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Attorneys for Representative PAGA Plaintiff ALVARO SANCHEZ GUERRERO, individually and on behalf of himself and all other Aggrieved Employees

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES – SPRING STREET COURT (COMPLEX)

ALVARO SANCHEZ GUERRERO, an individual and class representative on behalf of himself and all other similarly situated non-exempt former and current employees,

Plaintiff,

v.

HOMESTATE HOSPITALITIES, LLC, a Delaware Corporation; and DOES 1 through 10,
inclusive,

Defendants.

Case No: 23STCV16841
Hon.: HON. SAMANTHA JESSNER
Dept.: 7 (SSC)

PLAINTIFF'S UNOPPOSED NOTICE OF MOTION AND MOTION FOR APPROVAL OF PRIVATE ATTORNEYS' GENERAL ACT ("PAGA") SETTLEMENT

[*Filed concurrently with the Declaration of Grant Joseph Savoy in Support of Plaintiff's Motion for Approval of Private Attorneys General Act Settlement; [Proposed] Order*]

Hearing Date: September 30, 2025
Time: 11:00AM
Dept.: 7 (SSC)

Complaint filed: July 19, 2023

TO THE HONORABLE COURT, TO ALL PARTIES, AND TO THEIR COUNSEL OF RECORD: NOTICE IS HEREBY GIVEN that on September 30, 2025 at 11:00 AM in Department 7 of the Los Angeles County Spring Street Court, located at 111 N. Hill St, Los Angeles, CA 90012, Representative PAGA Plaintiff ALVARO SANCHEZ GUERRERO ("Plaintiff") will move for an order granting approval of the proposed settlement on the terms and conditions set forth in the matter of *Alvaro Sanchez Guerrero v. Homestate Hospitalities, LLC, et al.* PAGA SETTLEMENT AGREEMENT (the "Settlement" and/or "Agreement") between Plaintiffs and defendant Homestate Hospitalities, LLC ("Defendant" and/or "HSH")(collectively Plaintiff and HSH referred to as the "Parties"). A copy of the Settlement Agreement is attached as Exhibit 1 to the Declaration of Grant Joseph Savoy, Esq. ("*Savoy Decl.*") filed in Support of Plaintiff's Motion for Approval of Private Attorneys' General Act Settlement, which has been filed concurrently herewith.

Notice to the LWDA: On August 8, 2025, Plaintiff's Counsel filed the settlement agreement with the LWDA. (*Savoy Decl.*, at para. 44, Exhibit 2.)

The Motion is unopposed, and is based on this Notice of Motion and Motion, the Memorandum of Points and Authorities in Support, Declaration of Grant Joseph Savoy, Esq. in Support of the Motion for Approval, exhibits, all other pleadings and papers on file in this action, and any oral argument or other matter that may be considered by the Court.

Dated: August 8, 2025

SOLOUKI | SAVOY, LLP

By: /s/ *Grant Joseph Savoy*
Shoham J. Solouki
Grant J. Savoy
Attorneys for Plaintiff Representative Plaintiff ALVARO SANCHEZ GUERRERO, individually and on behalf of all others Aggrieved Employee

TABLE OF CONTENTS

TABLE OF AUTHORITIES

Statutes

MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Plaintiff, ALVARO SANCHEZ GUERRERO ("Plaintiff"), respectfully submit this memorandum in support of their motion for approval of the *of Alvaro Sanchez Guerrero v. Homestate Hospitalities, LLC, et al.* PAGA SETTLEMENT AGREEMENT (the "Settlement" and/or "Agreement") between Plaintiffs and defendant Homestate Hospitalities, LLC of this action pursuant to the Private Attorneys General Act of 2004, Labor Code section 2698, *et seq*. (hereinafter "PAGA") with Defendant Homestate Hospitalities, LLC ("HSH"). (Plaintiff and HSH are collectively referred to as the "Parties" and "Settling Parties"). Plaintiff seeks entry of a proposed order and judgment granting approval of the PAGA Settlement.

As consideration for this Settlement, HSH will fund a non-reversionary, common fund settlement of $250,003.00 (the "Gross Settlement Value" or "Gross Settlement Amount") which includes: payment to the California Labor and Workforce Development Agency ("LWDA") and the Aggrieved Employees, attorneys' fees and costs, an enhancement award to Plaintiff, and settlement administration costs. (*Savoy Decl.* para. 45, Ex. 1 section 1.10.) The Net Settlement Value is the amount distributed to Aggrieved Employees as individual PAGA payments after deduction from the Gross Settlement Value of the payments for attorneys' fees ($83,351.00) and costs of litigation ($17,256.63), a PAGA Representative Enhancement Payment to Plaintiff of ($7,500.00), settlement administration costs ($6,450.00) and PAGA Penalties in the approximate amount of ($142,855.37) to be paid from the Gross Settlement Amount, with 25% allocated to the Aggrieved Employees ($35,713.84) as Individual PAGA Payments, and 75% to LWDA ($107,141.53) in settlement of the PAGA claims. The net settlement value is equal to approximately $142,855.37 if all requested amounts are approved. (*Savoy Decl.*, Ex. 1, para. 1.15)

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II. SUMMARY OF LITIGATION

A. The Parties

Plaintiff ALVARO SANCHEZ GUERRERO was employed as non-exempt employee of Defendant Homestate Hospitalities, LLC ("Defendant" and/or "Homestate," and or "HSH") for approximately two years from in or around July 2020 to December 2022. Plaintiff worked for Defendant at all times relevant to the PAGA liability period ("PAGA Period") in this Action (September 26, 2022, through May 24, 2025). Plaintiff experienced the same treatment as others working for Defendant as far as wage violations go. Based on a review of Defendant's records to date, Defendant estimates that there are approximately Seven Hundred, Seventy (770) Aggrieved Employees who worked a total of Seventeen Thousand, Five Hundred Fifteen (17,515) PAGA Pay Periods, during the PAGA Period. Defendant HSH is a full service restaurant chain operating eight (8) locations throughout California, specializing in Mexican/Texas cuisine. Defendant started as a one location restaurant in or around 2013, and has now expanded to the current eight (8) locations. (*Savoy Decl.*, para. 2.)

B. The Complaint and Allegations

On or about July 19, 2023, Plaintiff submitted a Notice of Labor Code Violations and Demand Pursuant to California Labor Code section 2699, et seq. (*Savoy Decl.*, para. 3.)

On July 19, 2023, Plaintiff commenced this Action by filing a Complaint alleging causes of action against Defendant for:

(1) Failure to provide required meal periods;

(2) Failure to provide required rest periods;

(3) Failure to pay overtime wages;

(4) Failure to pay minimum wage;

(5) Failure to timely pay wages;

(6) Failure to pay all wages due to discharged and quitting employees;

(7) Failure to maintain required records;

(8) Failure to furnish accurate itemized statements;

(9) Failure to indemnify employees for necessary expenditures incurred in discharge of duties; and

(10) Unfair and unlawful business practices.

On or about September 26, 2023, Plaintiff filed a First Amended Complaint to add a cause of action seeking penalties pursuant to the California Private Attorneys General Act ("PAGA"). The First Amended Complaint is the operative complaint in the Action (the "Operative Complaint"). During the discovery and investigation process, it came to the Parties' attention that a binding arbitration agreement containing a class waiver was in existence. As such, the Parties have agreed to settle this matter on a PAGA only basis. On June 2, 2025, Plaintiff filed a C.R.C. Rule 3.770 Request for Dismissal of all class action allegations. The Parties now seek the PAGA Settlement Agreement approved by the Court. (*Savoy Decl.*, para. 4.)

On April 24, 2025, the Parties participated in an all-day mediation presided over by mediator Gig Kyriacou Esq. at which the Parties achieved global resolution of Plaintiff's PAGA claim as contained in Plaintiff's Operative Complaint. In preparation for mediation, the Parties exchanged various documents and information including wage and hour policies used by HSH during the PAGA Period, time keeping and payroll information for Plaintiff, time keeping and payroll information for Aggrieved Employees for the entire PAGA Period, and mediation information (i.e., workweek information for the PAGA Period, Aggrieved Employee size, total number of current and former employees). During this process Plaintiff's Counsel and Plaintiff's statistical expert analyzed, researched, and investigated the potential issues, including matters related to the calculation of PAGA damages, conducted interviews of the named Plaintiff and other Aggrieved Employees, potential trial management issues, and appellate issues and risks. (*Savoy Decl.*, para. 5.)

Throughout the pendency of this litigation, the Parties exchanged various documents and information that allowed both sides to evaluate the potential exposure and potential risk, such as a review of HSH's relevant policies and procedures related to the claims alleged in Plaintiff's PAGA Complaint (including multiple meal and rest break policies and acknowledgements), and a sampling of time and pay records, and HSH's arbitration agreements, which were signed by all employees, which rendered this matter a PAGA Only Action. During this process Plaintiff's Counsel analyzed, researched, and investigated the potential issues, including matters related to the calculation of PAGA damages, interviews of the named Plaintiff and other Aggrieved Employees, potential trial management issues, and appellate issues and risks. (*Savoy Decl.*, para. 6.)

At all times, HSH denied the allegations and contended that employees were properly and timely compensated for all hours worked, were provided all required meal and rest breaks, were provided itemized statements, and were timely provided all wages due and owed in compliance with the Labor Code.

C. Production Of Directly Relevant Formal and Informal Discovery and Legal Analysis By Parties' Counsel

The Parties have undertaken reasonable investigation of the facts and law during the pendency of this Litigation. Plaintiff's Counsel diligently conducted and pursued an investigation of the PAGA claims against HSH, including research of the applicable law and the potential defenses, review of relevant documents, and engaging in informal discovery. Plaintiff obtained directly relevant data including HSH's written policies related to the claims at issue in Plaintiff's Complaint. The policies all appeared compliant with California law. Plaintiff also received the number of Aggrieved Employees, and sampling of time punch data for potentially aggrieved employees during the PAGA period and concluded that to the extent that there may have been any violations they were de minimis such that there was a strong likelihood that the Court would substantially reduce any civil penalties under Labor Code § 2699(e)(1)-(2). Specifically, HSH produced, and Plaintiff's Counsel and statistical expert reviewed/analyzed various HSH policies, handbooks and records, as well as over 75,000 lines of payroll and timekeeping data provided in native Excel format. (*Savoy Decl.*, para. 7.)

After a full-day of mediation with Mr. Gig Kyriacou Esq., Plaintiff and Plaintiff's Counsel concluded—after considering the sharply disputed factual and legal issues involved on the PAGA claims, the risks attending further prosecution, delay if the Parties continued arbitrating the individual claims prior to proceeding on the PAGA claims, and the benefits to be received pursuant to the compromise and settlement of the action as set forth in the agreement—that settlement was in the best interest of the representative Plaintiff, the LWDA, and the aggrieved employees and is fair and reasonable and furthers the purpose of the PAGA to enforce the Labor Code. At all times throughout the course of the litigation, HSH denied the Plaintiff's allegations and contended that employees were properly and timely compensated for all hours worked, were provided all required meal and rest breaks, were provided accurate itemized wage statements, and were timely provided all wages due and owed in compliance with the Labor Code. (*Savoy Decl.*, para. 8.)

To assist the Court with determining if the proposed settlement is within a range that is fair, reasonable, and adequate, Plaintiff's Counsel analyzed the value of pleaded class allegations. As stated above, the settlement was reached only after engaging in informal discovery and conducting legal analyses of both Plaintiffs' and HSH's theories. As noted above, Plaintiffs' Counsel reviewed a substantial sampling of time records for aggrieved employees from September 26, 2022 to the date of mediation. The data showed that at the time there were approximately 17,515 pay periods for approximately 770 aggrieved employees. "Aggrieved Employee" means a non-exempt, current or former employee of named Defendant Homestate Hospitalities, LLC who worked for Defendant in California during the PAGA Period. "PAGA Pay Period" means any pay period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period based on the Aggrieved Employee Data Defendant provides to the Settlement Administrator. (*Savoy Decl.*, para. 9.)

III. SUMMARY OF SETTLEMENT

A. Terms of Settlement

The Parties have agreed to settle the Lawsuit by agreement upon the terms and conditions and for the consideration set forth in the Settlement Agreement, a copy of which is attached to the concurrently filed Declaration of Grant Joseph Savoy, Esq. as **Exhibit 1.**

A summary of the key terms of the Settlement are as follows:

1. "Aggrieved Employee" means a non-exempt, current or former employee of named Defendant Homestate Hospitalities, LLC who worked for Defendant in California during the PAGA Period. (*Savoy Decl.*, Ex. 1, para. 1.4.)

2. "Gross Settlement Amount" means Two Hundred Fifty Thousand and Three Dollars with Zero Cents ($250,003.00) which is the total amount Defendant agrees to pay under the Settlement. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, A PAGA Representative Enhancement Award, and the Administrator's Expenses Payment. (*Savoy Decl.*, Ex. 1, para. 1.10.)

3. "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, A PAGA Representative Enhancement Award, and the Administration Expenses Payment. The remainder is to be paid to Aggrieved Employees as Individual PAGA Payments. (*Savoy Decl.*, Ex. 1, para. 1.15.)

4. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees ($35,713.84) and the 75% to LWDA ($107,141.53) in settlement of PAGA claims. (*Savoy Decl.*, Ex. 1, para. 1.22.)

   The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties ($35,713.84) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment. (*Savoy Decl.*, Ex. 1, para. 1.15, 3.2.4.1.)

5. A PAGA Counsel Fees Payment of not more than 33.34% which is currently estimated to be Eighty-Three Thousand, Three Hundred Fifty-One with Zero Cents ($83,351.00) and PAGA Counsel Litigation Expenses Payment of not more than Twenty Thousand Dollars with Zero Cents ($20,000.00). Defendant will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. Plaintiff and/or PAGA Counsel will file an application or motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Parties agree that a decision by the Court to award PAGA Counsel less than the amount requested for the PAGA Counsel Fees Payment or PAGA Counsel Litigation Expenses Payment shall not be a basis for Plaintiff to void this Agreement. Released Parties shall have no liability to PAGA Counsel or any other Plaintiff's Counsel arising from any claim to any

portion of any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments. (*Savoy Decl.*, Ex. 1, para. 3.2.1.)

6. A PAGA Representative Enhancement Award to Plaintiff of not more than $7,500.00 (in addition to any Individual PAGA Payment Plaintiff is entitled to as an Aggrieved Employee). Defendant will not oppose Plaintiff's request for a PAGA Representative Enhancement Award that does not exceed this amount. As part of the Settlement approval motion, Plaintiff and/or PAGA Counsel will request approval for the PAGA Representative Enhancement Award. If the Court approves a PAGA Representative Enhancement Award less than the amount requested, the Administrator will allocate the remainder to the PAGA Penalty Allocation. The Administrator will pay the PAGA Representative Enhancement Award using IRS Form 1099. Plaintiff assumes full responsibility and liability for any taxes owed on the PAGA Representative Enhancement Award. (*Savoy Decl.*, Ex. 1, para. 3.2.2.)

7. An Administrator Expenses Payment not to exceed $6,450.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than $6,450, the Administrator will retain the remainder in the Net Settlement Amount. (*Savoy Decl.*, Ex. 1, para. 3.2.3.)

8. Release of Claims Seeking Civil Penalties under PAGA Based on the Facts Alleged in the Complaint. The settlement releases the following claims against all released parties:

> Plaintiff's Release. Plaintiff and his or her respective former and present spouses, representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts alleged, or in any way related to the facts contained, in the Operative Complaint and the PAGA Notice, and (b) any and all known or unknown liabilities, claims, demands for damages, costs, attorneys' fees, indemnification, contribution, or any other thing for which Plaintiff has or may have, including known or unknown causes of action, claims, or demands for damages, costs, attorneys' fees, indemnification, or contribution, whether certain or speculative, which may have come into existence at any time prior to the time of execution of this Agreement, or that may be brought in the future in connection with any acts or omissions that have arisen at any time prior to execution of this Agreement ("Plaintiff's Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security

benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the PAGA Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them. (*Savoy Decl.*, Ex. 1, para. 5.1.)

9. <u>Plaintiff's Waiver of Rights Under California Civil Code Section 1542.</u> For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that if known by him or her would have materially affected his or her settlement with the debtor or Released Party. (*Savoy Decl.*, Ex. 1, para. 5.1.1.)

10. <u>Release by Aggrieved Employees:</u>

All Aggrieved Employees, and the LWDA on behalf of the Aggrieved Employees, are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts alleged, or in any way related to the facts contained, in the Operative Complaint and the PAGA Notices, including but not limited to claims for civil penalties under PAGA for failure to pay wages for all hours worked; unpaid minimum wages, straight time, overtime and double time wages; failure to provide meal periods and rest breaks including failure to pay meal and rest break premiums; failure to timely pay wages; failure to maintain required records; failure to provide accurate wage statements; and failure to reimburse business expenses, under the following sections of the California Labor Code: 201-203, 204, 210, 226, 226.2, 226.3, 226.7, 403, 404, 510, 512, 558, 1102.5, 1174, 1174.5, 1182, et seq, 1194, 1194.2, 1197, 1198, and 2802, and Wage Order 5. (*Savoy Decl.*, Ex. 1, para. 5.2.)

10 <u>Release by PAGA Counsel:</u>

PAGA Counsel release on behalf of their present and former attorneys, employees, agents, successors and assigns the Released Parties from all claims for PAGA Fees incurred in connection with the Operative Complaint and the PAGA Period facts stated in the Operative Complaint and the PAGA Notice. (*Savoy Decl.*, Ex. 1, para. 5.3.)

B. Notice and Distribution of PAGA Funds

"Effective Date" means the date by when both of the following have occurred: (a) the

Court enters a Judgment on its Approval Order and (b) the Judgment is final. For avoidance of doubt, the Judgment is final on the later of: (a) the 61st day (unless the last such date is a weekend or holiday, in which case the next business day shall be used) after the Court enters an order granting approval of the Settlement, as long as no timely appeal is taken of the order of approval; (b) if an objection is filed and not withdrawn, the date for filing an appeal and no such appeal being filed; or (c) if any timely appeals are filed, the date of the resolution and entry of remittitur (or withdrawal) of any such appeal in a way that does not alter the terms of the Settlement. (*Savoy Decl.*, Ex. 1, para. 1.9.)

11. Within 30 days of the Effective Date, Defendant will simultaneously deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employee' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data. (*Savoy Decl.*, Ex. 1, para. 4.2.)

12. Defendant shall fund the Gross Settlement Amount by transmitting the funds to the Administrator in 13 bi-weekly installments of $19,231 beginning on August 15, 2025 until paid (final expected payment on January 30, 2026). (*Savoy Decl.*, Ex. 1, para. 4.3.)

13. Within 14 days after the Effective Date or Defendant fully funds the Gross Settlement Amount by making its final installment payment, whichever is later, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, and the PAGA Counsel Expenses Payment. Disbursement of the PAGA Counsel Litigation Expenses Payment shall not precede disbursement of Individual PAGA Payments. (*Savoy Decl.*, Ex. 1, para. 4.5.)

a. The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database. (*Savoy Decl.*, Ex. 1, para. 4.4.1.)

b. The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are retuned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, requested by the Aggrieved Employee prior to the void date. (*Savoy Decl.*, Ex. 1, para. 4.4.2.)

c. For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee. (*Savoy Decl.*, Ex. 1, para. 4.4.3.)

d. The payment of Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to the Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement. (*Savoy Decl.*, Ex. 1, para. 4.4.4.)

14. Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:
Shoham J. Solouki, Shoham@soloukisavoy.com
Grant Joseph Savoy, grant@soloukisavoy.com
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To HSH:
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IV. ARGUMENT IN FAVOR OF APPROVAL

A. The Proposed PAGA Settlement Should Be Approved

It is well established that PAGA serves to augment the limited enforcement capability of the LWDA by empowering employees to bring actions to enforce California's labor standards. (*Iskanian v. CLS Transportation L.A., LLC* (2014) 59 Cal.4th 348, 383; accord *Arias v. Sup. Ct.* (2009) 46 Cal.4th 969, 986 ["The act's declared purpose is to supplement enforcement actions by public agencies, which lack adequate resources to bring such actions themselves."].) In the similar context of wage and hour class actions, the Courts review settlements to determine whether the proposed settlement is within the range of reasonableness considering the strength of the claims against the proposed settlement, the risk, expense, complexity and likely duration of further litigation, the extent of discovery completed and the stage of the proceedings, and the experience and views of counsel. (*Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1801.) Furthermore, courts must give "proper deference to the private consensual decision of the parties" because "the court's intrusion upon what is otherwise a private consensual agreement negotiated between the parties to a lawsuit must be limited to the extent necessary to reach a reasoned judgment that the agreement is not the product of fraud or overreaching by, or collusion between, the negotiating parties, and that the settlement, taken as a whole, is fair, reasonable and adequate to all concerned." (*Hanlon v. Chrysler Corp.* (9th Cir. 1998) 150 F.3d 1011, 1027.)

In this case, the Settlement was reached through arm's length bargaining and sufficient investigation was performed to allow counsel to act intelligently. As described above, the Parties thoroughly investigated and evaluated the factual strengths and weaknesses of this case before reaching the proposed Settlement and engaged in sufficient investigation and discovery, to support the Settlement. Accordingly, the Settlement came only after the case was fully investigated by counsel. (*Savoy Decl.*, 5-8, Ex. 1.) This Litigation, therefore, had reached the stage where "the Parties certainly have a clear view of the strengths and weaknesses of their cases" sufficient to support the settlement. (*Boyd v. Bechtel Corp.* (N.D.

Cal. 1979) 485 F. Supp. 610, 617.)

The settlement negotiations have been at all times adversarial and non-collusive in nature. Indeed, continued good faith but occasionally contentious negotiations were required to ultimately reach an agreement following continued negotiations and with significant assistance from an experienced employment law mediator. (*Savoy Decl.*, 5-8, Ex. 1.) While Plaintiff believes in the merits of the case, he also recognizes the inherent risks of litigation and understands the benefit of settlement and providing funds immediately as opposed to delaying payment or risking an unfavorable decision on summary adjudication/judgment, at trial and/or the damages awarded, and/or appeal all of which have potential to eliminate any relief.

Further, experienced counsel, operating at arms-length, have weighed the strengths of the case and examined all of the issues and risks of litigation and endorse the proposed settlement. The view of the attorneys actively conducting the litigation "is entitled to significant weight" in deciding whether to approve the settlement. (*Fisher Bros. v. Cambridge Lee Industries, Inc.* (E.D. Pa. 1985) 630 F.Supp. 482, 488; *Ellis v. Naval Air Rework Facility* (N.D. Cal. 1980) 87 F.R.D. 15, 18, *affd.* 661 F.2d 939 (9th Cir. 1981); *Boyd,* 485 F.Supp. at 617.) Counsel is experienced in similar litigation and approves the Settlement. (Savoy Dec. ¶28-36)

There are significant legal uncertainties associated with cases such as this as they can be factually complex and require protracted litigation to resolve. A settlement is not judged solely against what might have been recovered had Plaintiff prevailed at trial, nor does the settlement have to provide 100% of the damages sought to be fair and reasonable. (*Linney v. Cellular Alaska Partnership* (9th Cir. 1998) 151 F. 3d 1234, 1242; *Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 246 & 250; *Rebney v. Wells Fargo Bank* (1990) 220 Cal.App. 3d 1117, 1139.) Instead, "[c]ompromise is inherent and necessary in the settlement process ... even if the relief afforded by the proposed settlement is substantially narrower than it would be if the suits were to be successfully litigated, this is no bar to a class settlement because the public interest may indeed be served by a voluntary settlement in which each side gives ground in the interest of avoiding litigation" (*Wershba*, 91 Cal.App.4th at 250.)

B. The Proposed Settlement is a Reasonable Compromise of Claims

To evaluate a settlement, the trial court must receive "basic information about the nature and magnitude of the claims in question and the basis for concluding that the consideration being paid for the release of those claims represents a reasonable compromise." (See *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 133.) To assist the Court with determining if the proposed settlement is within a range that is fair, reasonable, and adequate, Plaintiff's counsel analyzed the value of pleaded class allegations. As stated above, the settlement was reached only after exchanging discovery prior and conducting legal analyses of both Plaintiff's and HSH's theories. Plaintiff's Counsel reviewed a sampling of time records for aggrieved employees from September 26, 2022 to the date of mediation. Updated data subsequently provided by HSH for purposes of this Motion showed that as of August 8, 2025, there were approximately 17,515 pay periods for approximately 770 aggrieved employees (*Savoy Decl.*, para. 19.) Plaintiff's analysis is as follows:

<u>Failure to Pay Unpaid Wages pursuant to Labor Code sections 510, 1194, and 1198:</u>

Plaintiff alleged that HSH forced employees to engage in off-the-clock work. Plaintiff states that there were many instances when he had already clocked out and he was required to come back and finish work or clean up. On average aggrieved employees engaged in off-the-clock work approximately 15-20 minutes per shift. These instances of off-the-clock work happened approximately one (1) to two (2) times a week. This was common practice throughout the company. (*Savoy Decl.*, para. 10.)

HSH argued that the penalties for the minimum and overtime wage claims could not be stacked since they are based on the same rounding and off-the-clock work allegations. HSH further argued they properly paid Plaintiff and other Aggrieved Employees for all time worked, including the time that was spent getting ready for work. HSH further provided policies which informed Plaintiff and other Aggrieved Employees that they were not to work prior to clocking in or clocking out. For these reasons, HSH argued there were significant defenses to the unpaid wages claims which warranted at least a 90-95% discount. (*Savoy Decl.*, para. 11.)

Failure to Provide All Meal Periods pursuant to Labor Code sections 226.7, 512, and 1198:

Plaintiff also alleges that he and other Aggrieved Employees were almost never given the opportunity to take an uninterrupted 30-minute meal break and he did not sign any meal waiver agreeing to waive his meal break. (*Savoy Decl.*, para. 12.)

In response, HSH contended it provided employees with handbooks, and other written policies which contained legally compliant meal periods providing for the timing and number of meal periods employees were to receive. Accordingly, Plaintiff had to account for HSH's evidence that it had written policies in place that complied with California law and whether it could establish that employees were aware of the policy and when a meal wasn't shown in the time records as being taken or was taken untimely, it was the employees' choice rather than pursuant to HSH's policies. (*Savoy Decl.*, para. 13.)

Failure to Provide All Rest Periods pursuant to Labor Code sections 226.7 and 1198:

Similar to the meal period violations, Plaintiff alleged that HSH failed to provide rest periods at legally complaint intervals of every four hours worked or "major fraction" thereof and/or failed to provide rest periods that were at a net 10-mintues or duty-free. Plaintiff alleged that no aggrieved employee ever received both full 10-minute rest breaks on any given day while employed by HSH. (*Savoy Decl.*, para. 14.)

However, since aggrieved employees did not clock in or out for rest breaks, any potential violation is difficult to track; especially where, as here, HSH had a legally compliant rest period policy during the Release Period. HSH also provided Plaintiff and other aggrieved employees a policy acknowledgement informing them of their rights to take compliant rest periods. HSH also raised the fact that California law did not require recording of rest breaks and, therefore, HSH's time records could not be used as evidence of rest break violations or to calculate damages. Thus, the maximum value should be adjusted to reflect HSH's defenses and the risks involved in proving the rest period claim in light of the fact that there are no records. (*Savoy Decl.*, para. 15.)

Wage Statement Penalties pursuant to Labor Code Section 226:

Plaintiff and the Aggrieved Employees further alleged that due to HSH's policies, failure to pay regular wages, overtime wages, and break premiums, HSH failed to provide Plaintiff and the Aggrieved Employees accurate wage statements in accordance with the California Labor Code. The penalty for a violation of section 226 is a civil penalty in the amount of net250 per employee per violation in an initial citation and $1,000 per employee for each violation in a subsequent citation. (Labor Code § 226.3.) In addition, an employee "suffering injury as a result of a knowing and intentional failure by an employer" can seek damages of $100 per pay period, up to a maximum of $4,000. (Labor Code § 226(e).) The employee's attorney is also "entitled to an award of costs and reasonable attorney's fees." (Labor Code § 226(e).) The total potential exposure of damages for wage statement penalties ranged was an estimate of $4,000.00. (*Savoy Decl.*, para. 16.)

However, this violation was subject to the defenses for the unpaid wages and meal period and rest period violations because it was derivative. In addition, HSH argued that meal period and rest period premiums were not the type of wages which had to be included on wage statements pursuant to Labor Code section 226. HSH also argued that it did not willfully fail to pay wages due at termination and therefore it did not violate Labor Code §203. (*Savoy Decl.*, para. 17.)

Waiting Time Penalties: Plaintiff and Aggrieved employees alleged that because HSH failed to pay timely final wages, and failure to pay break premiums, the Aggrieved Employees were entitled to recover 30 days' wages as a waiting time penalty. (*Savoy Decl.*, para. 18.)

<u>California Private Attorney General Act (PAGA) Penalties</u>:

Plaintiff and Aggrieved Employees maintained that HSH had committed a myriad of California Labor Code violations, subjecting them to penalties under the 2004 California Private Attorney General Act. The status of limitations for PAGA claims is one year, and 75% of any amount recovered under PAGA is to be paid to the State of California. At the time of filing this Motion, Plaintiff estimated, based on the information provided by HSH, that there was approximately 17,515 pay periods for approximately 770 aggrieved employees, thereby accounting for approximately $14.27 in PAGA penalties for each pay period violation, without stacking of PAGA penalties and at the California current standard of $100.00 penalty per pay period. Plaintiff alleged that there was at least one compensable penalty per unique pay period, totaling $474,500.00 in total potential PAGA penalties. Plaintiff and Aggrieved Employees maintained that HSH's nonpayment of wages, nonpayment of break premiums, rounding of all times including meal periods, and failure to accurately record-keep were all clear violations of the California Labor Code that subjected HSH to PAGA penalties. (*Savoy Decl.*, para. 19.)

Based on the violations above, Plaintiff calculated that the total potential exposure without interest, attorney fees and costs was $474,500.00. However, applying further significant discounts for the risks associated with the action (including but not limited to, the Court finding the action is unmanageable, the risk that the Court exercises its discretion to lower the penalties awarded, the risk of losing at trial) and applying further discounts for HSH's evidenced of compliance with some sections of the California Labor Code this gross settlement amount of Two Hundred Fifty Thousand, and Three Dollars with Zero Cents ($250,003.00) is within a reasonable range, especially considering the defenses HSH has raised throughout litigation and settlement negotiations. (*Savoy Decl.*, para. 20.)

Moreover, the proposed Settlement, even with deductions, provides a substantial sum to the Aggrieved Employees. The Settlement secured by Plaintiff and the Aggrieved Employees here amounting to Three Hundred Thousand Dollars and Zero Cents ($250,003.00) is greater than other

PAGA penalty awards approved by California state courts, which often range between $7,500.00 and $5,350.00 for PAGA claims impacting hundreds or thousands of individuals, resulting in much lower PAGA penalty payments on a per capita basis. (*See, e.g., Penaloza v. PPG Industries Inc*., Case No. BC471369, 2013 WL 2917624 at *2 (Super. Ct. L.A. County, May 20, 2013) (approving PAGA penalties of $5,000.00 to class of 667 members); *Cabrera v. Advantage Sale & Marketing, LLC*, Case No. BC485259, 2013 WL 1182822 (Super. Ct. L.A. County, March 12, 2013) (approving PAGA penalties of $10,000.00 for class of approximately 3,000 members).) (*Savoy Decl*., para. 23.)

HSH also argued that PAGA penalties would be limited. HSH argued that even if Plaintiff prevailed, the recoverable penalties under PAGA are minimal. Indeed, courts to consider the issue have refused to "stack" PAGA penalties. (See Carrington v. Starbucks Corporation (Cal. Ct. App. Nov. 27, 2018) No. D072392 (published Dec. 19, 2018) (approving PAGA penalty reduction to $5.00 per pay period); accord Atempa v. Pedrazzani (2018) 27 Cal.App.5th 809.) Moreover, HSH argued that Plaintiff and the Aggrieved Employees are not entitled to recover PAGA penalties at the subsequent violation rate of $200.00 per pay period. California's appellate courts have held that "[u]ntil the employer has been notified that it is violating a Labor Code provision (whether or not the commissioner or court chooses to impose penalties), the employer cannot be presumed to be aware [of the violation]" and therefore, until a Court or the Commissioner issues a finding of a violation, the initial $100.00 violation rate applies for each pay period in which the alleged violation occurred. (Amaral v. Cintas Corp. No. 2 (2008) 163 Cal.App.4th 1157, 1209; accord Amalgamated Transit Union Local 1309 v. Laidlaw Transit Service, Inc. (S.D. Cal. Aug. 10, 2009) 2009 WL 2448430, at *9 ("[u]nder California law, courts have held that employers are not subject to heightened penalties for subsequent violations unless and until a court or commissioner notifies the employer that it is in violation of the Labor Code").) Thus, HSH argued that even if the Plaintiff and the Aggrieved Employees were able to establish any violation of the Labor Code, the PAGA penalties assessed for these violations will be computed at the $100.00 rate, as opposed to the $200.00 per pay period rate at maximum, and there is a likelihood that a further reduction of the penalty to $5.00 per pay period as approved in Carrington would apply given HSH's compliance with the Labor Code as discussed above. (*Savoy Decl.*, para. 22.)

Plaintiff understood HSH's position to be, using the most recent court of appeal decision on the topic of evaluating PAGA claims (Carrington v. Starbucks, supra) (i.e. at $5.00 per pay period x 17,515 pay periods at issue), that it is likely HSH's maximum exposure is actually only $87,575.00. HSH argued that this Court would use the Carrington valuation as a ceiling for assessing PAGA penalties and that this amount was its true "worst case scenario" exposure). Further, in analyzing all of the claims and the action as a whole, Plaintiff was forced to consider the risks of proceeding with litigating the action. These risks included the Court finding the action unmanageable. There are even further risks if the case proceeded to trial such that the Court could award significantly less penalties than are statutorily prescribed due to HSH's good faith conduct and California-compliant wages and hour employment policies. Finally, public policy strongly favors the settlement of litigation. (Consumer Advocacy Group v. Kintetsu Enterprises of America (2006) 141 Cal.App.4th 46, 63.) Because the proposed PAGA Settlement is neither unjust nor ignores the public interest, it should be approved. (*Savoy Decl.*, para. 23.)

Accordingly, the gross PAGA Settlement is highly reasonable in light of the risks and uncertainties associated with the PAGA claims in this case. The Settlement commits HSH to pay a sum large enough to punish HSH for alleged violations and to deter such alleged conduct in the future. At the same time, in light of the alleged violations and defenses thereto, it is not so large as to be unjust, oppressive or confiscatory. Based upon the foregoing, the proposed Settlement is fair, reasonable, and in the best interest of the state of California and the Aggrieved Employees. (*Savoy Decl.*, para. 24.)

Practically speaking, if Plaintiff and other Aggrieved Employees continued litigating this matter, Plaintiff and other Aggrieved Employees and the LWDA potentially could have received nothing if the Court had agreed with HSH's position especially in light of the volatility of this area of law, the aforementioned defenses. The PAGA Settlement is reasonable in light of the risks involved in this case—including the prospect of a potential adverse summary adjudication ruling, defenses to the case, potential appeal, and potential costs which could be forced on our client if Plaintiff and other Aggrieved Employees were not successful. (*Savoy Decl.*, para. 25.)

Counsel for Plaintiff and other Aggrieved Employees are convinced that the proposed PAGA Settlement is fair based on the negotiations and a detailed knowledge of the issues present in this action. The length and risks associated with a motion for summary adjudication, trial, and other normal perils of litigation have impacted the value of the claims and were all weighed in reaching the proposed settlement. In light of the above, the proposed PAGA Settlement is well within the range of reasonableness and should be granted approval. Plaintiff believes that in providing employees with relief and obtaining penalties for the LWDA, this Settlement furthers the purpose of PAGA to enforce compliance with the Labor Code and should be approved (*Savoy Decl.*, para. 26.)

V. THE REQUESTED ATTORNEYS' FEES AND COSTS SHOULD BE APPROVED

Counsel for Plaintiff seeks $83,351.00, one-third of the Gross Settlement Value, in fees for the time spent litigating this matter and reimbursement of expenses of $17,256.63 incurred in the prosecution of this action. The request is for fair compensation for undertaking complex, risky, expensive, and time-consuming litigation on a contingent fee basis.

A. Plaintiff's Attorneys' Fee Request Of $83,351.00, One-Third Of The Gross Settlement Value, Is Proper Under The Common Fund Doctrine

California state and federal courts have recognized that in actions creating a common fund benefiting others as well as Plaintiff, an appropriate method for determining an award of attorneys' fees is based on a percentage of the total value of benefits provided by the litigation. (*Laffitte v. Robert Half Int'l Inc*. (2016) 1 Cal.5th 480, 497-499, 503-506; *Serrano* *v. Priest* (1977) 20 Cal.3d 25, 34; *Boeing Co. v. Van Gemert* (1980) 444 U.S. 472, 478; *Vincent v. Hughes Air West, Inc*. (9th Cir. 1977) 577 F.2d 759, 769.) Such "fee spreading" assures that all those benefited by the litigation pay their fair share of obtaining the recovery. (*Lealao v. Beneficial Calif., Inc.* (2000) 82 Cal.App.4th 19, 26.)

In *Laffitte v. Robert Half Int'l Inc*. (2016) 1 Cal.5th 480, a wage and hour class action wherein Counsel obtained a $19 million non-reversionary settlement on behalf of the class, the California Supreme Court approved the use of the percentage of fund or common fund method to award one-third of the settlement amount or $6,333,333.33 to Counsel for attorneys' fees. The Court stated:

> Whatever doubts may have been created by *Serrano III*, *supra*, 20 Cal.3d 25, [], or the Court of Appeal cases that followed, we clarify today that use of the percentage method to calculate a fee in a common fund case, where the award serves to spread the attorney fee among all the beneficiaries of the fund, does not in itself constitute an abuse of discretion. We join the overwhelming majority of federal and state courts in holding that when class action litigation established a monetary fund for the benefit of the class members, and the trial court in its equitable powers awards Counsel a fee out of that fund, the court may determine the amount of a reasonable fee by choosing an appropriate percentage of the fund created. The recognized advantages of the percentage method - including relative ease of calculation, alignment of incentives between counsel and the class, a better approximation of market conditions in a contingency case, and the encouragement it provides counsel to seek an early settlement and avoid unnecessarily prolonging the litigation [] convince us the percentage method is a valuable tool that should not be denied our trial courts.

(*Laffitte*, 1 Cal.5th at 503.) Under the "common fund" doctrine, "a litigant or a lawyer who recovers a common fund for the benefit of persons other than himself or his client is entitled to a reasonable attorney's fee from the fund as a whole." (*Boeing*, 444 U.S. at 478.) The Supreme Court explained:

"The doctrine rests on the perception that persons who obtain the benefit of a lawsuit without contributing to its costs are unjustly enriched at the successful litigants' expense. Jurisdiction over the fund involved in the litigation allows a court to prevent this inequity by assessing attorney's fees against the entire fund, thus spreading fees proportionately among those benefitted by the suit." (*Id*.) Thus, the common fund doctrine ensures that each beneficiary of the settlement contributes proportionately to the payment of the attorneys' fees recovered from monetary payments that the prevailing party recovered in the lawsuit. (*Stanton v. Boeing* (9th Cir. 2003) 327 F.3d 938, 967, citing *Wininger v. SI Mgmt. L.P*. (9th Cir. 2002) 301 F.3d 1115.)

In common fund cases, the percentage approach is preferable to the lodestar because: (1) it aligns the interests of Counsel and absent class members; (2) it encourages efficient resolution of the litigation by providing an incentive for early, yet reasonable, settlement; and (3) it reduces the demands on judicial resources. (*Laffitte*, 1 Cal.5th at 486-487; see *Lealao*, 82 Cal.App.4th at 31 n.5 citing *In re Activision Sec. Litig.* (N.D. Cal 1989) 723 F. Supp. 1373, 1375, 1378-79.)

A fee of $83,351.00 which constitutes one-third of the gross settlement is within the range of reasonableness. (See *Laffitte*, 1 Cal.5th at 503-504 [approving common fund method used for attorneys' request of one-third of settlement].) Historically, courts have awarded percentage fees in the range of 20% to 50%, depending on the circumstances of the case. (*See In re Activision Sec. Litig.*, 723 F. Supp. at 1378.) Because Counsel's requested fee is reasonable and falls well within the historical range of attorney's fee awards under the common fund theory, the Court should approve the requested fees as reasonable pursuant to the common fund approach.

B. Plaintiff's Fee Request Is Reasonable Under The Lodestar Method with a Multiplier

In a common fund settlement "[t]he lodestar method is merely a cross-check on the reasonableness of a percentage figure." (*Vizcaino v. Microsoft* Corp. (9th Cir. 2002) 290 F.3d 1043, 1050, n.5.) In this case, consideration of Counsel's lodestar as a cross-check to the percentage figure also strongly supports the reasonableness of the requested fee award. The base amount is then adjusted in light of various factors. (*Serrano v. Priest*, 20 Cal.3d at 48.)

Plaintiff's fee request is also reasonable based on a cross-check of Plaintiffs' Counsel's lodestar with the application of a multiplier. Under the lodestar method, the court considers a compilation of the time spent and reasonable hourly compensation of each attorney to evaluate the reasonableness of the fee requested. *Ramos v. Countrywide Home Loans, Inc*. (2000) 82 Cal.App.4th 615, 622. The hours spent and the reasonable hourly rate are computed to arrive at a "lodestar" figure which may then be augmented or diminished by the court taking into account various "multiplier" factors. *Id.* at 622 (citing *Serrano*, 20 Cal.3d at 48-49). The California Supreme Court has noted that "courts conducting lodestar cross-checks have generally not been required to closely scrutinize each claimed attorney-hour, but have instead used information on attorney time spent to 'focus on the general question of whether the fee award appropriately reflects the degree of time and effort expended by the attorneys.'" *Laffitte*, 1 Cal.5th at 505 (citations omitted) (finding trial court properly exercised its discretion to perform the cross-check "using counsel declarations summarizing overall time spent, rather than demanding and scrutinizing daily time sheets in which the work performed was broken down by individual task"); *see also Wershba*, 91 Cal.App.4th at 254-255 (declarations from attorneys "evidencing the reasonable hourly rate for their services and establishing the number of hours spent working on the case" sufficient for fee award).

Lealao holds that, if a court sets fees under the lodestar method, the multiplier should consider what counsel would have earned on the free market, which is determined by a percentage of the common fund. *Lealao*, 82 Cal.App.4th at 49-50. Thus, even if the court awards fees under the lodestar method, the fees should be adjusted by a multiplier to reflect the percentage of the fund. *Horsford v. Board of Trustees California State University* (2005) 132 Cal.App.4th 359, 394-395 ("It has long been recognized, however, that the contingent and deferred nature of the fee award in a civil rights or other case with statutory attorney fees requires that the fee be adjusted in some manner to reflect the fact that the fair market value of legal services provided on that basis is greater than the equivalent noncontingent hourly rate.").

Here, Counsel's total lodestar is $84,960.00, which is based upon 106.2 hours of attorney time at customary hourly rates. (*Savoy Decl.*, para. 39.) Here, Plaintiff's Counsel's request of $83,351.00 in attorney's fees is reasonable under the lodestar method, as it is less than the amount actually billed by Plaintiff's Counsel.

C. Plaintiff's Fee Request Is Reasonable Under The Lodestar Method

The hourly rates of the attorneys—$800 for Grant Joseph Savoy, Esq. and Shoham J. Solouki, Esq. are in line with rates approved for attorneys in this region with similar experience. (*Savoy Decl.* 39, 47, 48, **Exhibits 3 and 4** [printouts of California firms from 2014 NLJ Survey of Attorney Fees, 2008 NLJ Survey of Attorney Fees, and Laffey Matrix].) A reasonable hourly rate is the prevailing rate charged by attorneys of similar skill and experience in the relevant community. (*PLCM Group, Inc. v. Drexler* (2000) 22 Cal. 4th 1084, 1095.) When determining a reasonable hourly rate, courts may consider factors such as the attorney's skill and experience, the nature of the work performed, the relevant area of expertise and the attorney's customary billing rates. (*Flannery v. California Highway Patrol* (1998) 61 Cal. App. 4th 629, 632.) PAGA Counsel's skill and experience support their hourly rates. (Solouki Dec. paras. 29-38.) [describing experience in employment law and class actions since 2012].) Other attorneys working in California courts charge comparable if not higher rates as indicated in the printouts of California firms' billing rates from the 2014 National Law Journal Survey showing partner rates up to $1,195 and associate rates up to $750. (*Savoy Decl.*, para. 47, **Exhibit 3** [printouts from 2014 National Law Journal Survey for California firms showing a high rate for partners of $1,195 and high for associates of $725]; see, *e.g.*, *Richard v. Ameri-Force Mgmt. Servs., Inc.*, Case No. 37-2008-00096019 (San Diego Super. Ct., August 27, 2010) [$695 to $750 an hour for partners]; *Barrera v. Gamestop Corp.*, Case No. CV 09-1399 (C.D. Cal. Nov. 29, 2010) [$700 an hour for partners]; and *Anderson v. Nextel Retail Stores, LLC*, Case No. CV 07-4480 (C.D. Cal. June 20, 2010) [$655 to $750 an hour for partners].)

Plaintiff's Counsel's rates are also in line with the Laffey Matrix which states a rate of $878 per hour for attorneys out of law school 11-19 years and $1,057 per hour for attorneys out of law school over 20 years. (Solouki Dec. ¶47, **Exhibit 4** available at http://www.laffeymatrix.com/see.html.) California Courts have applied the Laffey Matrix with adjustments to the specific California locality where the Counsel's office is located based on "Locality Pay Tables." (*Syers Properties III, Inc. v. Rankin* (2014) 226 Cal.App.4th 691, 695-696 [affirming fee award based on Laffey Matrix with upward 9 percent rate adjustment from D.C. area compared to San Francisco Bay Area based on Locality Pay Tables]; *In re HPL Techs., Inc., Secs. Litig.* (N.D. Cal. April 22, 2005, No. C-02-3510 VRW) 365 F.Supp.2d 912, 921-922 [using Laffey Matrix with upward adjustment of 9 percent for San Francisco based on difference between D.C. Area 's +15.98 locality pay compared to San Francisco's +26.39 percent locality pay differential from the federal courts' "Judiciary Salary Plan Pay Tables."].) Here, Plaintiff's Counsels' offices are located in Los Angeles County. For 2018, the Locality Pay Tables (and Judiciary Salary Plan Pay Tables referred to in *In re HPL Techs., Inc.*), state a 2.35 percent increase for the Los Angeles-Long Beach, CA area which includes the following counties: Kern County, Los Angeles County, Orange County, Riverside County, San Bernardino County, Santa Barbara County, and Ventura County. In applying the 2.35 locality increase for attorneys working in Kern County, Los Angeles County, Orange County, Riverside County, San Bernardino County, Santa Barbara County, and Ventura County over the Washington-Baltimore area stated in the Laffey Matrix, the Laffey Matrix states the following relevant rates: $878 for attorneys 11 to 19 years out of law school.

1. PAGA Counsel's Total Hours are Reasonable

In determining a lodestar, reasonable hours include, in addition to time spent during litigation, the time spent before the action is filed, including time spent interviewing the clients, investigating the facts and the law, and preparing the initial pleadings. (See *New York Gaslight Club, Inc. v. Carey* (1980) 447 U.S. 54, 62.) Further, the fee award should include fees incurred to establish and defend the attorneys' fee claim. (*Serrano v. Unruh* (1982) 32 Cal.3d 621, 639.)

Counsel has spent 106.2 hours in the last one and one half years on this case. (*Savoy Decl.* paras. 37-39.) In summary form, counsel's many tasks included the following: pre-filing investigation, legal research, and research of HSH and their operations; communicating with clients regarding their responsibility in bringing the action, the facts of their case, their employment, their work environment, their documents and HSH's policies and procedures; drafting pleadings and notices; drafting communications with the LWDA; reviewing Plaintiff's and other aggrieved employees files and determining liability and evaluating claim and defense strengths and weaknesses; legal research of case law and wage orders regarding applicable claims and defenses; engaging in informal discovery; meeting and conferring over directly relevant informal discovery; evaluating HSH's policies; communicating with aggrieved employees; determining case strategy; communicating with HSH's Counsel; evaluating data provided in informal discovery; calculating PAGA damages; engaging in law and motion practice; preparing for and attending mediation; communicating with experts; negotiating settlement and settlement documents; communicating with the administrator and responding to administrator's inquiries; preparing the motion for approval of PAGA settlement and supporting documents. All of the tasks and work performed were reasonable and necessary to the prosecution of this case and justified, particularly in light of the result achieved. (*Savoy Decl.*, para. 38.)

2. Costs Request Of $17,256.63 Is Reasonable

Plaintiff's Counsel requests $17,256.63 in costs in this matter, which is less than the amount agreed upon in the PAGA Settlement Agreement. This amount is reasonable and incurred in the litigation of this matter. (*Savoy Decl.*, paras. 40, 41.). All costs were reasonably incurred in prosecution of the lawsuit and are well under the cap for costs on the PAGA Settlement. The majority of the costs were associated with mediation, expert services and filing of the case, and the remainder was reasonably incurred in prosecution of the lawsuit. (*Id.*)

VI. CONCLUSION

The PAGA Settlement is fair, adequate, and reasonable. It will result in fair payment considering the risks and defenses; it is non-collusive; and it was achieved as the result of informed, extensive, and arms' length negotiations conducted by counsel for respective Parties who are experienced in wage and hour representative litigation. For the foregoing reasons, the Parties respectfully request that the Court grant approval of the proposed PAGA Settlement.

Respectfully submitted,

Dated: August 8, 2025

SOLOUKI | SAVOY, LLP

By: /s/ *Grant Joseph Savoy*

Shoham J. Solouki
Grant J. Savoy
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