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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN DIEGO

ANDREA URIAS and BRITTANY JOHNSON, individually, on behalf of all others similarly situated, the State of California, and other aggrieved persons,

Plaintiffs,

v.

LABCORP PERI-APPROVAL AND COMMERCIALIZATION INC., an unknown entity; COVANCE MARKET ACCESS SERVICES, INC., a corporation; COVANCE INC., a corporation; and DOES 1 through 10, inclusive,

Defendants.

Case No.: 37-2023-00027719-CU-OE-CTL

[Assigned for all purposes to the Hon. Carolyn M. Caietti, Dept. C-70]

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

Preliminary Approval Hearing:
Date: July 23, 2027
Time: 10:30 a.m.
Dept.: C-70
Reservation Number: 105930

Complaint Filed: June 30, 2023
Trial Date: None set

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on July 23, 2027, at 10:30 a.m., or as soon thereafter as the matter may be heard in Department C-70 of the above-captioned court, located at the Hall of Justice, 330 W Broadway, San Diego, CA 92101, Plaintiffs Andrea Urias and Brittany Johnson ("Plaintiffs") will and hereby do move this Court for an Order as follows:

1. Granting preliminary approval of the proposed Class Action and PAGA Settlement Agreement ("Agreement");
2. Conditionally certifying the proposed Settlement Class;
3. Appointing Plaintiffs as the Class Representatives;
4. Appointing Wilshire Law Firm, PLC as Class Counsel;
5. Appointing Apex Class Action. LLC as the Administrator; and
6. Setting a hearing date for final approval of the Settlement.

Pursuant to Code of Civil Procedure § 382 and California Rules of Court 3.769, *et seq*., this Motion is made on the grounds that the proposed Settlement satisfies all criteria for preliminary approval and falls well within the range of reasonableness. The Settlement was reached through adversarial, arm's length negotiations between experienced attorneys with the assistance of an experienced neutral, and Plaintiffs and Plaintiffs' counsel will fairly and adequately represent the Class.

This Motion is based on this Notice of Motion, the accompanying Memorandum of Points and Authorities, the Declarations of Benjamin H. Haber, Andrea Urias, and Brittany Johnson, and on all records and documents on file, together with such oral and documentary evidence as may be presented at the hearing on this matter.

Respectfully submitted,

Dated: October 29, 2026

WILSHIRE LAW FIRM, PLC

By: _____

Benjamin H. Haber
Daniel J. Kramer
Chase M. Stern
Karen L. Wallace

Attorneys for Plaintiffs

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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*., Plaintiffs Andrea Urias and Brittany Johnson ("Plaintiffs") seek preliminary approval of this class action Settlement with Defendants LabCorp Peri-Approval and Commercialization Inc., Covance Market Access Services, Inc., and Fortrea Inc., formerly known as Covance Inc. ("Defendants") (collectively, the "Parties"). The Settlement resolves wage and hour claims, including representative claims brought under the Private Attorneys General Act ("PAGA"), Lab. Code § 2698, *et seq*., against Defendants on behalf of a Class of all current and former hourly, non-exempt employees who were employed by Defendants in California during the Class Period, from January 3, 2019, through June 2, 2025 ("Class Members"). Declaration of Benjamin H. Haber ("Haber Decl.") ¶¶ 20, 21, *infra*.

The Settlement provides for a non-reversionary common fund of $2,000,000.00 ("Gross Settlement Amount" or "GSA") from which the following payments will be made:

1. Class Counsel Fees not to exceed $666,666.67 (one-third (1/3) of the GSA);
2. Class Counsel Litigation Expenses not to exceed $45,000.00 for actual litigation expenses incurred by Class Counsel;
3. Enhancement Awards to Plaintiffs not to exceed $20,000.00 ($10,000.00 each);
4. Administration Costs not to exceed $11,990.00 to the Administrator; and
5. PAGA Penalties in the amount of $100,000.00, allocated 75% ($75,000.00) to the Labor and Workforce Development Agency ("LWDA") and 25% ($25,000.00) to Aggrieved Employees, defined, *infra*, as all current and former hourly, non-exempt employees employed by Defendants in California at any time during the PAGA Period, from July 20, 2022, through June 24, 2024.

After these payments have been deducted, the remainder ("Net Settlement Amount") will be distributed to approximately 758 Class Members based on the total Workweeks each worked during the Class Period. Haber Decl. ¶¶ 13-15.

The Settlement meets all criteria for preliminary approval and falls within the range of

reasonableness, given the risk and expenses of further litigation. The Settlement was reached through adversarial, arm's length negotiations between experienced attorneys with the assistance of an experienced neutral. Accordingly, Plaintiffs request that the Court grant preliminary approval of the Settlement, conditionally certify the Class for settlement purposes only, appoint Plaintiffs as the Class Representatives, appoint Plaintiffs' counsel as Class Counsel, appoint Apex Class Action, LLC ("Apex") as the Administrator, authorize the Administrator to mail notice of the Settlement to the Class, and set a hearing date for final approval.

II. PROCEDURAL HISTORY

On June 30, 2023, Plaintiff Urias filed this putative class action alleging against Defendants 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 in violation of the Unfair Competition Law ("UCL"), Bus. & Prof. Code § 17200, *et seq*. ("Class Action"). Haber Decl. ¶ 3.

On July 20, 2023, Plaintiff Urias provided written notice to Defendants and the LWDA of the specific Labor Code provisions alleged to have been violated, including the facts and theories in support, Case No. LWDA-CM-969685-23 ("PAGA Notice"). *Id*. ¶ 4, Ex. 1. The LWDA did not give notice that it intended to investigate within the statutory waiting period. Accordingly, on October 6, 2023, Plaintiff Urias filed a representative action in the above-captioned court, entitled *Urias v. LabCorp Peri-Approval and Commercialization Inc., et al*., Case No. 37-2023-00043524-CU-OE-CTL, alleging a PAGA cause of action against Defendants LabCorp Peri-Approval and Commercialization Inc. and Covance Market Access Services, Inc. and seeking civil penalties for the violations alleged in the PAGA Notice (the "PAGA Action"). *Id.* ¶ 5.

On October 2, 2023, Defendant removed the Class Action to the United States District Court, Southern District of California, Case No. 3:23-cv-01815-L-MSB. On January 8, 2024, the Court granted Plaintiff's Motion to Remand. *Id*. ¶ 7.

On July 2, 2024, and October 21, 2024, the Parties participated in full-day mediations with

Kevin Barnes, Esq. (the "Mediator"), which led to the Settlement and the Class Action and PAGA Settlement Agreement ("Agreement"). *Id.* ¶ 7, Ex. 2. Subsequently, on January 28, 2025, the PAGA Action was consolidated with the Class Action, the designated lead case. Finally, on June 4, 2025, to facilitate settlement and effectuate the Agreement, Plaintiff Urias filed a First Amended Complaint in the Class Action ("Operative Complaint"), adding 1) Brittany Johnson as a named plaintiff and 2) a PAGA cause of action. *Id.* ¶¶ 8, 9.

On October 29, 2026, Plaintiffs submitted a copy of the Agreement to the LWDA. *Id.* ¶ 10, Ex. 3.

III. SUMMARY OF THE SETTLEMENT

The Parties agreed to settle the claims alleged in this case for a Gross Settlement Amount of $2,000,000.00. Defendants will pay separately employer payroll taxes for the wage portions of the Individual Class Payments. Haber Decl. ¶ 11. Subject to Court approval, the following payments will be deducted from the GSA: 1) Class Representative Service Awards up to $20,000.00 ($10,000.00 to each Plaintiff); 2) Class Counsel Fees up to one-third (1/3) of the GSA, currently $666,666.67; 3) Class Counsel Litigation Expenses not to exceed $45,000.00; 4) Administration Costs to Apex not to exceed $11,990.00; and 5) PAGA Penalties in the amount of $100,000.00, allocated 75% ($75,000.00) to the LWDA and 25% ($25,000.00) to Aggrieved Employees. *Id.* ¶ 12.

The remaining Net Settlement Amount, currently estimated to be $1,156,343.33, shall be disbursed pro rata to Participating Class Members as Individual Class Payments, calculated based on the number of workweeks each Class Member worked during the Class Period and allocated 15% to wages (the "Wage Portion") and 85% to interest and statutory penalties for tax purposes. *Id.* ¶¶ 13-15.

Aggrieved Employees' 25% share of PAGA Penalties ($25,000.00) shall be distributed pro rata as Individual PAGA Payments based on the number of PAGA Pay Periods each Aggrieved Employee worked during the PAGA Period and are considered 100% penalties for tax purposes. *Id*. ¶ 16.

Lastly, none of the Gross Settlement Amount will revert to Defendants. The Administrator

shall retain in the Net Settlement Amount any payment not approved by the Court and shall transmit the funds represented by checks that remain uncashed and canceled after the void date to the California Controller's Unclaimed Property Fund in the name of the Class Member, thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b). Haber Decl. ¶¶ 17-19.

A. Key Definitions

"Class" and "Class Members" mean all current and former hourly, non-exempt employees who were employed by Defendants in the State of California during the Class Period, from June 30, 2019, through June 24, 2024. Haber Decl. ¶ 20.

"Aggrieved Employees" means all current and former hourly, non-exempt employees employed by Defendants in the State of California during the PAGA Period, from July 20, 2022, through June 24, 2024. *Id*. ¶ 21.

"Defendants" means LabCorp Peri-Approval and Commercialization Inc., Covance Market Access Services, Inc., and Fortrea Inc., formerly known as Covance Inc. *Id*. ¶ 22.

"Released Parties" means Defendants and Defendants' officers, directors, managerial employees, and agents. *Id*. ¶ 23.

"Released Claims" means "Released Class Claims" and "Released PAGA Claims," as discussed below, Sec. III.B, *infra*. *Id*. ¶ 24.

B. Releases

Effective on the date when Defendants fully fund the GSA and all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs, Class Members, and Class Counsel will release all Released Claims against the Released Parties. Haber Decl. ¶ 25.

"Plaintiffs' Release" provides in pertinent part that Plaintiffs release the Released Parties from all claims that occurred during the Class Period that can be brought as a matter of law, including all Released Claims. Plaintiffs also expressly waive their rights under Civil Code § 1542. *Id*. ¶ 26.

"Released Class Claims" provides that all Participating Class Members release the Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the Class

Period facts stated in the Operative Complaint. Excluding the Released PAGA Claims, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation or claims based on facts occurring outside the Class Period. *Id*. ¶ 27.

"Released PAGA Claims" provides that all Aggrieved Employees, including Non-Participating Class Members, are deemed to release the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint and the PAGA Notice. *Id*. ¶ 28.

C. Settlement Administration

The Parties' proposed Notice of Settlement and hearing date for Final Approval ("Class Notice") complies with the requirements of California Rules of Court, Rule 3.766(d). *See* Haber Decl. ¶ 7, Ex. 1, Ex. A. It provides information regarding the nature of this lawsuit, a summary of the settlement terms, the formula used for calculating individual class and PAGA payments and instructions to dispute the calculations, instructions on how to opt-out of or object to the Settlement, the date, time, and location of the final approval hearing, and the amounts sought for the class representative service payments, attorneys' fees and litigation costs, and settlement administration costs. *Id*. ¶ 29. The Class Notice also advises Class Members that they do not need to submit a claim in order to participate in the Settlement and receive a payment. *Id*. ¶ 30.

The Administrator will mail the Class Notice to Class Members in English and Spanish by first-class United States Postal Service ("USPS") mail. No later than five (5) calendar days after receipt, the Administrator will re-mail any Class Notice returned as undeliverable to the forwarding address provided by the USPS. If no forwarding address is provided, the Administrator will conduct a Class Member Address Search and re-mail the Class Notice to the most current address obtained. Finally, the 60-day Response Deadline will be extended by fourteen (14) days for all Class Members whose Class Notice is re-mailed. *Id*. ¶¶ 31-33.

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IV. THE SETTLEMENT MEETS ALL CRITERIA FOR PRELIMINARY APPROVAL

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. The Proposed Class is Numerous and Ascertainable

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

Here, the Class consists of approximately 758 members identified by Defendant from its business records based on the Parties' definition. Haber Decl. ¶¶ 14, 20. As Class Members are readily ascertainable and joinder would be impracticable, these requirements are met.

2. A Well-Defined Community of Interest Exists

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

a. *Common Questions Predominate*

In determining whether common issues "predominate," courts consider both plaintiff's legal theories and defendant's affirmative defenses. *Duran v. U.S. Bank Nat'l Ass'n* (2014) 59 Cal.4th 1, 28-29. "Generally, if the defendant's liability can be determined by facts common to all

members of the class, a class will be certified even if the members must individually prove their damages." *Cortina v. N. Am. Title Co*. (2026) 120 Cal. App. 5th 1030, 1075, *reh'g denied* (June 23, 2026), *review denied* (July 8, 2026) (internal quotations and citation omitted). Moreover, predominance does not require that all class members have identical claims; the focus is on whether issues shared by the class members are sufficiently uniform to permit class-wide assessment. *Ayala,* 59 Cal.4th at 530.

Plaintiffs alleged that Defendants maintained common employment policies and/or practices that unlawfully deprived Class Members of wages, meal periods, rest periods, reimbursements for business expenses, accurate wage statements, and timely payment of wages upon separation of employment. These allegations present common factual and legal questions of, *inter alia*, whether Defendants applied the same policies to all Class Members with respect to scheduling, timekeeping, compensation, meal periods, rest periods, and reimbursement, whether such policies and practices resulted in Labor Code violations, whether Defendants' conduct was intentional, and whether Class Members are entitled to damages and/or penalties. Haber Decl. ¶ 36. These common questions could be resolved using Class Members' time and payroll records and testimony from Defendants and Class Members. *Id*. Therefore, conditional class certification is appropriate for purposes of settlement.

b. *Plaintiffs are Typical of the Class*

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

Plaintiffs alleged that they and other Class Members were employed in California by the same Defendant and suffered the same injuries from Defendants' uniform wage and hour policies and practices, including with respect to scheduling, timekeeping, compensation, meal periods, rest periods, and reimbursement. *See* Haber Decl. ¶ 36; Declaration of Andrea Urias ("Urias Decl.") ¶¶ 4, 5; Declaration of Brittany Johnson ("Johnson Decl.") ¶¶ 4, 5. Through informal discovery,

Plaintiffs confirmed that these challenged policies and practices applied to Plaintiffs and Class Members alike. Haber Decl. ¶¶ 34, 35. Accordingly, Plaintiffs' claims are aligned with Class Members' claims and arise from the same challenged employment policies and practices, based on the same legal theories.

c. *Plaintiffs and Class Counsel will adequately represent the Class*

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

Plaintiffs, the proposed representatives, and proposed Class Counsel have no such conflict. Urias Decl. ¶¶ 6, 7; Johnson Decl. ¶¶ 6, 7. Plaintiffs have demonstrated an ability to advocate for Class Members' interests by initiating this lawsuit, providing information to their attorneys regarding the claims, making themselves available for mediation to answer questions, and reviewing the proposed Settlement, among other documents. Urias Decl. ¶¶ 13, 14; Johnson Decl. ¶¶ 13, 14.

Plaintiffs' counsel, who have demonstrable experience and success with complex litigation like the instant Action, have also expended considerable time and effort on this case and will continue to do so through final approval. Haber Decl. ¶ 52. Accordingly, Plaintiffs should be appointed Class Representatives, and their counsel should be appointed Class Counsel.

3. A Class Action is Superior to a Multitude of Individual Lawsuits

"Public policy has long favored the 'full and prompt payment of wages due an employee.'" *Sav-On Drug Stores, Inc. v. Superior Court* (2004) 34 Cal.4th 319, 340. Even so, class treatment must be "superior to the other available methods for the fair and efficient adjudication of the controversy." *Dean Witter Reynolds, Inc. v. Superior Court* (1989) 211 Cal.App.3d 758, 773. Accordingly, section 382 of the Code of Civil Procedure provides in pertinent part: "[W]hen the question is one of a common or general interest, of many persons, or when the parties are numerous,

and it is impracticable to bring them all before the court, one or more may sue or defend for the benefit of all." *Id*. at 773, fn. 5.

Here, a class action is superior to a multitude of individual lawsuits. Given the size and amount of each employee's claim, Class Members have little incentive to litigate their claims on an individual basis because the out-of-pocket expenses and personal commitment necessary to litigate each claim likely exceed any potential recovery. Haber Decl. ¶ 35; *see, e.g., Sav-On Drug Stores,* 34 Cal.4th at 340 ("[T]he class suit both eliminates the possibility of repetitious litigation and provides small claimants with a method of obtaining redress for claims which would otherwise be too small to warrant individual litigation.") (citation omitted). A class action is thus superior to other methods for the efficient adjudication of the claims at issue.

B. The Settlement Meets the Standards for Preliminary Approval

The moving party must demonstrate that "the settlement is fair, adequate and reasonable." *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 126. In making that determination, "the trial court should consider relevant factors, such as 'the strength of plaintiffs' 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, the experience and views of counsel, the presence of a governmental participant, and the reaction of the class members to the proposed settlement.'" *Wershba v. Apple Computer, Inc*. (2001) 91 Cal. App. 4th 224, 244–45, *disapproved of by Hernandez v. Restoration Hardware, Inc*. (2018) 4 Cal. 5th 260 (quoting *Dunk v. Ford Motor Co*. (1996) 48 Cal. App. 4th 1794, 1801, *as modified* (Sept. 30, 1996)).

1. <u>The Settlement is Entitled to a Presumption of Fairness</u>

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

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

Courts have recognized that the involvement of a respected mediator provides a high degree of assurance that the settlement is the result of arm's length bargaining. *See Chavez v. Netflix, Inc.* (2008) 162 Cal.App.4th 43, 52-53. The Settlement in this matter is the product of private mediation with the Mediator, and negotiations was adversarial, conducted at arm's length, and tempered by the efforts of both sides to serve the interests of their clients. Haber Decl. ¶ 7.

b. *Sufficient Investigation and Discovery Have Been Conducted*

Prior to attending mediation, Plaintiffs' counsel thoroughly investigated the claims, applicable law, and potential defenses. Plaintiffs' counsel also assessed the potential value of the claims using the data and documents Defendants produced in informal discovery, including Plaintiffs' personnel files, a random sampling of Class Members' time and payroll records, and Defendant's written policies in effect during the Class Period. *Id*. ¶ 34.

c. *Plaintiffs' Counsel are Experienced in Complex Litigation*

Plaintiffs are represented by Wilshire Law Firm, PLC. *Id*. ¶ 50. Plaintiffs' counsel have extensive experience litigating wage and hour class actions on behalf of employees and have been counsel in numerous class actions that have resulted in millions of dollars in recovery. *Id.* ¶¶ 51-60.

2. The Settlement is Reasonable Given the Risk and Expense of Further Litigation

A settlement does not have to provide 100% of the damages sought to be considered fair and reasonable. *See Rebney v. Wells Fargo Bank* (1991) 220 Cal.App.3d 1117, 1139. Although the exposure Plaintiffs' counsel calculated is substantial, the risks of successfully certifying a class and prevailing at trial affected the valuation of the claims for settlement purposes. Plaintiffs' consultant used the following data points: 772 Class Members; 94,936 Workweeks; $22.34 average hourly rate; and $5 per week unreimbursed business expenses. Haber Decl. ¶ 37.

Minimum and Overtime Wages: Plaintiffs alleged that Defendants required Class Members to perform work while off the clock, without compensation. For example, Plaintiffs alleged that they and other Class Members were required to start taking calls as soon as their

shifts started, which meant preparing their equipment and logging into multiple systems at least 5 minutes before clocking in. Plaintiffs and other Class Members were also required to clock in early to help with the large queue of incoming calls, and meal breaks were regularly interrupted by supervisors. At the end of the workday, Plaintiffs and other Class Members were required to work at least 5 minutes after clocking out to wrap up calls, which time was not compensated. *Id*. ¶ 38. Plaintiffs' counsel estimated that Defendants are liable for two (2) hours of unpaid time per workweek. Using the average hourly rate of pay, Defendants' maximum exposure for this claim is approximately $4,241,740.48 (94,936 workweeks x $22.34 average hourly rate x 2 hours). Because this claim would have relied heavily on Class Member testimony and would not be evidenced in Defendants' records, the risks of failing to certify a class or prevail at trial were substantial. Accordingly, Plaintiffs' counsel discounted this figure based on a 50% chance of certifying a class and a 50% chance of prevailing at trial on the merits, and Defendants' estimated realistic exposure is $1,060,435.12 ($4,241,740.48 x 0.5 x 0.5). *Id*.

Meal Periods: Plaintiffs alleged that Defendants failed to provide Class Members with legally compliant meal periods or pay meal period premiums in lieu thereof. For example, Plaintiffs alleged that they and other Class Members were required to answer calls instead of taking timely meal periods, and, even when employees were able to take a meal period, supervisors often required them to clock back in after 10 to 15 minutes due to the volume of calls. *Id*. ¶ 39. Plaintiffs' consultant estimated a meal period violation rate of approximately 31.4% (for shifts over 6 hours that are not waivable) from the sampling of Class Members' time and payroll records, where meal periods were short, late, or missed, and Defendants' maximum exposure is approximately $2,660,207.43 (379,230 shifts over 6 hours x $22.34 average hourly rate x 0.314 violation rate). Given the difficulty of certifying and proving meal period claims and Defendants' contentions both that the claim lacks merit and that a 31.4% violation rate is unrealistic, Plaintiffs' counsel discounted this figure based on a 70% chance of certification and a 50% chance of prevailing at trial. Defendants' estimated realistic exposure is thus $931,072.60 ($2,660,207.43 x 0.7 x 0.5). *Id*.

Rest Periods: Plaintiffs alleged that Defendants failed to provide Class Members with legally compliant rest periods or pay rest period premiums in lieu thereof. For example, Plaintiffs

alleged that they and other Class Members were required to continue taking calls, which delayed or precluded rest breaks, or were interrupted by managers. *Id*. ¶ 40. Based on a sampling of call logs that recorded the time Class Members' computers were marked as "ready," Plaintiffs' consultant estimated a 67.7% violation rate for all qualifying shifts, and Defendants' maximum exposure is approximately $5,894,482.79 (389,739 shifts of 3.5+ hours x $22.34 average hourly rate x 0.677 violation rate). Plaintiffs' counsel considered the difficulty of certifying and proving rest period claims, including because rest periods do not have to be recorded and to account for Class Members' choosing to forego a rest period, as well as Defendants' contentions that these logs are not sufficient to show that the purported rest periods were non-compliant. Furthermore, because the claim would have relied exclusively on Class Member testimony, Plaintiffs' counsel discounted this figure based on a 30% chance of certification and a 20% chance of prevailing at trial. Defendants' estimated realistic exposure for the rest period claim is thus $353,668.97 ($5,894,482.79 x 0.3 x 0.2). *Id*.

Reimbursements: Plaintiffs alleged that Defendants failed to indemnify Class Members for expenses incurred in performing their job duties, such as mandatory use of personal cell phones to log in and utilize systems like Sysco. In addition, Plaintiffs and other Class Members often had no choice but to pay out-of-pocket for expenses related to remote work, including high-speed internet and increased use of electricity. *Id*. ¶ 41. In light of the need for individualized proof, Plaintiffs' counsel estimated that Defendants were liable to each Class Member for unreimbursed expenses of $5.00 per workweek. Defendants' estimated maximum exposure for this claim is thus $474,680.00 ($5 x 94,936 workweeks). Defendants contend that these expenses were not required and that Defendants could not have known that such expenses were being incurred. Accordingly, Plaintiffs' counsel discounted this figure based on a 30% chance of certification and a 30% chance of prevailing at trial. Defendants' estimated realistic exposure is thus $42,721.20 ($474,680 x 0.3 x 0.3). *Id*.

In sum, Plaintiffs' counsel estimated that Defendants' maximum exposure for the off-the-clock claim, meal period violations, and rest period violations (i.e., the Wage Claims") and the business expense claim is approximately $13,271,110.70. However, taking

into account the risk and uncertainty of certifying a class and prevailing at trial, Defendants' estimated realistic exposure for the Wage Claims and the business expenses claim is $2,387,897.89. *Id*. ¶ 42.

Derivative Penalties: Plaintiffs alleged that Defendants' failure to pay all wages owed resulted in waiting time and wage statement penalties. Plaintiffs' counsel estimated that Defendants' maximum exposure for derivative statutory penalties is $4,054,996.80. *Id*. ¶ 43. Plaintiff's consultant estimated that the employment of approximately 448 Class Members was terminated during the 3-year limitations period. Assuming an average hourly rate of pay of $22.34, Defendants' maximum exposure for waiting time penalties is approximately $2,401,996.80 (448 employees x $22.34 average hourly rate x 8 hours/day x 30 days). Plaintiff's consultant estimated further that approximately 400 Class Members worked during the 1-year limitations period, and Defendants' estimated maximum exposure for inaccurate wage statements is $1,653,000 ([400 employees x 1 initial violation/employee x $50 per initial violation] + [(16,730 pay periods - 400 initial violations) x $100 per subsequent violation]). Given Defendants' defenses to Plaintiffs' contested claims, the challenge of establishing willfulness, and the discretionary nature of penalties, Plaintiffs' counsel believe it would be unrealistic to expect the Court to award the maximum $4,054,996.80 in statutory penalties. Considering further that Defendants' estimated realistic exposure for the underlying Wage Claims is $2,387,897.89, such a disproportionate award would also raise due process concerns. Accordingly, Plaintiffs' counsel discounted these figures to account for the risk and uncertainty of certifying a class (30%) and prevailing at trial (20%). Defendants' estimated realistic exposure for waiting time penalties is thus $144,119.81 ($2,401,996.80 x 0.3 x 0.2) and $99,180 for wage statement penalties ($1,653,000 x 0.3 x 0.2), or $243,299.81 total for statutory penalties. *Id.*

PAGA: Plaintiffs' counsel estimated that Defendants' maximum exposure for civil penalties could be as much as $1,673,000.00, assuming the initial $100 penalty would apply to each of 16,730 PAGA Pay Periods. *Id*. ¶ 44. However, even assuming Plaintiffs prevailed on the merits, the Court has discretion to reduce penalties, including where to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory. Plaintiffs' counsel thus

discounted this figure to account for the risk and uncertainty of prevailing at trial (10%), and Defendants' estimated realistic exposure is $167,300.00 ($1,673,000 x 0.1). The Settlement allocates $100,000.00 of the Gross Settlement Amount to PAGA Penalties, which represents approximately 60% of Defendants' estimated realistic exposure for civil penalties ($100,000 / $167,300) and 5% of the GSA ($100,000 / $2,000,000). *Id.*

Using these figures, Plaintiffs' counsel estimated that Defendants' realistic exposure for all claims, including penalties and business expenses, is $2,798,497.70, of which the Gross Settlement Amount represents approximately 71% ($2,000,000 / $2,798,497.70). *Id*. ¶ 45. Based on the agreed-upon distribution of settlement funds, the Net Settlement Amount available for Individual Class Payments is currently estimated to be $1,156,343.22. Based on Defendants' most recent estimate of 758 Class Members and 94,936 Workweeks, the estimated Workweek value is thus $12.18 ($1,156,343.33 / 94,936), with an average net payment of approximately $1,525.51 to each Participating Class Member ($1,156,343.33 / 758).

Based on the foregoing, considering the risk and uncertainty of certifying a class and prevailing at trial, this is an excellent result for the Class. Indeed, because of the proposed Settlement, Class Members will receive timely, guaranteed relief and avoid the risk of an unfavorable judgment. *Id*. ¶ 47.

C. The PAGA Allocation is Reasonable

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

to two percent of the total settlement).

Here, the Parties negotiated PAGA Penalties in the amount of $100,000, allocated pursuant to statute, 25% ($25,000.00) to Aggrieved Employees and 75% ($75,000.00) to the LWDA to settle all PAGA claims. Haber Decl. ¶ 12. 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*., No. CV1603128ABAGRX, 2017 WL 10541431, at *14 (C.D. Cal. Dec. 21, 2017) (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*., No. 1:10-CV-0324 AWI SKO, 2012 WL 5364575, at *3 (E.D. Cal. Oct. 31, 2012) (approving a PAGA settlement of 0.27%).) The proposed PAGA Penalties, negotiated in good faith, are approximately 5% of the Gross Settlement Amount, which exceeds amounts that are routinely approved. Haber Decl. ¶ 44.

D. The Requested Enhancement Awards are 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, Plaintiffs seek Enhancement Awards of up to $10,000.00 each ($20,000 total) for accepting the responsibility for representing the Class interests, as well as potential costs that were not borne by any other Class Member. Haber Decl. ¶¶ 26, 48, 49.

Plaintiffs assisted counsel throughout this case, providing information necessary to prosecute the claims, communicating with the attorneys regarding the claims and defenses at issue, making themselves available for mediation, and reviewing the Agreement, among other documents, to ensure the Settlement was fair to all Class Members. Urias Decl. ¶ 13; Johnson Decl. ¶ 13. No action would likely have been taken by Class Members individually, and no compensation would have been recovered for them, but for Plaintiffs' services on behalf of the Class. By actively pursuing this action, Plaintiffs furthered the California public policy goal of enforcing the State's wage-and-hour laws. Haber Decl. ¶¶ 48, 49; *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 Awards are reasonable and should be preliminarily approved. Plaintiffs have provided declarations regarding their service to date and will provide additional information as requested or required by the Court for final approval.

E. The Requested Attorneys' Fees and Costs Are Reasonable

The purpose of an attorneys' fees 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.").

Plaintiffs seek 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. Haber Decl. ¶ 50. Plaintiffs' counsel seeks preliminary approval of attorneys' fees up to $666,666.67 (one-third (1/3) of the Gross Settlement Amount) and litigation costs up to $45,000.00. Given the work performed in this matter, the extensive information exchange, and the substantial recovery obtained on behalf of the Class, Plaintiffs' counsel achieved a fair and reasonable settlement through efficient and diligent work. *Id*. ¶¶ 34-47. Plaintiffs' counsel will fully brief the merits of their requests for attorneys' fees and costs for final approval.

F. The Administration Costs Are Reasonable

The Parties have agreed to use Apex to administer this Settlement, and Plaintiffs seek preliminary approval of $ 11,990.00 for administration costs pursuant to Apex's not-to-exceed bid. Haber Decl. ¶ 63, Ex. 4. The services covered by this payment are extensive and necessary to carry out the Settlement administration. *Id*. ¶¶ 30-33.

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V. CONCLUSION

For the foregoing reasons, the Parties have negotiated a fair and reasonable settlement given the risks presented in this case, and Plaintiffs respectfully request that the Court preliminarily approve the Settlement and schedule a date for the final approval hearing.

Dated: October 29, 2026

WILSHIRE LAW FIRM, PLC

By: _____

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