.00 to $2,500.00, which the residual to be split between the settlement group members and the State of California pursuant to Labor Code Section 2699.3.

Next, Plaintiff's requested enhancement award is reasonable. "It is established that named plaintiffs are eligible for reasonable incentive payments to compensate them for the expense or risk they have incurred in conferring a benefit on other members of the class." Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles, 186 Cal. App. 4th 399, 412 (2010). The award "is intended to compensate [] representatives for work done on behalf of the class, to make up for financial or reputational risk undertaken in brining the action, and sometimes, to recognize their willingness to act as a private attorney general." *In re Cellphone Fee Termination Cases*, 186 Cal. App. 4th 1110, 1393-1394 (2009).

Plaintiff meets this test. The Settlement provides that she will be paid at Service Payment of up to $2,500.00, which is meant to recognize her time, effort, and risks she undertook to bring a representative action. Plaintiff actively participated in the case, devoting numerous hours of her personal time to the case and undertaking risks that other absent and non-named settlement members did not. Plaintiff faced genuine risk that her current or future employers may learn of this lawsuit and not want to hire her. Moreover, Plaintiff could have been liable for Ganahl's costs if the case went to trial and she lost (in addition to having to pay her own costs). Because of Plaintiff's efforts, a significant Settlement fund benefitting the State will be created. In sum, the action would not have been possible without the aid of Plaintiff and the requested enhancement payment is reasonable not only to compensate Plaintiff for her participation but also to incentivize other employees to bring similar actions that benefit the public interest.

ROMERO LAW, APC

Dated: October 13, 2026

Alan Romero (SBN 249000)
Sara Simms (SBN 268011)
Attorneys for Plaintiff
VERONICA NOVELA

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Dated: October 13, 2026

OGLETREE, DEAKINS, NASH, SMOAK & STEWART, P.C.

/s/ Melis Atalay

Melis Atalay Bar No. 301373
Attorney for Defendant
GANAHL LUMBER COMPANY

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES:

I am a resident of the United States and employed in the County of Los Angeles, State of California, over the age of 18 and not a party to the within action or proceedings; my business address is 251 S. Lake Avenue, Suite 930, Pasadena, CA 91101. On October 13, 2026, I served the following document(s) described as: **JOINT STATEMENT IN SUPPORT OF MOTION FOR APPROVAL** on the interested parties and/or through their attorneys of record by depositing the original or true copy thereof as designated below addressed to the following as follows:

Melis Atalay melis.atalay@ogletree.com
OGLETREE, DEAKINS, NASH, SMOAK & STEWART, P.C.
400 South Hope Street, Suite 1200
Los Angeles, CA 90071

PAGA Administrator
California Labor and Workforce Development Agency
1515 Clay Street, Suite 801
Oakland, California 94612
[VIA ONLINE FILING PORTAL]

( ) **HAND DELIVERY/PERSONAL SERVICE (C.C.P. §§1011, et seq.):** I caused said document(s) to be personally served on the addressee listed above.

( ) **MAIL (C.C.P. §1013(a)):** I caused said document(s) to be deposited in the United States Mail in a sealed envelope with postage fully prepaid at Pasadena, California, following the ordinary practice at my place of business of collection and processing mail.

( ) **FACSIMILE (C.C.P. §§1012.5, et seq.):** I caused said document(s) to be transmitted to the party or parties listed above at the facsimile number listed above.

( ) **EXPRESS MAIL (C.C.P. §§1013(c)(d), et seq.):** I caused said document(s) to be deposited with an express service carrier in a sealed envelope designed by the carrier as an express mail envelope, with fees and postage prepaid.

(X) **ELECTRONIC MAIL (C.C.P §§1010.6(a)(6)):** I caused said document(s) to be mailed electronically to the party or parties listed above at the email address listed above.

(X) **(STATE)** I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on October 13, 2026, at Pasadena, California.

Vanessa Melendrez