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

IRENE HERNANDEZ VENEGAS, an
individual on behalf of herself and all others
similarly situated,

Plaintiff,

vs.

GENER8, LLC., a California Limited
Liability Company; PROFESSIONAL
EMPLOYMENT GROUP OF COLORADO,
LLC., a Colorado Limited Liability
Company; and DOES 1 through 50,
inclusive,

Defendants.

Case No.: 37-2023-0030903-CU-OE-CTL

CLASS ACTION

Assigned for All Purposes To:
Hon. Richard S. Whitney

**MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT OF
PLAINTIFF'S MOTION FOR AN ORDER
(1) PRELIMINARILY APPROVING THE
CLASS ACTION SETTLEMENT; (2)
APPROVING NOTICE OF SETTLEMENT;
AND (3) SETTING HEARING FOR FINAL
APPROVAL**

Date: October 24, 2025
Time: 10:30 a.m.
Dept: C-68

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1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 Plaintiff Irene Hernandez Venegas (“Plaintiff” or “Class Representative”) filed a class
4 action complaint in the Superior Court of the State of California, San Diego County, Case No. 37-
5 2023-0030903-CU-OE-CTL against Defendant Gener8, LLC and Defendant Professional Group
6 of Colorado, LLC (collectively “Defendants”). Plaintiff alleged the following causes of action:
7 (1) Failure to Pay Minimum Wages; (2) Failure to Pay Wages and Overtime Under Labor Code §
8 510; (3) Meal Period Liability Under Labor Code § 226.7; (4) Rest Break Liability Under Labor
9 Code § 226.7; (5) Violation of Labor Code § 226(a); (6) Violation of Labor Code § 203; (7)
10 Violation of Labor Code §204; (8) Failure to Keep Required Payroll Records Under Labor Code
11 §§ 1174 and 1174.5; (9) Failure to Reimburse Necessary Business Expenses § 2802; (10)
12 Violation of Business & Professions Code § 17200 *et seq*; and (11) Penalties under Private
13 Attorney General Act (“PAGA”).

14 Pursuant to the proposed Class Action and PAGA Settlement Agreement (“Settlement” or
15 “Settlement Agreement”), filed concurrently herewith, the class consists of “all persons who
16 worked for Gener8, LLC as a non-exempt, hourly employee in California during the Class Period
17 including individuals who were placed at Gener8, LLC by Professional Group of Colorado, LLC
18 during the Class Period.” The Class Period means the period from July 21, 2019, to January 25,
19 2025. After engaging in substantial investigation and extensive negotiations with the assistance of
20 a respected third-party neutral David Phillips, the Parties have agreed to settle all claims alleged
21 in the lawsuit on a class-wide non-reversionary basis for Six Hundred Fifty Thousand Dollars and
22 Zero Cents (\$650,000.00) inclusive of all fees and costs. All 245 Class Members shall receive a
23 settlement share unless they opt out.

24 The proposed settlement reflected in the Settlement Agreement is fair, reasonable, and
25 adequate, and in the best interests of the Class. Consequently, Plaintiff, with the consent of
26 Defendants, hereby moves this Court for an order: (1) granting preliminary approval of the
27 proposed class action settlement, as embodied in the Settlement Agreement filed concurrently
28 herewith; (2) approving the Notice of Settlement to be sent to Class Members; and (3) setting a

1 hearing for final approval of the class action settlement.

2 **II. STATUS OF THE LITIGATION**

3 **A. Procedural History**

4 On July 21, 2023, Plaintiff filed a class action complaint against Defendants alleging ten
5 causes of action: (1) Failure to Pay Minimum Wages; (2) Failure to Pay Wages and Overtime
6 Under Labor Code § 510; (3) Meal Period Liability Under Labor Code § 226.7; (4) Rest Break
7 Liability Under Labor Code § 226.7; (5) Violation of Labor Code § 226(a); (6) Violation of Labor
8 Code § 203; (7) Violation of Labor Code §204; (8) Failure to Keep Required Payroll Records
9 Under Labor Code §§ 1174 and 1174.5; (9) Failure to Reimburse Necessary Business Expenses §
10 2802; (10) Violation of Business & Professions Code § 17200 *et seq.* (Declaration of Natalie
11 Haritounian (“Haritounian Decl.”), filed concurrently herewith, ¶ 10).

12 Plaintiff contends that Defendants failed to pay Class Members all wages due and owing,
13 including by requiring off the clock work, unlawfully rounding Class Members’ time worked to
14 their detriment, failing to provide meal and rest breaks, failing to furnish accurate wage
15 statements, failing to timely pay wages including final wages, failing to maintain accurate
16 records, and failing to reimburse necessary business expenses. (Haritounian Decl., ¶ 11.)

17 Simultaneously, on July 21, 2023, Plaintiff submitted a Private Attorneys General Act
18 (“PAGA”) notice letter to the Labor Workforce Development Agency (“LWDA”) and served
19 Defendants. (Haritounian Decl., ¶ 12.) The LWDA did not express an interest in investigating
20 Plaintiff’s claims within the 65 day period. (*Id.*) Therefore, on September 21, 2023, Plaintiff filed
21 a First Amended Complaint adding a cause of action for penalties under the Private Attorneys
22 General Act (“PAGA”). (*Id.*).

23 **B. Investigation**

24 Before filing the lawsuit, Class Counsel investigated and researched the facts and
25 circumstances underlying the pertinent issues and the law applicable thereto. (Haritounian Decl., ¶
26 13.) This required thorough discussions and interviews between Class Counsel and Plaintiff, as
27 well as preliminary research into the various legal issues involved in the case. (*Id.*) After
28 conducting their initial investigation, Class Counsel determined that Plaintiff’s claims were well-

1 suited for class and representative action adjudication owing to what appeared to be a common
2 course of conduct affecting a similarly situated group of employees. (*Id.*)

3 After filing the lawsuit, Class Counsel conducted a thorough investigation of the facts and
4 claims giving rise to the action, including: (1) conducting formal and informal discovery and
5 meeting and conferring with defense counsel about same; (2) reviewing and analyzing a sampling
6 of time and pay records as well as employment handbooks, Plaintiff's personnel files, relevant
7 policies and other documentation; (3) researching the applicable law and potential defenses; (4)
8 constructing damage models based on interpretations of California law; and (5) reviewing
9 information provided by Defendants at the mediation. (Haritounian Decl., ¶ 14.) The Class
10 enumerated in this action is ascertainable because the Class Members may be readily identified
11 by reference to Defendants' records. (*Id.*) Defendants have agreed to share the information from
12 these records with the Settlement Administrator in order to identify and contact the Class
13 Members. (*Id.*) There are approximately 245 total Class Members. (*Id.*)

14 Defendants, for their part, vigorously contested liability, the amount of claimed damages,
15 and the propriety of class certification. (Haritounian Decl., ¶ 15.) After Class Counsel analyzed
16 the relevant documents and gathered data, Class Counsel believed that this case was appropriate
17 for resolution via mediation. (*Id.*) Given the high level of risk present for both sides, the Parties
18 elected to mediate Plaintiff's claims and explore the possibility of settlement. (*Id.*)

19 **C. Settlement Efforts**

20 On November 21, 2024, the Parties mediated this case with David Phillips, a respected
21 and highly experienced mediator in wage and hour class actions. (Haritounian Decl., ¶ 16.)
22 During mediation, Plaintiff's and Defendants' counsel discussed all aspects of the case, including
23 the risks of litigation and the risks to both Parties of proceeding with a motion for class
24 certification as well as the law relating to unpaid wages, meal periods, rest periods, wage
25 statements, and final pay. (*Id.*) As a result of the mediation, the Parties agreed to settle the lawsuit
26 according to the terms set forth in the Settlement Agreement. (*Id.*; See Exhibit 1 attached to
27 Haritounian Decl., "Settlement" or "Settlement Agreement".)

28 From Class Counsel's review of the facts, strengths, and weaknesses of the case, the risks

1 and delays posed by further litigation, and Class Counsel’s own prior litigation experience, Class
2 Counsel believes that the recovery for each Class Member is fair and reasonable taking into
3 consideration the amounts received in other wage and hour class actions, the risks inherent in
4 litigation of this genre, and the reasonable tailoring of each Class Member’s claim to the
5 settlement award he or she will receive. (Haritounian Decl., ¶ 16.) Further, and based on the
6 settlement negotiations, which were extensive, and conducted in good faith and at arm’s length
7 between attorneys with substantial experience litigating class actions and wage and hour cases,
8 the Settlement Agreement was the product of a non-collusive settlement process in which the
9 Parties were forced to make significant compromises in the interest of reaching a full and
10 complete settlement of the lawsuit. (*Id.*)

11 **III. SETTLEMENT AGREEMENT AND ACCOMPANYING DOCUMENTS**

12 Under the terms of the proposed Settlement Agreement, Defendants have agreed to pay
13 Six Hundred Fifty Thousand Dollars and Zero Cents (\$650,000.00) (“Gross Settlement Amount”) on a non-reversionary basis to settle and release all claims asserted by Plaintiff in the Class
14 Action and PAGA Action on behalf of the proposed Class. (Haritounian Decl., ¶ 17; Exh. 1, §1.22.) The Settlement Agreement defines the “Class Members” as “all persons who worked for
15 Gener8, LLC as a non-exempt, hourly employee in California during the Class Period including
16 individuals who were placed at Gener8, LLC by Professional Group of Colorado, LLC during the
17 Class Period.” The Class Period means the period from July 21, 2019, to January 25, 2025.
18 (Haritounian Decl., ¶ 18; Exh. 1, §1.5; 1.12.) The “Net Settlement Amount,” available for
19 distribution to Class Members, shall be the Gross Settlement Amount, less the Attorneys’ Fees
20 and Costs, the Class Representative Enhancement Payment, Settlement Administration Costs,
21 seventy-five percent (75%) of the LWDA Payment, and the Individual PAGA Payments.
22 (Haritounian Decl., ¶ 19; Exh. 1, §1.28.) These amounts are detailed as follows:

- 23 • not more than Two Hundred Sixteen Thousand Six Hundred and Sixty-Six Dollars
24 and Sixty-Seven Cents (\$216,666.67) to Class Counsel for attorneys’ fees, and not
25 more than Thirty-Thousand Dollars and Zero Cents (\$30,000.00) to Class Counsel
26 for litigation costs; (Haritounian Decl., ¶ 19; Exh. 1, §3.2.2);
27
28

- not more than Seven Thousand Dollars and Zero Cents (\$7,000.00) for the Settlement Administration Costs; (Haritounian Decl., ¶ 19; Exh. 1, §3.2.3);
- not more than Five Thousand Dollars and Zero Cents (\$5,000.00) to Plaintiff for a Class Representative Enhancement Payment; and (Haritounian Decl., ¶ 19; Exh. 1, §3.2.1);
- Forty Thousand Dollars and Zero Cents (\$40,000.00) for civil penalties under the PAGA, where 75% (\$30,000.00) will be paid to the LWDA and 25% (\$10,000.00) will be paid to Aggrieved Employees for their Individual PAGA Payments. (Haritounian Decl., ¶ 19; Exh. 1, §3.2.5.)

The “Individual Class Payment,” which is each Class Member’s share of the Net Settlement Amount, will be calculated and apportioned from the Net Settlement Amount based on the number of workweeks a Class Member worked during the Class Period as a non-exempt employee in California. (Haritounian Decl., ¶ 20; Exh. 1, §1.23.)

Defendants shall pay its corporate payroll tax obligations on the payouts to Class Members in addition to the Gross Settlement Amount. (Haritounian Decl., ¶ 21; Exh. 1, §3.1.)

The settlement amount was a compromise figure, factoring in the inherent risks related to certification, liability and damages. (Haritounian Decl., ¶ 22.) However, taking into account all of the circumstances of the action and the defenses raised by Defendants against certification, liability and damages, Class Counsel believes that the settlement is fair and reasonable. (*Id.*)

Attached to the Settlement Agreement as Exhibit A is the Notice of Settlement (“Class Notice”). Class Members shall each receive a Class Notice via first class mail (after the Settlement Administrator conducts a national change of address search). (Haritounian Decl., ¶ 23; Exh. 1, §7.4.2.) Class Members will have an opportunity to dispute the information provided in their Class Notice and they may produce evidence to support the information is inaccurate. (Haritounian Decl., ¶ 24; Exh. 1, § 7.6; *see also* Class Notice, **Exhibit A** attached to the Settlement Agreement.) The Settlement Administrator shall decide the dispute and may ask Defendants to produce the personnel and payroll files of the Class Member disputing their credited workweeks in order to resolve the dispute. (Haritounian Decl., ¶ 24; Exh. 1, §7.6.) Class

1 Members wishing to opt-out from the Settlement Agreement must sign and postmark a written
2 request for exclusion to the Settlement Administrator. (Haritounian Decl., ¶ 25; Exh. 1, §7.5.)
3 Class Members will also have the opportunity to object to the Settlement Agreement, by serving a
4 copy of the objection to the Settlement Administrator. (Haritounian Decl., ¶ 25; Exh. 1, §7.7.) The
5 Response Deadline will be sixty (60) calendar days from the initial mailing of the Class Notice.
6 (Exh. 1, §1.43)

7 The Parties have also agreed that Apex Class Action shall handle the notice and settlement
8 administration (Exh. 1, § 7.1), and the Parties respectfully request this Court to appoint Apex
9 Class Action to handle those procedures. The procedures for mailing notice and processing
10 exclusions and objections as well as distribution of the Net Settlement fund is detailed in the
11 Stipulation. (Exh. 1, §7)

12 **IV. CERTIFICATION FOR SETTLEMENT PURPOSES ONLY IS APPROPRIATE**

13 Express judicial policy favors maintaining wage and hour actions as class actions. (*Prince*
14 *v. CLS Transp., Inc.* (2004) 118 Cal. App. 4th 1320, 1328; *Richmond v. Dart Industries, Inc.*
15 (1981) 29 Cal. 3d 462.) Any doubt as to the appropriateness of class treatment should be resolved
16 in favor of class certification, subject to later modification if necessary. (*Richmond*, 29 Cal. 3d at
17 473-75.) The decision to certify a class is a procedural one, and should be based on the allegations
18 in the operative complaint, and not in the perceived factual or legal merit of the class claims.
19 (*Linder v. Thrifty Oil Co.* (2000) 23 Cal. 4th 429, 439-41.)

20 To certify a settlement class, the Court must find the two primary requirements for
21 maintaining a class action: (1) there must be an ascertainable class, and (2) there must be a well-
22 defined community of interest in the questions of law and fact involving the parties to be
23 represented. (*See Vasquez v. Superior Court* (1971) 4 Cal. 3d 800, 805-09; *Daar v. Yellow Cab*
24 *Company* (1967) 67 Cal. 2d 695, 704.) These criteria are met here for the reasons set forth below.

25 **A. There Is A Numerous and Ascertainable Class**

26 Whether a class is ascertainable is determined by examining the class definition, the size
27 of the class and the means available for identifying class members. (*See Vasquez, supra*, 4 Cal. 3d
28 at 821-22; *Reyes v. Board of Supervisors of San Diego County* (1987) 196 Cal. App. 3d 1263,

1 1271.) Class members are “ascertainable” where they may be readily identified without
2 unreasonable expense or time.

3 Plaintiff contends, and Defendants do not dispute for settlement purposes only, this
4 requirement and the requirement of numerosity is met. Class Members are “all persons who
5 worked for Gener8, LLC as a non-exempt, hourly employee in California during the Class Period
6 including individuals who were placed at Gener8, LLC by Professional Group of Colorado, LLC
7 during the Class Period.” The Class Period means the period from July 21, 2019, to January 25,
8 2025. (Haritonian Decl., ¶ 72(a).) Documents and information exchanged between the Parties
9 reflect a class of approximately 245 Class Members. (Haritonian Decl., ¶ 72(a).) The Class
10 Members have already been identified by reference to Defendants’ payroll and personnel records.
11 (Haritonian Decl., ¶ 72(b).)

12 Therefore, and notwithstanding the foregoing, there is a numerous and ascertainable class.

13 **B. There Is A Well-Defined Community of Interest**

14 A community of interest is established by the predominance of common issues of law and
15 fact. *See Vasquez*, 4 Cal. 3d at 811. The requirement of a community of interest:

16 [D]oes not depend upon an identical recovery, and the fact that each
17 member of the class must prove his separate claim to a portion of any
18 recovery by the class is only one factor to be considered ... The mere
19 fact that separate transactions are involved does not of itself preclude
20 a finding of the requisite community of interest so long as every
21 member of the alleged class would not be required to litigate
22 numerous and substantial questions to determine his individual right
23 to recover subsequent to the rendering of any class judgment which
24 determined in plaintiff’ favor whatever questions were common to
25 the class.

26 *Id.* at 809.

27 Plaintiff contends, and Defendants do not dispute for settlement purposes only, that
28 common issues of fact and law predominate as to each of the claims alleged by Plaintiff, and the
Class is united in its proof. (Haritonian Decl., ¶ 72(e).) Because Plaintiff has alleged a single
scheme, “the relevant proof [does] not vary among class members” and “clearly presents a
common question fundamental to all class members.” (*See In Re NASDAQ Market-Makers
Antitrust Litigation* (SDNY 1997) 172 F.R.D. 119, 123 (citing *In Re NASDAQ Market-Makers*

1 Antitrust Litigation, (SDNY 1997) 169 F.R.D. 493, 518).) California courts show “no hesitancy”
2 in inferring class-wide causation, class-wide injury, and class-wide damages when a common
3 course of action has been shown. (*B.W.I. Custom Kitchen*, 191 Cal. App. 3d at 1350.) This
4 inference ““eliminates the need for each class member to prove individually the consequences of
5 the defendants’ actions to him or her.”” (*Id.* at 1351 (quoting *Rosack v. Volvo of America Corp*
6 (1982) 131 Cal. App. 3d 741, 753 [emphasis added])).)

7 This action involves, *inter alia*, a determination about Defendants’ alleged failure to
8 provide meal period and rest periods, failure to pay wages and overtime due to allegedly common
9 and unlawful policies, unlawfully rounding to their detriment, failure to pay final wages when
10 required, failure to provide accurate paystubs, and largely derivative claims under the Business &
11 Professions Code and PAGA. Plaintiff contends these practices affected Class Members in the
12 same way. Plaintiff contends these practices resulted in a failure to compensate employees at
13 termination, and incomplete wages displayed on wage statements. The outcome of litigation on
14 this matter depends upon questions that are common to Class Members. (Haritounian Decl., ¶
15 72(e).) While Defendants maintained otherwise, these issues will not be decided on the basis of
16 facts peculiar to each Class Member, but rather on the basis of facts common to them all. It is also
17 true that these issues of liability can be determined on a class-wide basis. (*Id.*)

18 C. The Named Plaintiff’s Claims Are Typical

19 A class representative’s claims are typical when they arise from the same event, practice,
20 or course of conduct that gives rise to the claims of other putative class members, and if their
21 claims rest on the same legal theories. The class representative’s claims must be “typical” but not
22 necessarily identical to the claims of other class members. It is sufficient that the representative is
23 similarly situated so that he or she will have the motive to litigate on behalf of all class members.
24 (*Classen v. Weller* (1983) 145 Cal.App.3d 27, 47; *B.W.I. Custom Kitchens v. Owens-Illinois, Inc.*
25 (1987) 191 Cal.App.3d 1341, 1347 (“[I]t has never been the law in California that the class
26 representative must have identical interests with the class members.”) Thus it is not necessary that
27 the class representative should have personally incurred all of the damages suffered by each of the
28 other class members. (*Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 228.)

1 Plaintiff contends, and Defendants do not dispute for settlement purposes only, that
2 Plaintiff's claims are typical of Class Members' claims because they arose from the same factual
3 basis and are based on the same legal theories. (Haritounian Decl., ¶ 72(c).) Plaintiff was
4 employed by Defendants during the Class Period, and was subject to the allegedly unlawful meal
5 and rest policies and pay practices at issue in this litigation. (*Id.*) Accordingly, Plaintiff is a
6 member of the Class. (*Id.*) The central issues of this litigation (whether Defendants failed to pay
7 all wages, whether Defendants failed to provide meal and rest periods, etc.), which would arise if
8 this was an individual action, applies to the other Class Members as well. The answer to these
9 questions would determine Defendants' liability to the putative class. (*Id.*) Thus, the claims of
10 Plaintiff are typical of the claims of the putative class. (*Id.*) Accordingly, the typicality
11 requirement is satisfied.

12 **D. Adequacy of Class Counsel and Class Representative**

13 Class Counsel are experienced in class actions, have represented their clients zealously
14 and have no conflicts of interest. (Haritounian Decl., ¶¶ 3-9, 72(d).) The Class Representative's
15 interests are aligned with those of the Class Members, she has suffered the same injuries as the
16 Class Members, and has no conflicts of interest. (*Id.*) Therefore, Class Counsel and the Class
17 Representative are adequate.

18 **E. Predominance and Superiority**

19 Individual issues do not predominate over those common to the class. (Haritounian Decl.,
20 ¶72(f-g).) The class action mechanism is superior to individualized actions because Class
21 Members have little incentive to bring claims that are small. (*Id.*)

22 **V. THE TWO-STEP APPROVAL PROCESS**

23 Any settlement of class action litigation must be reviewed and approved by the Court.
24 This is accomplished in two steps: (1) An early (preliminary) review by the trial court, and (2) a
25 detailed review after the notice has been distributed to the class members for their comments or
26 objections. In this regard, the Manual for Complex Litigation (Second) explains:

27 A two-step process is followed when considering class settlements...
28 If the proposed settlement appears to be the product of serious,
informed, non-collusive negotiations, has no obvious deficiencies,

1 does not improperly grant preferential treatment to class
2 representative or segments of the class, and falls within the range of
3 possible approval, then the court should direct that notice be given to
the class members of a formal fairness hearing, at which evidence
may be presented in support of and in opposition to the settlement.

4 (*Manual for Complex Litigation (Second)* (1985) at § 30.44.) The preliminary approval of the
5 class action settlement by the trial court is simply a conditional finding that the settlement appears
6 to be within the range of acceptable settlements. (*See, e.g., Newberg*, § 11.25; *North County*
7 *Contractor's Assn., Inc. v. Touchstone Ins. Services* (1994) 27 Cal. App. 4th 1085, 1094-95.)
8 Thus, the preliminary approval of the class action settlement by the trial court is simply a
9 conditional finding that the settlement appears to be within the range of acceptable settlements.

10 Settlements to resolve PAGA claims also require court approval. (Labor Code §
11 2699(1)(2).) There is no articulated standard for approving PAGA settlements. PAGA settlements
12 for as little as \$0 have been approved. (*See Nordstrom Com'n Cases* (2010) 186 Cal.App.4th 576,
13 589 (approving PAGA settlement and release that allocated \$0 to PAGA claim).) Courts have
14 also approved settlements for \$20,000 or less. (*See, e.g., Hicks v. Toys 'R' Us-Delaware, Inc.*,
15 (C.D. Cal. Sept. 2, 2014) 2014 WL 4703915, at *1 (approving \$5,000 PAGA payment in \$4
16 million settlement); *Chu v. Wells Fargo Invest. LLC* (N.D. Cal. Feb. 16, 2011) 2011 WL 672645,
17 at *1 (approving PAGA payment of \$7,500 in \$6.9 million settlement); *Williams v. Brinderson*
18 *Constructors* (C.D. Cal. Feb. 6, 2017) 2017 WL 490901, at *5 (\$10,000 PAGA settlement in
19 \$300,000 settlement).)

20 A review of the preliminary approval criteria demonstrates a substantial basis for granting
21 the instant Motion and proceeding to a full settlement hearing.

22 **VI. THE SETTLEMENT IS FAIR AND ADEQUATE**

23 As a matter of public policy, courts both encourage the use of the class action device and
24 favor settlement over continued litigation. (*See, e.g., Linder v. Thrifty Oil Co.* (2000) 23 Cal. 4th
25 429, 434 (“Courts have long acknowledged the importance of class actions as a means to prevent
26 a failure of justice in our judicial system.”); *Class Plaintiff v. City of Seattle* (1992) 955 F.2d
27 1268, 1276 (“[S]trong judicial policy . . . favors settlements, particularly where complex class
28 action litigation is concerned.”).)

1 Moreover, courts presume the absence of fraud or collusion in the negotiation of a
2 settlement unless evidence to the contrary is offered. In short, there is a presumption that the
3 negotiations were conducted in good faith. (*Newberg*, §11.51; *Rodriguez v. West Publ. Corp.*
4 (C.D. Cal. August 10, 2007) 2007 U.S. Dist. LEXIS 74767, 24-25 ; *Priddy v. Edelman* (6th Cir.
5 1989) 883 F.2d 438, 447.) Courts do not substitute their judgment for that of the proponents,
6 particularly when settlement has been reached by experienced counsel familiar with the litigation.
7 (*Rodriguez*, 2007 U.S. Dist. LEXIS 74767 at 24; *Hammon v. Barry* (D.D.C. 1990) 752 F. Supp.
8 1087.)

9 In *Kullar v. Foot Locker Retail, Inc.*, 168 Cal. App. 4th 116, 128 (2008), the court laid out
10 several factors that should be analyzed in determining if a class action settlement should be
11 approved. These factors include: (1) the strength of plaintiff's case; (2) the risk, expense,
12 complexity and likely duration of further litigation; (3) the risk of maintaining class action status
13 through trial; (4) the amount offered in settlement; (5) the extent of discovery completed and
14 stage of the proceedings; (6) the experience and views of counsel; (7) the presence of a
15 governmental participant; and (8) the reaction of the Class Members to the proposed settlement.

16 The Settlement here satisfies each of these factors. Class Counsel conducted extensive
17 formal and informal discovery before entering into meaningful settlement negotiations in this
18 matter, including a detailed analysis of Defendants' policies and a considerable sample of
19 Defendants' time and pay records. (Haritonian Decl., ¶¶ 13-14.) This discovery permitted Class
20 Counsel to fairly evaluate the strengths of the case and the risks associated with ongoing
21 litigation. Class Counsel is very experienced in the handling of wage and hour class actions and
22 supports this Settlement. (Haritonian Decl., ¶¶ 3-9.)

23 **A. The Strength of Plaintiff's Case.**

24 Plaintiff alleges that Defendants failed to pay minimum wages and overtime, unlawfully
25 rounded Class Members time worked to their detriment, failed to provide proper meal breaks or
26 provide premium pay in lieu thereof, failed to provide proper rest breaks or provide premium pay
27 in lieu thereof, failed to provide accurate wage statements, failed to timely pay all wages upon
28 termination, and failed to reimburse necessary business expenses in violation of California law.

1 (Haritounian Decl., ¶ 27.)

2 Class Counsel felt confident that the claims in this case would be certified given that
3 Defendants' policies were applicable to all Class Members and unlawful on their face.
4 (Haritounian Decl., ¶¶ 27-55.) Defendants contended, however, that the policies complied with
5 California law.

6 **B. The Risks Associated with the Merits.**

7 As with all litigation, there are risks that a party will not prevail on the merits. In this case,
8 Plaintiff contends that she and other Class Members were not properly provided meal periods.
9 (Haritounian Decl., ¶¶ 33-36.) Defendants contended that Class Members were given a reasonable
10 opportunity to take their meal periods, and in fact received their meal periods most of the time
11 (*Id.*) If Defendants' contentions are proven true and prevail in trial, the likely outcome of this
12 claim would be no recovery for the Class Members. Plaintiff also contended that Defendants did
13 not provide Class Members with paid 10-minute rest breaks for every four hours or major fraction
14 thereof. (Haritounian Decl., ¶¶ 37-39.) Class Members consistently worked in excess of
15 consecutive four-hour shifts and were entitled to paid rest breaks of not less than ten minutes for
16 each consecutive four hour shift, which they were denied. Class Members were required to work
17 through their rest breaks, and through their entire shifts. Defendants maintained that they did
18 provide the reasonable opportunity for Class Members to take duty-free rest breaks. (*Id.*)
19 Defendants also pointed out that, unlike meal periods, rest breaks need not be recorded and
20 Defendants disputes all allegations that breaks were not received. As these considerations would
21 likely depress the damages *vel non* ultimately awarded, Class Counsel applied significant and
22 appropriate discounts to the rest-break claim.

23 Plaintiff alleged that Defendants failed to pay Plaintiff and Class Members minimum
24 wages for all hours worked, in violation of minimum wage laws. (Haritounian Decl., ¶ 30.)
25 Plaintiff contended that Class Members were not paid all wages they were owed including for all
26 work performed and for all overtime hours worked. (*Id.*) Specifically, Class Members were
27 required to stay after the end of their shift to complete their job duties such as finalizing reports
28 regarding the work performed the day of and were also required to wait in line to clock in.

1 Further, Class Members time worked was unlawfully rounded to their detriment. (*Id.*)

2 Defendants contended that they paid for all reported hours worked, that Class Members
3 were trained to record all hours worked, and that they paid proper minimum wages. (Haritounian
4 Decl., ¶ 31) Defendants also maintained that the allegations regarding failure to pay wages for
5 hours worked in excess of eight hours in a day did not constitute a basis for violation of Labor
6 Code § 510. Defendants argued that given their written policies and practices, any unrecorded
7 hours were likely subject to individualized inquiry and unlikely to be certified. Given the
8 difficulty in certifying this claim, Class Counsel had to apply a significant discount to damages
9 based on this theory.

10 **C. The Risks Associated with Paystub Violations and Waiting Time Penalties.**

11 In order to establish liability for these penalties, Plaintiff would first have to establish
12 liability for the underlying claims. Plaintiff would then have to establish that Defendants' conduct
13 was willful and knowing. (Labor Code §§ 203, 226(e).)

14 With waiting time penalties, there is always the risk that the trier of fact would not have
15 held that Defendants' actions were done "willfully." A good faith belief in a legal defense can
16 preclude a finding of willfulness. (*Gonzalez v. Downtown LA Motors* (2013) 215 Cal.App.4th 36,
17 54; 8 C.C.R. § 13520.) As discussed above, Plaintiff alleged that Defendants failed to pay for all
18 hours worked and premiums for non-compliant meal breaks. Plaintiff contends the Class
19 Members are entitled to these wages and premiums, which she alleges were not paid at the time
20 of their termination or resignation. If Plaintiff is successful on her claims, the penalties pursuant
21 to Labor Code § 203 shall attach. Defendants, however, contends it provided employees with the
22 reasonable opportunity to take meal breaks, asked Class Members to confirm the accuracy of their
23 time records, and therefore had good-faith defenses under *Brinker* and its progeny. Defendants
24 likewise contends that it properly paid all hours worked by its employees. Based upon
25 Defendants' potential success in establishing both that a good faith dispute existed with regard to
26 unpaid wages, and Defendants endeavored in good faith to supply accurate wage statements,
27 Defendants argue the claims for paystub violations and waiting time penalties have little or no
28 value. *See Maldonado v. Epsilon Plastics, Inc.*, 22 Cal. App. 5th 1308, 1336-1337 (2018) (wage

1 statements that accurately report wages paid to employees do not violate Labor Code § 226, even
2 if it is later determined that employer did not properly pay all wages due). As such, there was risk
3 associated with wage statement and waiting time penalties that Class Counsel had to consider.
4 (Haritounian Decl., ¶¶ 40-46.)

5 **D. The Risks Associated with the PAGA Penalties.**

6 Labor Code § 2699.3 gives aggrieved employees the right to recover civil penalties for
7 specific Labor Code violations by way of a civil action. The PAGA provides a penalty amount of
8 one hundred dollars (\$100) for each aggrieved employee per pay period for the initial violation
9 and two hundred dollars (\$200) for each aggrieved employee per pay period for each subsequent
10 violation. Labor Code § 2699(e)(2). However, if a civil penalty is provided in a specified amount
11 by the Labor Code section relating to the underlying alleged Labor Code violation, that amount
12 shall apply. (*Id.*) The PAGA also gives the Court discretion to award any lesser amount than the
13 maximum civil penalty. (*Id.* [“...a court may award a lesser amount than the maximum civil
14 penalty amount specified by this part if, based on the facts and circumstances of the particular
15 case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or
16 confiscatory.”]); *See, e.g., Lopez v. Friant & Assocs., LLC*, 15 Cal. App. 5th 773, 788 (2017), *rev.*
17 *denied* (2018), (recognizing court’s ability to reduce PAGA penalties). Courts have held that
18 situations similar to the current one (e.g. injuryless violations, technical errors, and substantial
19 compliance) should lead to reductions in penalties. *See Thurman v. Bayshore Transit*
20 *Management, Inc.*, 203 Cal. App. 4th 1112, 1134-1135 (2012) (holding that reduction was
21 justified when employer “attempted to comply with the law”); *Fleming v. Covdien, Inc.*, No. ED
22 CV10-01487 RGK (OPx), 2011 U.S. Dist. LEXIS 154590 at *8-9 (C.D. Cal. August 12, 2011)
23 (reducing PAGA penalties more than 80% – from \$2.8 million to \$500,000 – when “employees
24 suffered no injury” employers were “not aware” of the violation and “took prompt steps to correct
25 all violations once notified”).

26 Plaintiff discounted potential penalties under this claim given this authority, and for other
27 reasons. The PAGA claims are premised on the same underlying unpaid wages, meal and rest
28 break, wage statement, and waiting time claims, and thus subject to the same disputes and

1 defenses. There is also a dispute as to whether violations in later pay periods trigger the \$200
2 penalty under PAGA as a “subsequent violation.” (*Amaral v. Cintas Corp. No. 2*, 163 Cal. App.
3 4th 1157, 1203 (2008).) As such, there is a fair amount of risk associated with PAGA claims.
4 (Haritounian Decl., ¶¶ 49-52.) The Parties also considered that the purpose of PAGA is to
5 “achieve maximum compliance with state labor laws,” and that through the proposed settlement,
6 Defendants have agreed to ensure policies comply with California law. (*Iskanian v. CLS Transp.*
7 *Los Angeles, LLC* (2014) 59 Cal. 4th 348, 379.) This makes the settlement’s contemplated PAGA
8 payment of Forty Thousand Dollars and Zero Cents (\$40,000.00) appropriate.

9 Based on this analysis, Class Counsel believes that this settlement is fair and reasonable
10 and in the best interest of the Class. (Haritounian Decl., *passim*.)

11 **E. The Risk, Expense, Complexity and Likely Duration of Any Litigation.**

12 Given the risks outlined above, the issues in this case were complex and the risk for
13 Plaintiff and the Class Members associated with this litigation was high. (Haritounian Decl., ¶¶
14 56-58.) A class trial would have required the retention of expensive expert witnesses, the accrual
15 of extensive litigation costs, and the Parties would have had to spend a substantial amount of
16 time. (*Id.*)

17 Finally, given the complexity and unsettled nature of the issues, it is likely that any
18 outcome at trial would have resulted in a lengthy and costly appeal. An appeal would result in
19 further delay for the Class Members who have already waited years for resolution in this matter.
20 (Haritounian Decl., ¶ 59.)

21 **F. The Risk of Maintaining Class Action Status Through Trial.**

22 In class actions, decertification is always a possibility. There is always a risk that a trial of
23 this magnitude can become unmanageable. Given cases like *Duran v. U.S. Bank Nat. Assn.*, 59
24 Cal. 4th 1, 34 (2014) that deal with the complexity of using statistical samples in class actions,
25 decertification is a real risk that Class Counsel must take into account.

26 **G. The Amount Offered in Settlement.**

27 There can be no doubt that this Settlement is the result of vigorous, adversarial, non-
28 collusive, and arms-length negotiations between the Parties with an experienced mediator. In

1 order to determine the approximate potential damages which would be owed to each of the Class
2 Members, Class Counsel analyzed the time records for Plaintiff and Defendants provided Class
3 Counsel with records for a sampling of the class members. By analyzing this information, Class
4 Counsel was able to estimate the full value of the case if Plaintiff was to prevail at trial.

5 There are approximately 245 total Class Members. Based on the data provided, Class
6 Counsel estimated the following maximum exposures: unpaid wage claim at \$871,532.00, meal
7 period claim at \$367,120.00, rest period claim at \$367,120.00, wage statement claim at
8 \$370,800.00, waiting time penalties at \$642,149.00, reimbursement of business expenses claim at
9 \$12,250.00, and on PAGA, Plaintiff estimated the maximum exposure at \$433,000.00.
10 (Haritounian Decl., ¶ 28.)

11 However, taking into account the difficulties of proof, the Defendants' defenses, and other
12 attendant risks, Plaintiff estimates that the total amount of damages, monetary penalties, or other
13 relief that the class could reasonably expect to be awarded at trial is significantly less than the
14 maximum exposure. (Haritounian Decl., ¶ 29.)

15 Once Class Counsel was able to determine the maximum potential damages, it was able to
16 determine a fair and reasonable settlement for the Class. (*Id.* at ¶¶ 27-55) Class Counsel analyzed
17 the likelihood of success on the merits. (*Id.*) It believes that the Class had a reasonable likelihood
18 of success on the core claims. (*Id.*) However, Defendants dispute this contention, denies all
19 wrongdoing in this matter and are confident they have strong legal and factual defenses to
20 Plaintiff's claims. Moreover, Class Counsel determined that the likelihood of success on the
21 claims for unpaid wages and waiting time penalties were not as strong, because various defenses
22 including issues not suitable for class treatment, no detriment to the class members over time, and
23 *de minimis* defenses. Defendants may have had the opportunity to establish that they had a good
24 faith belief that they were complying with the law. (*Id.*) After taking into account the likelihood
25 of success on each claim and the challenges faced with certifying these claims, Class Counsel
26 determined that the settlement amount of Six Hundred Fifty Thousand Dollars and Zero Cents
27 (\$650,000.00) was fair and reasonable.

28 Under the Settlement, each of the approximately 245 Class Members will receive on

1 average, assuming they worked throughout the class period, \$1,434.01 after expenses.
2 (Haritounian Decl., ¶ 55) Plaintiff feels that this Settlement is fair, reasonable, and advantageous
3 to the class. (*Id.*)

4 To summarize, the Settlement here is fair because it provides a substantial payment to
5 each Class Member for releasing his or her claims; extinguishes the risk of litigation; and
6 provides a fair and adequate distribution of the settlement proceeds whereby the funds are
7 allocated to Class Members proportionally based on their Payout Ratio.

8 As detailed at length in the accompanying Declaration of Natalie Haritounian, the
9 settlement is the result of extensive settlement negotiations between the Parties, conducted at
10 arm's length, and informed by substantial factual and legal investigations. (Haritounian Decl.,
11 *passim.*) Throughout this case, Class Members have been represented by experienced counsel
12 with many years of experience in employment class action litigation. (Haritounian Decl., ¶¶ 3-9.)

13 Class Counsel has devoted a considerable amount of time to the prosecution of this case,
14 including but not limited to, interviewing Plaintiff on repeated occasions; drafting pleadings;
15 conducting formal and informal discovery, and meeting and conferring with defense counsel
16 about same; reviewing and analyzing time records and various handbooks and policies, Plaintiff's
17 personnel file, and other documentation; researching California law; interviewing numerous class
18 members regarding their experiences; preparing for and attending mediation; and negotiating and
19 finalizing the Settlement Agreement and related documents. (Haritounian Decl., ¶¶ 13-14.)

20 Among those matters considered during the course of settlement negotiations were the
21 strength of Plaintiff's case versus the amounts offered in settlement; the risks, expenses, and
22 length of further litigation, including class certification and the appeals process; the present state
23 of the law as it applies to wage and hour class actions, particularly in light of *Brinker*; the present
24 value of a settlement versus the long wait necessitated by any potential judgment in class
25 members' favor; the burdens of proof necessary to establish liability against Defendants; and
26 Defendants' defenses to the action. (Haritounian Decl., *passim.*)

27 These factors each indicated that the interests of Class Members are best served by a
28 settlement of this action in the manner and upon the terms set forth in the Settlement Agreement.

1 The Settlement Agreement confers a substantial benefit on the class of up to Six Hundred Fifty
2 Thousand Dollars and Zero Cents (\$650,000.00). Moreover, the settlement awards for each Class
3 Member will be tailored to their workweeks during the class period. In addition, Class Counsel
4 secured prospective relief for the class in that Defendants will ensure their policies comply with
5 California law.

6 Class Counsel believes that the settlement is fair and reasonable and serves the best
7 interests of the Class Members. Although the recommendations of counsel proposing the class
8 settlement are not conclusive, the Court can properly take the recommendations into account,
9 particularly if counsel has been involved in litigation for some period of time, appear to be
10 competent, and have experience with this type of litigation, and significant discovery has been
11 completed. *See Newberg*, §11.47.

12 **VII. THE CLASS REPRESENTATIVE ENHANCEMENT PAYMENT IS FAIR AND** 13 **REASONABLE**

14 It is appropriate to provide a relatively modest additional incentive payment to the class
15 representative. *See Newberg*, § 12.1; *Van Vranken v. Atlantic Richfield Co.* (N.D. Cal. 1995) 901
16 F.Supp. 294.

17 Plaintiff is entitled to reasonable service payments for her efforts and initiative in bringing
18 and helping to prosecute this class action. Plaintiff spent significant time better apprising herself
19 of her rights, deciding whether remedial action should be taken, how it should be taken, searching
20 for attorneys, and contacting Class Counsel, who spent many hours with Plaintiff discussing her
21 case and the law. (Haritounian Decl., ¶ 67) In the end, Plaintiff decided to vindicate not only her
22 own rights but also those of her co-workers by filing a class action lawsuit.

23 The courage it took to do this should not be underestimated. By suing Defendants,
24 Plaintiff contends she increased the risk of retaliation by prospective employers. (Haritounian
25 Decl., ¶ 68) Plaintiff's lawsuit has now cost Defendants considerable resources, and Plaintiff
26 contends such conduct will not be lost on a prospective employer who has to choose between an
27 applicant who has never sued a prior employer and one who has. (*Id.*) Plaintiff contends this risk
28 is particularly real in the information age, where employers can, more easily than ever, perform

1 background checks of prospective employees, sometimes with the stroke of a key. (*Id.*)

2 But Plaintiff did not allow her fear of the potential repercussions of being a class
3 representative deter her from acting for the benefit of the Class Members. (Haritounian Decl., ¶
4 69) To the contrary, Plaintiff has been intimately involved in this case since its inception. (*Id.*)
5 She has devoted a substantial amount of time to helping Class Counsel effectively develop and
6 prosecute this action at every stage of the litigation. (*Id.*) Both before and after the filing of this
7 lawsuit, Plaintiff conferred with Class Counsel to discuss every aspect of this case; Plaintiff has
8 provided Class Counsel with information about Defendants and about the industry generally,
9 reviewed documents, identified witnesses, consulted Class Counsel throughout the litigation,
10 participated in the mediation process, monitored the progress of the litigation with Class Counsel,
11 and reviewed and signed the settlement agreement. (*Id.*)

12 Plaintiff spent a significant amount of time with Class Counsel detailing her knowledge of
13 Defendants' practices. (Haritounian Decl., ¶ 70) She has diligently, adequately, and fairly
14 represented Class Members, and has not placed her interests above any member of the putative
15 class. (*Id.*) This sort of payment to a class representative has been a common feature of
16 settlements negotiated by Class Counsel and has been routinely approved by trial courts. (*Id.*)

17 In light of the foregoing, Class Counsel believes that the incentive award in the amount of
18 Five Thousand Dollars and Zero Cents (\$5,000.00) to the Class Representative is fair and
19 reasonable. (Haritounian Decl., ¶ 71)

20 **VIII. THE PROPOSED CLASS NOTICE PROVIDES ADEQUATE NOTICE TO THE** 21 **CLASS MEMBERS.**

22 Constitutional due process requires that class members be provided with notice sufficient
23 to give them an opportunity to be heard in the proceedings. *Mullane v. Central Hanover Bank &*
24 *Trust Co.* (1950) 339 U.S. 306. Proper notice must provide the class members with sufficient
25 information to make an informed decision as to whether to accept or object to the settlement. (*Id.*
26 at 314.) The notice must apprise the class members of the pendency of the action; reasonably
27 convey information regarding the settlement and the class members' rights, entitlements, and
28 obligations; and afford class members the opportunity to present their objections. (*Id.*)

1 The Class Notice meets constitutional standards because it provides all the information a
2 reasonable person would need to make a fully informed decision about the settlement. It will
3 notify all class members of the terms of the settlement, of its effect on their rights, of their options
4 as class members (i.e., participate, object, opt out, do nothing), and of the consequences of
5 exercising those options. (Haritounian Decl., ¶¶ 60-62.) Moreover, the Class Notice will
6 specifically direct any class members who have questions or concerns to contact the Settlement
7 Administrator, Apex Class Action or Class Counsel. (*Id.*)

8 The standard for determining the adequacy of notice is whether the notice has “a
9 reasonable chance of reaching a substantial percentage of the class members.” (*Cartt v. Superior*
10 *Court* (1975) 50 Cal.App.3d 960, 974.) The Judicial Council of California’s Deskbook on the
11 Management of Complex Civil Litigation (Matthew Bender 2003), § 3.74 notes that individual
12 notice by mail is preferred when possible and dissemination of combined certification/settlement
13 notice is a common and accepted practice. (*In re Vitamin Cases* (2003) 107 Cal.App.4th 820,
14 828.)

15 Here, the Class Notice will be sent via first-class mail to each class member. (Haritounian
16 Decl., ¶ 60.) If any Class Notices are returned undeliverable without a forwarding address, the
17 Settlement Administrator will use the national change of address database and perform a skip
18 trace to locate the class member and mail a new Class Notice to him or her at the correct address.
19 (*Id.*) Thus, most, if not all, class members will likely receive the Class Notice.

20 Pursuant to controlling authority, the proposed Class Notice and method of distribution
21 fully comport with due process requirements. Therefore, the Court should approve the Class
22 Notice and direct that it be distributed as proposed herein.

23 **IX. STANDING TO OBJECT TO PROPOSED SETTLEMENT**

24 Non-settling parties and third parties periodically may attempt to object to proposed class
25 action settlements, but the right of non-settling parties to object at the final settlement approval
26 hearing, let alone the preliminary approval hearing, is quite limited. As a general rule, only class
27 members have standing to object to a proposed settlement. “Beginning from the unassailable
28 premise that settlements are to be encouraged, it follows that to routinely allow non-class

1 members to inject their concerns via objection at the settlement stage would tend to frustrate this
2 goal.” (*Gould v. Alleco, Inc.* (4th Cir. 1998) 883 F.2d 281, 284.) Since an application is being
3 filed to obtain a good faith determination, no persons other than class members have standing to
4 object to the proposed settlement. (*In re School Asbestos Litigation* (3rd Cir. 1990) 921 F.2d
5 1330.)

6 **X. THE STIPULATED AWARD OF ATTORNEYS’ FEES AND COSTS IS**
7 **REASONABLE AND SHOULD BE APPROVED.**

8 Under the Settlement Agreement, subject to approval by this Court, Class Counsel will
9 seek an award of fees of no more than Two Hundred Sixteen Thousand Six Hundred and Sixty-
10 Six Dollars and Sixty-Seven Cents (\$216,666.67) approximately one-third of the Gross
11 Settlement Amount, and not more than Thirty-Thousand Dollars and Zero Cents (\$30,000.00) in
12 costs. The requested fees are fair compensation for a law firm involved in undertaking complex,
13 risky, expensive, and time-consuming litigation solely on a contingent basis. (Haritounian Decl.
14 ¶¶ 64-66.) Defendants will not oppose Class Counsel’s fees and cost request.

15 California courts routinely look to the federal courts on class action approvals. The Ninth
16 Circuit has recognized that an appropriate method for awarding attorneys’ fees in class actions is
17 to award a percentage of the “common fund” created as a result of the settlement. (*Vincent v.*
18 *Hughes Air West, Inc.* (9th Cir. 1977) 557 F.2d 759, 769.) The purpose of the common
19 fund/percentage approach is to “spread litigation costs proportionally among all the beneficiaries
20 so that the active beneficiary does not bear the entire burden alone.” (*Id.*) Accordingly, courts
21 have discretion to choose either the percentage-of-the-fund method or the lodestar method. (*In re*
22 *Wash. Pub.Power Supply Sys. Sec. Litigation* (9th Cir. 1994) 19 F.3d 1291, 1295-96.)

23 Several courts have, however, expressed frustration with the “lodestar” approach for
24 deciding fee awards, which usually involves wading through voluminous time records. Thus, the
25 percentage approach can be preferable to the lodestar in certain situations because: (1) it aligns
26 the interests of class counsel and absent class members; (2) it encourages efficient resolution of
27 the litigation by providing an incentive for early, yet reasonable, settlement; and (3) it reduces the
28 demands on judicial resources. (*In re Activision Securities Litigation*, (N.D. Cal. 1989) 723

1 F.Supp. 1373, 1378-79.) The Ninth Circuit has used the percentage of the common fund approach
2 to determine the award of attorneys' fees. (*In re Pacific Enterprises Securities Litigation* (9th Cir.
3 1994) 47 F.3d 373, 378-79 (approving attorneys' fee of 33 1/3% of settlement fund).)

4 Class Counsel's application for attorneys' fees in light of the facts and circumstances
5 surrounding this case is well within the range of reasonableness. Historically, courts have
6 awarded percentage fees in the range of 20% to 50% of the common fund, depending on the
7 circumstances of the case. (*Newberg*, at §14.03; *see also In re Activision Securities Litigation*,
8 723 F. Supp. at 1378.) *Newberg* further notes: "[A]chievement of a substantial recovery with
9 modest hours expended should not be penalized but should be rewarded for considerations of
10 time saved by superior services performed." (*Id.* at §§ 14-10:14-11.)

11 The attorneys' fees request provided for in the Settlement Agreement is commensurate
12 with judicial precedent. Both state and federal courts regularly approve fee awards equal to or
13 greater than the percentage requested in this case. (*See, e.g., In re Pacific Enterprises Securities*
14 *Litigation* (9th Cir. 1995) 47 F.3d 373, 379 (affirming an award equal to 33% of the common
15 fund); *In re Activision Securities Litigation* (N.D. Cal. 1989) 723 F.Supp. 1373, 1375 (awarding
16 plaintiff counsel 32.8% of the common fund created to settle the litigation); *In re Ampicillin*
17 *Antitrust Litigation* (D. D.C. 1981) 526 F.Supp. 494 (awarding 45% of \$7.3 million settlement
18 fund); *Parker v. City of Los Angeles* (1974) 44 Cal.App.3d 556, 557-568 (affirming fee award to
19 counsel of one-third (1/3) of recovery achieved).)

20 In wage and hour class actions in particular, California trial courts have customarily
21 approved attorney's fees consistent with or greater than the percentage of the common fund
22 requested in this case. (*See Evans v. Coca-Cola*, Los Angeles County Super. Ct. Case No. BC
23 220525 (Hon. Richard C. Hubbell) (Dec. 2001) (approving an award of attorneys' fees of at least
24 33-1/3% of the settlement); *see also Estrada v. Dr. Pepper/Seven-Up*, Los Angeles County Super.
25 Ct. Case No. BC 262247 (May 2005) (Hon. Anthony J. Mohr); *Moreno v. Miller Brewing*, Los
26 Angeles County Super.Ct. Case No.BC 278170 (April 2004) (Hon. David M. Minning); *Josiah*
27 *Eaton v. Adolph Coors Company* (2003) Orange County Super. Ct. Case No. 01CC00140 (Hon.
28 Stephen J. Sundvold); *Kimbell v. Abercrombie & Fitch Stores, Inc.*, Los Angeles County

1 Super.Ct. Case No.BC 277359 (Sept. 2006) (Hon. Kenneth R. Freeman); *Daum v. Claim Jumper*
2 *Restaurants*, Orange County Super.Ct. Case No.02CC10201 (2006) (Hon. Ronald L. Bauer).)

3 Here, Class Counsel has borne the entire risk and costs of litigation and will not receive
4 any compensation until recovery is obtained. (Haritounian Decl., ¶¶ 64-66) The Court should also
5 consider the benefit obtained by Class Counsel on behalf of class members. Thus, the requested
6 award for Class Counsel is reasonable.

7 **XI. ACTION REQUESTED AS A PART OF THE MOTION FOR PRELIMINARY**
8 **APPROVAL**

9 The Parties respectfully request this Court, as part of the preliminary approval process, to
10 grant the following relief and make the following orders:

- 11 1. Review and approve the Settlement Agreement;
- 12 2. Review and approve the Class Notice, attached to the Settlement Agreement as Exhibit
13 A;
- 14 3. Consider and determine that the proposed class action settlement as set forth in the
15 Settlement Agreement preliminarily appears fair, reasonable, and adequate;
- 16 4. Enter an order conditionally certifying the action as a class action for settlement
17 purposes only and preliminarily approving the proposed class action settlement and the
18 Settlement Agreement;
- 19 5. Approve and appoint Emil Davtyan, David Yeremian, and Natalie Haritounian of
20 D.Law, Inc. to serve as Class Counsel for settlement purposes;
- 21 6. Approve and appoint Apex Class Action as the Settlement Administrator to handle the
22 notice and claims procedures as set forth in the Settlement Agreement;
- 23 7. Approve the proposed settlement's allocation of funds to claims made under PAGA;
- 24 8. Order Defendants to disclose to Apex Class Action the names, last-known addresses,
25 telephone numbers, dates of employment, and social security numbers of class members as set
26 forth in the Settlement Agreement;

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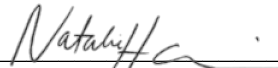
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- 1 9. Order that Apex Class Action mail the Class Notices to class members; and
2 10. Set a date for the Final Approval Hearing.

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4 Dated: May 8, 2025

Respectfully submitted,

5 D.LAW, INC.

6
7 By 
8 Natalie Haritonian
9 Attorneys for Plaintiff, IRENE HERNANDEZ
10 VENEGAS, on behalf of herself and others
11 similarly situated
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