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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN BERNARDINO

LISA CHILDRESS and JUSTIN AARON HEARD, on behalf of themselves and all others similarly situated, Plaintiff, vs. FORD MOTOR COMPANY; and DOES 1 through 100, Inclusive, Defendants.	Case No.: CIVSB2324555 **CLASS ACTION** *[Assigned for all purposes to the Hon. Thomas S. Garza. Dept. S27]* **PLAINTIFFS' NOTICE OF MOTION AND MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT** Date: April 8, 2026 Time: 8:30 a.m. Dept.: S27 Action Filed: October 3, 2023 Trial Date: None Set

PLEASE TAKE NOTICE that pursuant to Rule 3.769 of the California Rules of Court, on April 8, 2026 at 8:30 a.m., or as soon thereafter as the matter may be heard in Department 27 of the above-entitled Court, located at 247 West 3rd Street, San Bernardino, California 92415, Plaintiffs Lisa Childress and Justin Aaron Heard ("Plaintiffs") will, and hereby do, move this Court for:

1. Preliminary approval of the proposed Settlement Agreement ("Settlement") between Plaintiffs and Defendant Ford Motor Company ("Ford" or "Defendant");
2. Pursuant to Section 382 of the California Code of Civil Procedure, provisional certification, for settlement purposes only, of the following Settlement Class:

   All current and former non-exempt, hourly employees who worked for Defendant in California at any time from July 20, 2019 through October 21, 2025 (the "Class Period").
3. Preliminary appointment of Plaintiffs as Class Representatives;
4. Preliminary appointment of Neil M. Larsen and Jennifer Rivera of Abramson Labor Group and David Yeremian, David Keledjian and David Arakelyan of D.Law, Inc. as Class Counsel;
5. Preliminary Appointment of Simpluris as the Settlement Administrator;
6. Approval of the proposed Class Notice, and an order that the Class Notice be disseminated to the Settlement Class as provided in the Settlement; and
7. The scheduling of a hearing to consider whether the Settlement should be finally approved and to award Class Representative Service Awards to Plaintiffs, and attorneys' fees and costs to Class Counsel.

This motion is based on this notice of motion; the attached memorandum of points and authorities; the declarations of counsel and exhibits attached thereto; the declaration of Denise Islas on behalf of Simpluris and exhibits attached thereto; the declaration of Plaintiffs; the pleadings and other papers filed in this action; and any further oral or documentary evidence or argument presented at the time of hearing.

Dated: November 18, 2025

Respectfully Submitted,
ABRAMSON LABOR GROUP

Neil Larsen

Neil M. Larsen
Attorneys for Plaintiffs

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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Plaintiffs Lisa Childress and Justin Aaron Heard ("Plaintiffs") seek preliminary approval of a class action settlement agreement ("Settlement") with Defendant Ford Motor Company ("Ford" or "Defendant") (together with Plaintiffs, the "Parties"). The Settlement resolves a class and representative action pending before this Court (the "Action"), in which Plaintiffs allege in their consolidated First Amended Complaint that Ford: (1) failed to pay minimum wages; (2) failed to pay overtime wages; (3) failed to provide meal periods; (4) failed to authorize and permit rest periods; (5) failure to issue accurate wage statements; (6) failed to reimburse business expenses; and (7) failure to timely final wages. Plaintiffs further allege that as a result of these violations, Ford failed to pay all wages on termination of employment, engaged in unfair business practices, and is liable for civil penalties under the Private Attorneys General Act ("PAGA").

Plaintiffs now respectfully request that this Court preliminarily approve this non-reversionary, common-fund class and representative action Settlement,[1] in which Ford has agreed to pay $3,300,000.00 to the following Settlement Class, which is estimated to consist of 339 individuals:

> All current and former non-exempt, hourly employees who worked for Ford in California at any time from July 20, 2019 through October 21, 2025 (the "Class Period").

The Settlement was reached after the Parties engaged in a full-day mediation with highly experienced and respected wage and hour class action mediator Hon. Daniel J. Buckley (Ret.). Prior to the mediation, Ford provided Plaintiffs with extensive informal discovery, including timekeeping and payroll records for a sample of putative class members; a class list containing putative class members' hire and separation dates (if applicable); relevant written policies; and additional data and information.

After extensive research and investigation, including a detailed analysis of Ford's potential exposure made with the assistance of an expert data analyst (Berger Consulting Group), the mediation session was held with Hon. Daniel J. Buckey, (Ret.) on October 18, 2024. At

[1] The Settlement is attached as Exhibit 1 to the Larsen Declaration. The Class Notice is attached as **Exhibit A** to the Settlement.

mediation the Parties reached a class-wide settlement in principle. Over the following months, the Parties negotiated the finer terms of the settlement, ultimately resulting in the Settlement.

Notably, Settlement Class Members do not need to submit a claim to receive a payment ("Settlement Award"). After deductions for proposed administration costs, attorneys' fees and costs, Class Representative Service Awards, and the LWDA's share of PAGA civil penalties, the average Settlement Award is estimated to be **$5,953.53**. For the reasons discussed herein, Plaintiffs respectfully request that the Court grant preliminary approval of the Settlement.

II. SUMMARY OF THE LITIGATION

A. FACTUAL AND PROCEDURAL BACKGROUND

Ford is an auto manufacturer with two locations in Ontario California and Sacramento California. *See* Declaration of Neil M. Larsen ("Larsen Decl."), ¶ 7. Plaintiff Childress and Plaintiff Heard both worked for Ford as non-exempt, hourly employees during the Class Period. *Id*.

On July 20, 2023, Plaintiff Childress filed her Class Action Complaint in San Bernardino Superior Court, Case No. CIVSB2316694 ("Childress Class Action"), alleging claims for: (1) failure to pay all minimum wages; (2) failure to provide meal periods, (3) failure to provide rest periods; (4) failure to issue accurate wage statements; (5) failure to pay all final wages; (6) failure to reimburse business expenses; and (7) unfair business practices. Larsen Decl., ¶ 8. On September 22, 2023, Defendant removed the Childress Class Action to the United States District Court for the Central District of California. *Id*.

On July 21, 2023, Plaintiff Childress provided written notice to the Labor & Workforce Development Agency (LWDA) and Ford of her intent to pursue PAGA civil penalties for alleged violations of the California Labor Code, as required by Labor Code § 2699.3, predicated on underlying violations of Labor Code sections § 201- 204, 210, 221, 226, 226.7, 512, 516, 558, 1174, 1182.12, 1194, 1194.2, 1197, 1198, 2802, and 2804, *et. seq.,* and the applicable Wage Orders of the Industrial Welfare Commission. Larsen Decl., ¶ 9.

On October 3, 2023, Plaintiff Childress filed a Representative Action Complaint in the San Bernardino Superior Court, Case No. CIVSB2324555 ("Childress PAGA Action"), against

Defendant for civil penalties for violations of Labor Code section 2698, *et seq.*, the California Private Attorneys General Act ("PAGA"). Larsen Decl., ¶ 10. On October 6, 2023, Plaintiff Childress submitted a conformed copy of the First Amended Complaint to the LWDA, pursuant to Labor Code § 2699(l). *Id*.

On September 19, 2023, Plaintiff Heard filed a Class Action Complaint in the San Joaquin Superior Court, Case No. STK-CV-VOE-2023-9958 ("Heard Action"), alleging claims for: (1) failure to pay all minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods or pay premium pay in lieth thereof; (4) failure to provide rest periods or pay premium pay in lieth thereof; (5) failure to issue accurate wage statements; (6) failure to pay final wages, (7) failure to maintain records; (8) failure to reimburse business expenses, and (9) unfair business practices. Larsen Decl., ¶ 11.

On September 22, 2023, Defendant removed the Childress Class Action to the United States District Court for the Central District of California. Larsen Decl., ¶ 12. On October 20, 2023, Defendant removed the Heard Class Action to the United States District Court for the Central District of California. *Id.*

On September 18, 2023, Plaintiff Heard, provided written notice to the Labor & Workforce Development Agency (LWDA) and Ford of his intent to pursue PAGA civil penalties for alleged violations of the California Labor Code, as required by Labor Code § 2699.3. Larsen Decl., ¶ 13. On December 21, 2023, Heard filed a First Amended Complaint, which added a claim for PAGA civil penalties. *Id*. On February 7, 2024, Plaintiff Heard submitted a conformed copy of his First Amended Complaint to the LWDA, pursuant to Labor Code § 2699(l). *Id*.

On November 22, 2024, the Court stayed the Childress Class Action, so that the Parties may seek preliminary approval of the Class Action and PAGA Action Settlement in the Childress PAGA Action pending before this Court. Larsen Decl., ¶ 14.

On July 9, 2025, Plaintiff Childress filed the operative Consolidated First Amended Complaint ("FAC") to add Plaintiff Heard as a named plaintiff and class representative, to add additional allegations and causes of action pled in the *Heard* Action, which allegations and causes of action were valued and negotiated at the mediation, and to add plaintiff's counsel in the *Heard*

Action as proposed counsel in this Action. *Id.* at ¶ 15.

B. PLAINTIFFS' CLAIMS AND FORD'S DEFENSES

1. Unpaid Minimum and Overtime Wages – Off the Clock Work

Plaintiffs allege that Ford had a payroll practice and policy in which employees' paid wages were based on their scheduled shifts rather than their hours actually worked, resulting in an underpayment of minimum and overtime wages. Larsen Decl., ¶ 20. Specifically, Plaintiffs allege that employes were frequently underpaid for work they performed off the clock, as Ford encourages employees to arrive prior to the beginning of their shifts in order to acquaint themselves and report to their work stations, but failed to pay employees for that time. *Id*. Ford contends that it consistently pays employees for all hours worked (including any early arrival times), that it includes the additional time in employees' schedules, that employees are not required to work without pay, and that employees are in fact prohibited from working off the clock. *Id*. Ford further argues this claim would not be certified as it would require individual inquiries into each unique event and each employee, as to whether the employee worked off the clock, how much time was worked, and whether such work was reported to Ford. *Id*.

2. Underpaid Overtime – Regular Rate

Plaintiffs allege that Ford failed to pay them and Settlement Class members for all overtime hours worked pursuant to California Labor Code § 1194 and Wage Order 1. Specifically, Plaintiffs allege that Ford caused Plaintiffs and Settlement Class members to work overtime hours and/or doublet-time hours but did not compensate them at one-and-a-half hours (or two times) their regular rate of pay for such hours. Larsen Decl., ¶ 21. Ford maintains that it paid all overtime and double-time wages earned by its employees and that any underpayment may have the result of clerical error. *Id*. Ford argues that any overtime-underpayments were *de minimus* and not recoverable. *Id*. Ford further argues this claim would not be certified as it would require individual inquiries into each unique event and each employee, as to whether the employee worked overtime, how much time was worked, and whether such work was reported to Ford. *Id*.

3. Meal Period Violations

Plaintiffs allege that Ford failed to provide them and Settlement Class members with legally compliant meal periods. Larsen Decl., ¶ 22. Specifically, Plaintiffs allege that Ford made no attempt to accurately capture and/or record meal periods, and automatically deducted a 30-

minute meal period on all shifts regardless of whether legally compliant meal periods were actually taken. *Id*. However, Plaintiffs' theory of liability carried significant risks of both non-certification and losing on the merits. Ford contends that it maintained compliant meal period policies throughout the Class Period and provided legally-compliant meal periods in line with those policies. Ford further contends that under *Brinker*, it is only required to "provide" meal periods, not "ensure" that they are taken, and that is has always done so. *Id*. Ford further contends that any short, missed, or late meal period was the result of lawful employee waiver or choice, thereby precluding liability. *Id*. Ford further asserts that many putative class members would testify that they were, in fact, provided with legally compliant off-duty meal periods. *Id*. Lastly, Ford argues that individualized inquires would be needed to determine why each meal period was missed, taken late or was short by each employee, whether there was a valid waiver, and whether each meal period was on-call or off-duty for each employee, thus making certification of the meal period claim unlikely. *Id*.

4. <u>Rest Period Violations</u>

Plaintiffs allege that Ford failed to authorize and permit legally-compliant rest periods. Larsen Decl., ¶ 23. But Plaintiffs faced significant defenses on this claim, with respect to the merits and class certification. Ford argues that it always maintained and enforced lawful rest period policies and practices during the Class Period, and that employees were authorized and permitted to take rest periods, and that any failure of non-exempt employees to do so was the result of employee choice rather than any policy or practice of Ford. *Id*. Ford further contends that individual inquiries would be required to determine whether each employee was in fact required to remain on-duty during each rest period on each shift, precluding class certification. *Id*.

5. <u>Failure to Reimburse Business Expenses</u>

Plaintiffs allege that Ford failed to indemnify them and Settlement Class members for the use of their personal cell phones for work purposes, including to use their cell phones to communicate with supervisors and other work related purposes. Larsen Decl., ¶ 24. Ford counters that Settlement Class members did not alert Ford of the need to use their personal cell phones in connection with their job duties, and that there are procedures in place for employees to request reimbursement of work-related expenses. *Id*. Ford further argues that this claim would not be certified, as it would require hundreds of individualized inquiries as to whether employees incurred business-related expenses, whether they were reimbursed, whether Ford knew (or reasonably should have known) about the expense, and whether the expense was "necessary" under the circumstances. Larsen Decl., ¶ 24; *See Gattuso v. Hart-Hanks Shoppers, Inc.*, 42 Cal.4th 554, 568 (2007) ("In calculating the reimbursement amount due under section 2802, the employer may consider not only the actual expenses that the employee incurred, but also whether each of those expenses was 'necessary,' which in turn depends on the reasonableness of the employee's choices."); *Grissom v. Vons Companies, Inc.*, 1 Cal.App.4th 52, 58 (1991) (under § 2802, "ascertaining what was a necessary expenditure will require an inquiry into what was reasonable under the circumstances").

6. <u>Violations Under Labor Code § 226</u>

Plaintiffs next allege that Ford failed to provide them and Settlement Class members with complete and accurate wage statements as required under Cal. Labor Code § 226. Larsen Decl., ¶ 25. Specifically, Ford issued facially deficient wage statements to Plaintiffs and Settlement Class members, in that wage statements failed to accurately reflect the total hours worked in violation of Labor Code § 226(a)(2). *Id.* However, Ford presented multiple defenses to this claim, including that any alleged wage statement violations were not "knowing and intentional," particularly given its good-faith defenses; that Plaintiffs cannot show they or Settlement Class members "suffer[ed] injury" due to alleged wage statement violations, as required by Lab. Code § 226(e), and that employee wage statements always accurately reflect amounts *paid* to employees. Larsen Decl., ¶ 25; *see also Maldonado v. Epsilon Plastics, Inc.*, 22 Cal.App.5th 1308, 1336-37 (2018) ("The purpose of section 226 is to '*document* the *paid wages* to ensure the employee is fully informed regarding the calculation of those wages.") (citing *Soto v. Motel 6 Operating, L.P.*, 4 Cal.App.5th 385, 392 (2016)).

7. <u>Violations Under Labor Code §§ 203 and the PAGA</u>

As a result of its alleged failure to pay all minimum and overtime wages, as well as its failure to provide all meal and rest periods, Plaintiffs assert that Ford failed to comply with its final payment and wage statement obligations, in violation of Cal. Labor Code §§ 203. Larsen Decl., ¶¶ 26-27. Finally, Plaintiffs seek civil penalties under the PAGA based on the aforementioned claims. *Id*.

Ford argues that Plaintiffs' derivative claims fail for the same reasons their underlying claims fail. *Id*. at ¶¶ 26-27. Ford further asserts it has strong, good-faith defenses to Plaintiffs' underlying claims, precluding waiting time penalties. *See* 8 Cal. Code Regs. § 13520 (a "good faith dispute that any wages are due will preclude imposition of waiting time penalties"); *Kao v. Joy Holiday*, 12 Cal.App.5th 947, 963 (2017) (holding "good faith dispute" precluded imposition of waiting time penalties).

Finally, Ford contends Plaintiffs' PAGA claim fails because the underlying claims fail. Larsen Decl., ¶ 27; *see, e.g., Price v. Starbucks Corp.*, 192 Cal.App.4th 1136, 1147 (2011) ("Because the underlying causes of action fail, the derivative UCL and PAGA claims also fail."). Ford further maintains that given its strong defenses and its good-faith attempts to comply with the law, the Court would substantially reduce PAGA penalties even if it were to find in Plaintiffs' favor on their underlying claims. Larsen Decl., ¶ 27; *see also* Lab. Code § 2699(e)(2) (authorizing discretionary reduction in PAGA penalties); *Thurman*, *supra*, 203 Cal.App.4th 1112 at 1135 (affirming reduction of PAGA penalties because, *inter alia*, "the evidence showed…defendants took their obligations…seriously and attempted to comply with the law"); *Fleming*, *supra*, 2011 WL 7563047 at *4 (reducing PAGA penalties by over 82% in part because employer was "not aware" of violations); *Carrington*, *supra*, 30 Cal.App.5th 504 at 529 (affirming PAGA penalty of just $5 per pay period where employer made "good faith attempts" to comply with the law).

C. DISCOVERY AND MEDIATION

Prior to mediation, the Parties engaged in significant informal discovery, including Ford's production of timekeeping and payroll data for a sample of putative class members, all relevant wage and hour written policies, and other relevant data and information. Larsen Decl., ¶ 16. Plaintiffs also retained an expert data analyst (Berger Consulting Group), who conducted a comprehensive analysis and extrapolation of the timekeeping and payroll data to calculate Ford's potential exposure for each of Plaintiffs' claims. *Id*. This discovery allowed the Parties to assess the merits and value of Plaintiffs' claims, the chances of certification of Plaintiffs' claims, and Ford's potential defenses. *Id*.

On October 18, 2024, the Parties attended a mediation with highly experienced and respected wage and hour class action mediator Hon. Daniel J. Buckley, (Ret.). Larsen Decl., ¶ 17. During mediation, the Parties vigorously debated Plaintiffs' claims and Ford's defenses, the potential value of Plaintiffs' claims, and the chances of certification. *Id*. At mediation the Parties reached a class-wide settlement in principle. *Id*. Over the following months, the Parties negotiated the finer terms of the settlement, ultimately resulting in the Settlement. *Id*.

III. <u>THE PROPOSED SETTLEMENT</u>

A. <u>ESSENTIAL TERMS OF THE SETTLEMENT</u>

Under the Settlement, Ford will pay a <u>non-reversionary</u> Gross Settlement Amount ("GSA") of $3,300,000.00. The monetary terms of the Settlement are summarized below:

• Gross Settlement Amount ("GSA"):	$3,300,000.00
• Minus Court-approved attorneys' fees (one-third):	$1,100,000.00
• Minus Court-approved costs (up to):	$30,000.00
• Minus Court-approved Service Awards:	$20,000.00
• Minus Amount Set Aside as PAGA penalties:	$165,000.00
• Minus estimated settlement administration costs:	$8,000.00
Net Settlement Amount ("NSA"):	**$1,977,000.00**
PLUS 25% of PAGA penalties ("PAGA Amount"):	$41,250.00
Total Amount Paid to Settlement Class:	**$2,018,250.00**

1. <u>The Settlement Provides for Reasonable Monetary Payments</u>

As noted above, after deducting amounts for court-approved Class Representative Service Awards, administration costs, attorneys' fees and costs, and PAGA payment to the LWDA, Ford will pay at least $2,018,250.00 to Settlement Class members. *See* Settlement, §§ 1.8, 1.15, 1.22, 1.26, 1.31, 1.34, 1.39, 1.50, 3.1, 3.2, 3.2.1, 3.2.2, 3.2.3, 3.2.4, 3.2.5. Ford represents that there are approximately 339 Settlement Class members. *Id.*, §§ 4.1, 8. Thus, the average Settlement Award is estimated to be $5,953.53. *See* Settlement § 4.1; *see also* Larsen Decl., ¶ 19.

The NSA shall be distributed to Participating Class Members (i.e., those Settlement Class members who do not opt out of the Settlement) as follows: An Individual Class Payment calculated by: (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks. *See* Settlement, §§ 1.27, 3.2.4.

In addition, all Settlement Class Members (regardless whether they opt-out) who were employed by Ford in California at any time between July 20, 2022 and October 21, 2025 (the

"PAGA Period"), will receive a portion of the $41,250 PAGA Amount ("Individual PAGA Payment"), based on their proportionate number of pay periods worked during the PAGA Period. *See* Settlement, §§ 1.39, 3.2.5.1, 5.3.

Payments from the NSA will be treated as 40% wages reported on a Form W-2, with the remaining 60% treated as interest and penalties and reported on a Form 1099. *See* Settlement, § 3.2.4.1. Payments from the PAGA Amount will be treated as 100% penalties. Ford will separately pay the employer's share of payroll taxes on the amount designated as "wages," in addition to the GSA. *Id.*, § 3.2.4.1.

2. <u>Notice Period and Release of Claims</u>

Settlement Class members will have 60 days from the Notice mailing to opt-out of or object to the Settlement, or submit disputes, thereby providing ample time to review the Notice without unduly delaying the Settlement. *See Id.*, §§ 7.4.4, 7.5.1, 7.5.2, 7.5.3, 7.5.4.

Participating Class Members will be bound by the Settlement and will release all claims that were pled in the Action, or that could have been pled based on the facts alleged in the operative FAC in the Action, during the Class Period ("Released Class Claims"). *See* Settlement, § 5.2. In addition, all Settlement Class members (regardless whether they opt out) who worked for Ford in California during the PAGA Period, will release all claims against Ford for PAGA penalties based on the facts alleged in the operative FAC in the Action, that arose during the PAGA Period ("PAGA Released Claims"). *Id.,* § 5.3.

3. <u>Attorneys' Fees and Costs, Service Awards, and PAGA Payment</u>

At final approval, Plaintiffs will apply for Class Representative Service Awards in the amount of $10,000.00 each (totaling $20,000.00). *See* Settlement, §§ 1.15, 3.2.1; *see also* Larsen Decl., ¶ 30. "[I]ncentive awards are fairly typical in class action cases…and are intended to compensate class representatives for work done on behalf of the class [and] to make up for financial or reputational risk undertaken in bringing the action." *In re Cellphone Fee Termination Cases*, 186 Cal.App.4th 1380, 1393-94 (2010). As will be fully briefed at final approval, Plaintiffs' requested Service Awards are in recognition of the time and effort they expended on behalf of the Settlement Class, including providing factual information and documents to counsel, identifying potential witnesses, attending multiple telephonic meetings with the office of their respective counsels to discuss the claims and theories at issue in the litigation, reviewing the settlement agreement, and otherwise actively participating in the prosecution of this case. Larsen Decl., ¶ 30. Plaintiffs respectfully submit that the requested Service Awards are well within the range of approval. *See, e.g., Alvarado v. Nederend*, No. 1:08-cv-01099-OWW-DLB, 2011 WL 1883188 at *10 (E.D. Cal. May 17, 2011) (approving $7,500 award to each of five named plaintiffs from $505,058.60 settlement); *see also Martinez v. Knight Transportation*, No. 1:16-cv-01730, 2023 WL 5917989 (E.D. Cal. Sept. 11, 2023) (approving $10,000 award to plaintiff in $400,000 class action settlement where class member payments averaged about $127).

The Parties have also designated $165,000.00 of the GSA as PAGA penalties, of which $123,750.00 (75%) will be paid to the LWDA, with the remaining $41,250.00 (25%) distributed to Settlement Class members (*see* Settlement, § 3.2.5), consistent with the PAGA's requirement that 75% of penalties be allocated to the LWDA with the remaining 25% of penalties allocated to aggrieved employees (Labor Code § 2699(i)). Plaintiffs submit this allocation to the LWDA is appropriate in light of other settlements allocating penalties to the LWDA. *See, e.g., Chu v. Wells Fargo Inv., LLC*, No. C-05-4526-MHP, 2011 WL 672645 at *1 (N.D. Cal. Feb. 16, 2011) (approving PAGA payment of $7,500 to LWDA from $6.9 million settlement); *Hudson v. Libre Technology, Inc.*, No. 3:18-cv-1371-GPC, 2020 WL 2467060 at *8 (S.D. Cal. May 13, 2020) (approving $21,250 PAGA payment from $425,000 settlement).

At final approval, Plaintiffs' counsel will request attorneys' fees of one-third of the GSA (currently estimated at $1,100,000), and up to $30,000 in litigation costs. *See* Larsen Decl., ¶ 29; *see also* Settlement, § 3.2.2. The requested fee is fair compensation for undertaking complex, risky, expensive, and time-consuming litigation on a contingent basis. Plaintiffs' counsel have incurred substantial attorneys' fees conducting pre-filing investigation; analyzing each Plaintiffs' claims; conducting legal research; analyzing timekeeping, payroll, and other data with our expert to create a comprehensive damages model; preparing for and attending mediation; negotiating and preparing the Settlement; preparing this Motion; and otherwise prosecuting this case. Larsen Decl., ¶ 29. Counsel will also incur future attorneys' fees in overseeing the Notice process, fielding phone calls from Settlement Class members, preparing the Final Approval Motion and supporting documents, and appearing at the Final Approval Hearing. *Id*.

It is appropriate to award attorney fees as a percentage of the "common fund" created by the settlement. *Laffitte v. Robert Half Int'l, Inc.,* 1 Cal.5th 480 (2016) (holding "the percentage of fund method survives in California class action cases"). Counsel's fee request is well within the range of reasonableness and is typical for common fund settlements. *See*, *e.g.*, *Chavez v. Netflix, Inc.*, 162 Cal.App.4th 43, n.11 (2008) ("regardless whether the percentage method or the lodestar method is used, fee awards in class actions average around one-third of the recovery"). As will be briefed at final approval, the fee request is reasonable in light of the substantial risks and work undertaken, the results obtained, and the efficiency with which counsel conducted the litigation.

IV. ARGUMENT

A. PRELIMINARY APPROVAL IS WARRANTED

California Rule of Court 3.769 conditions class action settlements on court approval, which is generally evaluated under the same standards as Fed. R. Civ. Proc. 23. *See Reed v. United Teachers Los Angeles*, 208 Cal.App.4th 322, 337 (2012) (Rule 3.769 requires court to determine "that the settlement is fair, reasonable and adequate to all concerned"); *Hanlon v. Chrysler Corp.*, 150 F.3d 1011, 1026 (9th Cir. 1998) (Rule 23(e) requires court to determine "whether a proposed settlement is fundamentally fair, adequate, and reasonable"). Settlement is the preferred means of dispute resolution, particularly in complex class action litigation. *See In re Syncor ERISA Litig.*, 516 F.3d 1095, 1101 (9th Cir. 2008). The Court's role is to ensure the settlement agreement taken as a whole is fair and within the range of reasonableness. *Hanlon*, 150 F.3d at 1027. There is a presumption of fairness when a settlement is negotiated at arm's length by counsel. *See, e.g.*, *Kullar v. Foot Locker Retail, Inc.*, 168 Cal.App.4th 116, 130 (2008).

1. Standard for Preliminary Approval

To make a fairness determination, the Court should consider several factors, including: "the strength of Plaintiff's case, the risk, expense, complexity and likely duration of further litigation, the risk of maintaining class action status through trial, the amount offered in settlement, the extent of discovery completed and the stage of the proceedings, [and] the experience and views of counsel." *Dunk v. Ford Motor Co.*, 48 Cal.App.4th 1794, 1801 (1996). "The list of factors is not exclusive and the Court is free to engage in a balancing and weighing of the factors depending on the circumstances of each case." *Wershba v. Apple Computer, Inc.*, 91 Cal.App.4th 224, 245 (2001). As discussed below, the proposed Settlement is fair, adequate, and reasonable in light of the overall balance of factors in this case.

a. <u>The Strength of Plaintiffs' Case</u>

While Plaintiffs are confident in the merits of their claims, Plaintiffs acknowledge there were substantial risks and uncertainty in proceeding with class certification and eventual trial on the merits. As described in section II.B., *supra*, Ford presented multiple defenses to Plaintiffs' claims, both on the merits and to class certification, rendering success far from certain.

b. <u>Risk, Expense, Complexity, and Duration of Further Litigation</u>

Although the Parties engaged in significant informal discovery, they had not completed formal written and deposition discovery, which would have required expenditure of substantial time and resources. Larsen Decl., ¶ 31. Plaintiffs also still had to file for class certification. *Id*. Even if Plaintiffs obtained certification, the Parties would incur considerable attorneys' fees and costs through a possible decertification motion, motions for summary judgment, trial, and potential appeals. *Id*. The Settlement avoids these risks, expense, and delays, and is therefore a favorable outcome for the Settlement Class. *Id*. Thus, this factor supports preliminary approval.

c. <u>Risk of Maintaining Class Action Status</u>

Plaintiffs had not yet filed their class certification motion, and as such, the extent to which Plaintiffs' proposed classes were certifiable is somewhat speculative. Absent settlement, there was a risk there would not be a certified class at trial, or if there were, that it would consist of a significantly smaller group of employees than the proposed Settlement Class, and the expected recovery would be significantly reduced. Thus, this factor supports preliminary approval.

d. <u>Amount Offered in Settlement Given Realistic Value of Claims</u>

The Settlement provides a fair and reasonable monetary recovery for the Settlement Class for disputed claims. As detailed in the concurrently filed Larsen Declaration, and with the assistance of an expert data analyst (Berger Consulting Group), Plaintiffs conducted an analysis of potential damages due to Ford's allegedly unlawful wage and hour policies and practices. After applying reasonable discounts for risks of not obtaining class certification and risks of losing on the merits, Plaintiffs estimated their claims had a realistic potential value of approximately $3,478,232. Larsen Decl., ¶¶ 20-28. The proposed settlement of $3,300,000.00 therefore represents about 94.8% of Plaintiffs' reasonably forecasted class-wide recovery. *Id*. As noted above, payments under the Settlement will average approximately $5,953.53. Larsen Decl., ¶ 19. Preliminary approval is appropriate as the Settlement will provide significant monetary relief to the Settlement Class.

e. <u>The Experience and Views of Counsel</u>

"Parties represented by competent counsel are better positioned than courts to produce a settlement that fairly reflects each party's expected outcome in litigation." *In re Pac. Enter. Securities Litig.*, 47 F.3d 373, 378 (9th Cir. 1995). Here, counsel have extensive experience litigating wage and hour class actions, and have been appointed class counsel in numerous cases alleging similar claims. *See* Larsen Decl., ¶¶ 2-5; Declaration of David Arakelyan ("Arakelyan Decl."), ¶¶ 3-10. Counsel conducted an in-depth review of Ford's policies, timekeeping and payroll records, and other relevant data, and drew on their extensive experience to assess Plaintiffs' claims. Larsen Decl., ¶¶ 2-6, 20-28; Arakelyan Decl., ¶¶ 11, 18-21. The Settlement was also reached after a mediation session with Hon. Daniel J. Buckley, (Ret.). Larsen Decl., ¶ 14. This strongly supports preliminary approval. *Kullar*, 168 Cal.App.4th at 130.

2. <u>The Preliminary Approval Standard Is Met</u>

The Court can grant preliminary approval of a proposed settlement and direct that notice be given if the settlement: (1) falls within the range of possible approval; (2) appears to be the product of serious, informed negotiations; and (3) has no obvious deficiencies. *See Manual for Complex Litig.*, § 30.41 (3rd Ed. 1995); *Newberg on Class Actions*, §§ 11:24-25 (4th Ed. 2013).

a. <u>The Settlement Is Within the Range of Possible Approval</u>

As noted, the Settlement reflects approximately 94.8% of the realistic estimated recovery on Plaintiffs' claims, and will provide tangible, monetary compensation for hotly disputed wage claims. Larsen Decl., ¶¶ 20-28. Accordingly, Plaintiffs submit that the Settlement is within the range of possible approval.

b. The Settlement Resulted from Serious, Informed Negotiations

The Settlement resulted from an exchange of substantial information, arm's-length negotiations, a mediation session with an experienced mediator, and months of additional negotiations. Plaintiffs' counsel carefully vetted the claims at issue and conducted a detailed analysis of the relevant data and information. Larsen Decl., ¶¶ 16-17, 20-28; Arakelyan Decl., ¶¶ 18-21. The Settlement is entitled to a presumption of fairness. *Kullar*, 168 Cal.App.4th at 130.

c. The Settlement Is Devoid of Obvious Deficiencies

The Settlement provides tangible monetary relief to the Settlement Class, and the amounts proposed for attorneys' fees, costs, Plaintiffs' Service Awards, and PAGA penalties are all reasonable and appropriate based on the facts of this case. Because the Settlement is devoid of obvious deficiencies, this supports preliminary approval.

B. THE COURT SHOULD CERTIFY THE PROPOSED CLASS

The proposed Settlement Class satisfies the criteria for certification because: (1) the Settlement Class is ascertainable and numerous; (2) common questions of law and fact predominate; (3) Plaintiffs' claims are typical of the Settlement Class; and (4) Plaintiffs and their counsel will fairly and adequately represent the Settlement Class. Cal. Code Civ. Proc. § 382.

1. The Proposed Class Is Ascertainable and Numerous

A class is "ascertainable" where members "may be readily identified without unreasonable expense or time by reference to official [or business] records." *Sevidal v. Target Corp.*, 189 Cal.App.4th 905, 919 (2010). The Settlement Class includes non-exempt employees who worked for Ford in California during the Class Period, and thus can be readily identified from Ford's records. As noted, *interalia*, Ford represents there are about 339 Settlement Class members, rendering it impracticable to bring them all before the Court. Numerosity is therefore satisfied.

2. Common Issues of Law and Fact Predominate

The focus on certification is not on the merits of the case, but rather on what types of questions, "common or individual," are likely to arise in the action. *Sav-On Drug Store, Inc. v. Sup. Ct.*, 34 Cal.4th 319, 327 (2004). Plaintiffs' claims are predicated primarily on Ford's allegedly unlawful failure to pay minimum and overtime wages, allegedly unlawful meal and rest period policies/practices, alleged failure to reimburse for business expenses, and alleged failure to timely pay wages. Such claims are commonly held proper for class certification. *See, e.g.*, *Tapia v. Zale Delaware Inc.*, 2016 WL 1385181 at **3-4 (S.D. Cal. Apr. 6, 2016) (certifying rounding claim); *Benton v. Telecom Network Specialists*, *Inc.* 220 Cal.App.4th 701, 726 (2013) (certifying meal and rest period claims); *Tokoshima v. Pep Boys-Manny Moe & Jack of Calif.*, No. C-12-4810-CRB, 2014 WL 1677979 at **5-8 (N.D . Cal. Apr. 28, 2014) (certifying minimum wage claim); *Cochran v. Schwan's Home Service, Inc.*, 228 Cal.App.4th 1137 (2014) (reversing denial of class certification of reimbursement claim).

3. <u>The Named Plaintiffs' Claims Are Typical</u>

The typicality requirement is satisfied where class representatives have claims that are typical of the class. *B.W.I. Custom Kitchen v. Owens-Illinois, Inc.,* 191 Cal.App.3d 1341, 1347 (1987). Here, Plaintiffs' claims are typical of those held by Settlement Class members. Each Plaintiff was employed by Ford as a non-exempt employee in California during the Class Period, and they were injured by the same challenged policies that allegedly injured the Settlement Class as a whole. *See* Declaration of Lisa Childress, ¶¶ 2-3; Declaration of Justin Aaron Heard, ¶¶ 2, 6. Thus, typicality is satisfied.

4. <u>Plaintiffs and Class Counsel Will Adequately Represent the Class</u>

The adequacy requirement examines conflicts of interest between named parties and the class(es) they seek to represent. *Capital People First v. State Dept. of Developmental Svcs.,* 155 Cal.App.4th 676, 697 (2007). Plaintiffs and their respective counsel will adequately represent the Settlement Class, as there are no known conflicts between Plaintiffs or their counsel and the Settlement Class. *See McGhee v. Bank of Am.,* 60 Cal.App.3d 442, 450 (1976) (finding adequacy satisfied where there was no indication that plaintiff's counsel was not qualified and the named plaintiff had no interests antagonistic to those of the proposed class). Plaintiffs' counsel also have extensive experience in wage and hour class action litigation, as noted above.

C. <u>THE COURT SHOULD ORDER DISTRIBUTION OF THE NOTICE</u>

The Court should order distribution of the proposed Notice by U.S. Mail, using last known mailing addresses provided by Ford. *See* Settlement, § 7.4. This is the "best notice practicable" under the circumstances, as it provides "individual notice to all members who can be identified through reasonable effort." *Eisen v. Carlisle & Jacquelin,* 417 U.S. 156, 173 (1974). Plaintiffs propose the Settlement be administered by Simpluris, an experienced class action settlement administrator. *See* Denise Islas Declaration on Behalf of Simpluris and exhibits. Settlement Class members' addresses will be ascertainable through Ford's records. Simpluris will also run all addresses through the U.S. Postal Service National Change of Address database and/or perform "skip traces" to obtain current addresses. *See* Settlement, §§ 1.11, 7.4.2, 7.4.3, 7.4.4, 7.4.5.

The proposed Notice satisfies Cal. Rule of Court 3.766(d) because it advises Settlement Class members of the nature of the claims; the basic contentions of the parties; the key terms of the Settlement; the 60-day deadline to opt-out, object, or submit a dispute and how to do so; explains the recovery formula and expected recovery amount for each Settlement Class member; and explains the releases of claims included in the Settlement. *See* Larsen Decl., Exh. A to Exh. 1. The proposed Notice also includes the final approval hearing date and time, and it provides contact information for Class Counsel and the administrator in the event Settlement Class members have any questions about the Settlement. *Id.* This Notice satisfies Cal. Rule of Court rule 3.766(e) as the most reliable and cost-effective method of reaching the Settlement Class.

D. <u>THE COURT SHOULD SET A FINAL APPROVAL HEARING</u>

Finally, the Court should set a hearing for final approval on a date appropriately scheduled to follow Settlement Class members' response deadline. *See* Cal. Rule of Court 3.769.

V. <u>CONCLUSION</u>

For the foregoing reasons, Plaintiffs respectfully request that the Court preliminarily approve the proposed Settlement, provisionally certify the Settlement Class, and enter the Proposed Order submitted concurrently herewith.

Dated: November 18, 2025

Respectfully submitted,
ABRAMSON LABOR GROUP

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