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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SANTA CLARA

MIGUEL RAMOS, on behalf of himself, the State of California, and all other similarly situated aggrieved employees,

Plaintiff,

v.

BOTTEGA VENETA, INC., a New York Corporation; and DOES 1-50, inclusive.

Defendants.

CASE NO.: 23CV426555

Assigned to the Hon. Charles F. Adams

PLAINTIFF'S UNOPPOSED MOTION TO APPROVE THE SETTLEMENT PURSUANT TO THE PRIVATE ATTORNEYS GENERAL ACT OF 2004; MEMORANDUM OF POINTS AND AUTHORITIES

<u>Hearing Information:</u>

Date: January 8, 2026
Time: 1:30 p.m.
Dept.: 7

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on January 8, 2026, at 1:30 p.m., or as soon thereafter as the matter may be heard in Department 7 of the Superior Court of the State of California, County of Santa Clara, located at 191 N. First Street, San Jose, California 95113, before the Honorable Charles F. Adams, Plaintiff Miguel Ramos will, and hereby does, move the Court for an order approving a settlement pursuant to the Private Attorneys General Act of 2004, Labor Code § 2698 *et seq.* ("PAGA").

This unopposed motion seeks approval of a non-reversionary $100,000 settlement reached after mediation, which resolves all PAGA claims alleged in this action on behalf of non-exempt hourly employees of Defendant Bottega Veneta Inc. ("Defendant") in California, who worked for Defendant during the PAGA period. The settlement allocates:

- 75% (presently estimated to be $27,359.75) to the Labor and Workforce Development Agency,
- 25% (presently estimated to be $9,118.92) to the PAGA Members, distributed pro rata based on pay periods worked,
- up to $33,333.33 in attorneys' fees and $18,241.00 in litigation costs,
- an service award of $10,000 to the Plaintiff,
- and up to $1,950 in administration costs.

This motion is based on the Memorandum of Points and Authorities, the Declarations of PAGA Counsel Mehrdad Bokhour and Joshua Falakassa, the Declaration of Plaintiff Miguel Ramos, the PAGA Settlement Agreement, the proposed Order Granting Approval of Settlement, all pleadings and papers on file, and any argument or evidence presented at the hearing**.**

Dated: December 3, 2025

BOKHOUR LAW GROUP, P.C.
FALAKASSA LAW, P.C.

By: ______________________________

Mehrdad Bokhour, Esq.
Joshua Falakassa, Esq.
Attorneys for Plaintiff and the Aggrieved Employees

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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Plaintiff Miguel Ramos ("Plaintiff")—individually and on behalf of other allegedly aggrieved employees, and acting as a representative of the State of California—brought this representative action for civil penalties against his former employer, Defendant Bottega Veneta, Inc. ("Defendant," together with Plaintiff, the "Parties") under the Private Attorneys General Act of 2004, California Labor Code § 2698 et seq. ("PAGA").

A PAGA action is a type of *qui tam* proceeding that enables private citizens to assist the State of California in enforcing labor laws. (*Iskanian v. CLS Transp. Los Angeles, LLC* (2014) 59 Cal.4th 348, 380–382.) In such an action, the State of California is the real party in interest. (*Id.* at 382.)

As required by statute, the State of California was timely served with a copy of the executed PAGA Settlement Agreement ("Settlement Agreement" or "S.A.") and this Motion for Approval. (Declaration of Mehrdad Bokhour in Support of Plaintiff's Motion to Approve Settlement Pursuant to PAGA ("Bokhour Decl."), ¶ 41.)

Plaintiff's operative claims are brought on behalf of any non-exempt hourly employees of Defendant in California, who worked for Defendant during the period from August 25, 2022, through March 17, 2025 (the "PAGA Members"). (Bokhour Decl. ¶ 9.)

Plaintiff alleges that during the relevant period:

- Plaintiff and other PAGA Members were not properly paid for all overtime hours in excess of 8.0 hours in a day or 40 hours in a week due to Defendant's failure to properly calculate the "regular rate of pay." Similarly, Defendant also failed to properly pay all sick pay wages and meal/rest period premiums at the proper "regular rate of pay." (Bokhour Decl. ¶ 10.)
- Plaintiff and other PAGA Members were not permitted to take code compliant 30-minute meal periods before the fifth hour, and second meal periods before the tenth hour of work due to Defendant's facially unlawful meal period policies/practices. And Defendant failed to pay all meal period premiums at the "regular rate of pay" as required by the California

Labor Code ("Labor Code") § 226.7 and *Ferra v. Loews Hollywood Hotel, LLC* (2021) No. S259172. (Id.)

- Defendant failed to provide 2 net 10-minute rest periods for each 8-hour shift in compliance with California law due to its unlawful rest period policies and operational requirements. (Id.)
- Defendant failed to reimburse necessary business expenses, failed to timely pay wages, failed to pay wages at separation in a timely manner, and issued inaccurate itemized wage statements or otherwise failed to maintain records, thereby incurring civil penalties under PAGA. (Bokhour Decl. ¶ 11.)

Following informal discovery, including the exchange and review of workplace policies, time and payroll data, and an exposure analysis based on the PAGA Members' pay periods, the Parties participated in a private mediation before Jeffrey Winikow, Esq., an experienced wage and hour mediator. (S.A., Recitals; Bokhour Decl. ¶ 12.) With the assistance of the mediator, the Parties were able to resolve the action. (Id.)

With a comprehensive Settlement Agreement now in place, Plaintiff seeks—without opposition from Defendant—the Court's approval of a $100,000 ("Total Settlement Amount") non-reversionary settlement resolving all claims alleged in this action pursuant to the PAGA. The Settlement covers approximately 119 PAGA Members and approximately 3,217 PAGA pay periods. (S.A. ¶ 7.)

Following the proposed deductions of:

- Attorneys' fees of $33,333.33 (1/3 of the Total Settlement Amount),
- Litigation costs of $18,241.00,
- Settlement administration expenses capped at $1,950, and
- A Service Award of $10,000 to Plaintiff for his service in pursuing the action and assisting with settlement efforts. (S.A. ¶ 4.)

The balance of $36,475.67 will be allocated as PAGA penalties in accordance with Labor Code § 2699(i). (S.A. ¶ 4(d).) Of that amount:

- 75% ($27,356.75) will be paid to the California Labor and Workforce Development Agency ("LWDA") (S.A. ¶¶ 4(d), 8), and

- 25% ($9,118.92) will be distributed to PAGA Members on a pro rata basis based on the number of PAGA pay periods worked during the PAGA period. (Id.)

This results in an average PAGA-only payment of approximately $76.63 per employee, which is meaningful relief for aggrieved employees given that the settlement does not release any individual damages or statutory claims, and the value is being distributed solely for representative penalties under PAGA. (S.A. ¶ 5.)

This settlement merits full approval because it furthers the statutory goals of PAGA:

- To deter future Labor Code violations,
- To incentivize employer compliance with wage and hour laws,
- And to provide meaningful enforcement of California labor standards for the public benefit. (*See* Labor Code § 2698 et seq.; *Arias v. Superior Court* (2009) 46 Cal.4th 969, 980.)

Approval of the settlement is governed by Labor Code section 2699(l)(2), which provides that "[t]he superior court shall review and approve any settlement of any civil action filed pursuant to this part." Consistent with California Supreme Court precedent, PAGA settlements are not subject to the requirements of class certification (such as numerosity, typicality, adequacy, or commonality), and there is no preliminary/final two-step process as is required in class actions. (*See Arias*, supra, at pp. 975–976; *Iskanian v. CLS Transp. Los Angeles, LLC* (2014) 59 Cal.4th 348, 380–382.)

For these reasons—and those discussed in more detail below—Plaintiff respectfully requests that the Court grant approval of the PAGA Settlement as fair, reasonable, and in the public interest.

II. FACTUAL BACKGROUND AND PROCEDURAL HISTORY

Defendant is a luxury Italian fashion house selling bags and luxury goods throughout its chain of retail boutiques in California. (Bokhour Decl. ¶ 13.)

Plaintiff Miguel Ramos was employed by Defendant as a non-exempt employee with the title of "Fashion Associate" and/or "Supervisor" out of the Westfield Valley Fair Mail in San Jose, California. Plaintiff began working for Defendant in March 2022 and then separated from employment in May 2023. Plaintiff and other PAGA Members (including, but not limited to, associates, supervisors, managers, clerks, warehouse workers, and all other non-exempt positions) were responsible for all aspects of

Defendant's business across the State of California. These employees were uniformly subjected to the same systemic wage and hour violations, driven by Defendant's common policies, procedures, and working conditions. (Bokhour Decl. ¶ 14.)

On August 25, 2023, Plaintiff filed his letter ("PAGA Notice Letter") with the Labor and Workforce Development Agency ("LWDA"), and thereafter filed a PAGA representative action lawsuit for civil penalties in the Santa Clara County Superior Court. Plaintiff's lawsuit alleges that Defendant failed to pay all minimum and overtime wages and sick time wages, failed to provide compliant meal and rest periods; failed to reimburse business expenses, failed to issue accurate itemized wage statements and/or maintain records, and failed to timely pay wages during and upon separation of employment. (Bokhour Decl. ¶¶ 15-17; Exhibit A to Bokhour Decl.).

The Parties agreed to attend private mediation and put a hold on formal discovery. (Bokhour Decl. ¶ 18). The Parties selected Jeffrey Winikow, Esq. to serve as neutral mediator. (Bokhour Decl. ¶ 19.)

In advance of mediation, the Parties engaged in an informal exchange of relevant information and documents. Defendant produced policy documents and a sampling of time and payroll records, which enabled PAGA Counsel to conduct a thorough analysis of liability exposure, identify representative violations, and formulate a damages and penalties model. (Bokhour Decl. ¶ 20.) As part of this informal discovery, PAGA Counsel analyzed issues including but not limited to, rounding practices, meal and rest period violations, regular rate miscalculations, expense reimbursements, wage statement violations, and late payment penalties. Plaintiff also reviewed applicable policies, practices, and pay data to evaluate the risks and potential recovery at trial. (Id.) (*See also* Declaration of Joshua Falakassa in Support of Plaintiff's Motion for Approval of PAGA Settlement ("Falakassa Decl."))

Following these efforts, the Parties participated in a full-day mediation on December 9, 2024, before Jeffrey Winikow, Esq., a respected and experienced mediator of complex wage and hour class and PAGA actions. With the mediator's assistance, the Parties reached a negotiated resolution of the claims asserted in this action. (S.A., Recitals; Bokhour Decl. ¶ 21.) The Parties thereafter memorialized the material terms in a formal Private Attorneys General Act Settlement Agreement, which is now presented to the Court for review and approval. (Bokhour Decl. ¶ 22; Ex. B.)

III. <u>THE PAGA AND ITS REQUIREMENTS</u>

The Private Attorneys General Act of 2004 ("PAGA"), codified at Labor Code § 2698 *et seq.,* provides a mechanism for aggrieved employees to recover civil penalties on behalf of the State of California for violations of the Labor Code committed by their employers. Before PAGA, the enforcement of such civil penalties was vested exclusively in California's labor enforcement agencies. (*Arias v. Superior Court* (2009) 46 Cal.4th 969, 980.).

However, recognizing both the limited resources of enforcement agencies and the prevalence of Labor Code violations, the California Legislature determined it was in the public interest to deputize private individuals as "private attorneys general" to enforce the law. (*Id.*) As the Legislature explained: "The only meaningful deterrent to unlawful conduct is the vigorous assessment and collection of civil penalties as provided in the Labor Code." (Stats. 2003, ch. 906, § 1(b).) Labor Code § 90.5(a) reinforces that California's labor laws exist to prevent employees from being "required or permitted to work under substandard unlawful conditions," and protect compliant employers from unfair competition by those who cut corners on labor standards. The Legislature further found that: Labor enforcement agencies had insufficient staffing, unlikely to keep pace with growth in the labor market, and allowing private enforcement through PAGA was a necessary supplement—while retaining agency primacy over enforcement. (Stats. 2003, ch. 906, § 1(c).)

Under Labor Code § 2699(i), civil penalties recovered in a PAGA action are distributed: 75% to the Labor and Workforce Development Agency (LWDA) for enforcement and education efforts, and 25% to the aggrieved employees.

Before bringing a PAGA action, the employee must satisfy notice and exhaustion requirements under Labor Code § 2699.3(a) by submitting written notice to both the employer and the LWDA identifying the specific Labor Code provisions allegedly violated. The LWDA may then investigate or respond; if it declines to investigate or does not act within the statutory period, the aggrieved employee may proceed. (*See* Lab. Code §§ 2699.3(a)(2), 2699(h).)

In this case, Plaintiff submitted a timely PAGA Notice Letter on August 23, 2023, notifying the LWDA and Defendant of the alleged violations. The LWDA did not intervene, thereby authorizing Plaintiff to proceed with this enforcement action on behalf of the State. (Bokhour Decl. ¶¶ 15–17.) Thus, the entire recovery in this case—the $100,000 PAGA Settlement—is the result of enforcement efforts undertaken solely by Plaintiff and his counsel. The LWDA was provided with notice of the proposed Settlement Agreement and of this Motion, in accordance with Labor Code § 2699(l)(2). (Bokhour Decl. ¶ 41.)

PAGA also requires that any settlement of a PAGA claim brought by an aggrieved employee must be approved by the Court. (*Ibid.*) In *Arias*, the California Supreme Court held that PAGA representative actions are not subject to class certification requirements, nor is notice required for other employees. (*Arias*, 46 Cal.4th at 975–76, 980–88.) The plaintiff is deemed to act as a proxy or agent of California's labor law enforcement agencies. (*Id.* at 986.)

Accordingly, the Court's role is to review the terms of the PAGA Settlement to ensure they are fair, reasonable, and in the public interest, that this proposed Settlement fully satisfies, as discussed below.

IV. <u>THE SETTLEMENT AND DISTRIBUTION OF PAGA PENALTIES</u>

The following is a summary of the principal terms of the Settlement Agreement.

A. <u>TERMS OF THE SETTLEMENT AND DISTRIBUTION OF PAGA PENALTIES</u>

The Settlement provides that Defendant will pay a non-reversionary total settlement amount of $100,000 (the "Total Settlement Amount"), which is inclusive of:

- Civil penalties payable to the LWDA and PAGA Members,
- Attorneys' fees and costs,
- Settlement administration expenses, and
- A Service Award to Plaintiff (S.A. ¶ 4; Bokhour Decl. ¶ 28.)

Following deduction of up to $33,333.33 in attorneys' fees, $18,241.00 in litigation costs, $1,950.00 in settlement administration fees, and a $10,000 Service Award to Plaintiff, the remaining amount—approximately $36,475.67—constitutes the "Net Settlement Amount." (S.A. ¶ 4(a)-(d).)

Pursuant to Labor Code § 2699(i) and the terms of the Settlement:

- 75 percent of the Net Settlement Amount ($27,356.75) will be paid to the LWDA (S.A. ¶¶ 4(d), 8; Bokhour Decl. ¶ 29);
- The remaining 25 percent ($9,118.92) will be distributed to the PAGA Members on a pro-

rata basis based on the number of PAGA pay periods worked during the PAGA period. (Id.)

This structure complies with the statutory distribution scheme and provides meaningful recovery to the State and to employees, without the possibility of reversion to Defendant. Uncashed settlement checks will escheat to the State Controller's Office, Unclaimed Property Division in accordance with California law. (S.A. ¶ 10(e).)

The following chart reflects the estimated payments from the Settlement Agreement:

	Amount
Total Settlement Amount	$100,000.00
PAGA Counsel Fees Payment	$33,333.33
PAGA Counsel Litigation Costs	$18,241.00
Settlement Administrator Fees	$1,950.00
Plaintiff's Service Award	$10,000.00
Net Settlement Amount	**$36,475.67**
75% to the LWDA	$27,356.75
25% to PAGA Members	$9,118.92

As such, the LWDA will receive approximately $27,356.75 (75 percent of the Net Settlement Amount) and the PAGA Members will collectively receive approximately $9,118.92 (25 percent of the Net Settlement Amount), which will be paid on a pro-rata basis according to the number of pay periods worked during the Settlement Period. The average payment to the PAGA Members is approximately $76.63. (S.A. ¶¶ 4(d), 8; Bokhour Decl. ¶ 29.)

Defendant estimated, based on its records, that as of December 31, 2024, the PAGA Members worked 3,217 pay periods. If the final accounting of the total PAGA pay periods for the Settlement Period increases by more than 10% of that estimate (*i.e.*, above 3,538), then Defendant shall have the option to either (a) increase the Total Settlement Amount by a proportional amount of the increase in pay periods (*e.g.*, if there is a 15% increase in the number of PAGA pay periods, Defendant will increase the maximum settlement amount by 5%) or (b) shorten the release period to the date upon which the total number of pay periods reaches 3,538 without any increase in the Total Settlement Amount. (S.A. ¶ 7; Bokhour Decl. ¶ 42.)

B. PAYMENT AND THE NOTICE

Defendant will fund the Total Settlement Amount of $100,000 to the Settlement Administrator within thirty (30) days after the Effective Date. (S.A. ¶ 10(a).) The "Effective Date" is defined as the date by which the Court enters a Judgment on its Order Approving the PAGA Settlement. (S.A., Definitions ¶ 3.)

Within thirty (30) days after Final Judgement[1], Defendant shall provide to the Settlement Administrator a list of the PAGA Members that identifies for each PAGA Member their full name, social security number, last known address, last known telephone number(s), and the number of pay periods for each PAGA Member during the Settlement Period. However, no funds will be distributed to anyone until all deadlines to appeal have passed, or if an appeal is filed, after all appeals have been resolved without impacting the effectiveness of this Settlement, whichever is later. (S.A. ¶ 10(a).) The Settlement Administrator will keep the list confidential, use it only for the purposes described herein, take adequate safeguards to protect confidential or private information and return or certify the destruction of the information upon completion of the Settlement Administration process. The list of PAGA Members shall not be shared with Plaintiff or Plaintiff's counsel, including PAGA Counsel. (Id.)

Within ten (10) calendar days after receipt of the list of PAGA Members, the Settlement Administrator shall run all the addresses of PAGA Members through the United States Postal Service NCOA database to obtain current address information, and shall remit:

- The PAGA Members payment (25% of the Net Settlement Amount),
- The LWDA payment (75% of the Net Settlement Amount),
- The Settlement Administrator Fees (for administration costs),
- Plaintiff's Service Award, and
- Plaintiff's counsel approved attorneys' fees and costs (S.A. ¶ 10(c).).

PAGA Members shall not be required to make claims, but shall simply receive a check for Individual Settlement Payments. (S.A. ¶ 10(d).) The Settlement Administrator shall send Individual Settlement Payments to each PAGA Member by U.S. First Class mail to the PAGA Member's address

[1] "Final Judgment" means the date on which the Court's order approving the settlement becomes final and no longer subject to appeal or writ review. If no appeal or petition for a writ are filed, the Final Judgment shall be deemed to occur sixty (60) days after service of the notice of entry of judgment. (S.A., Definitions ¶ 4.)

with directions to the Postmaster to forward the payment checks and return all undeliverable payment checks to the Settlement Administrator. (Id.) The Settlement Administrator shall send the PAGA Members an explanatory letter, which will be mutually approved by the Parties, with the Individual Settlement Payment checks. (Id.) It will be conclusively presumed that a PAGA Member's Individual Settlement Payment check was received if the payment check has not been returned within thirty (30) days of the original mailing of the payment check. (Id.)

Individual Settlement Payment checks issued to PAGA Members pursuant to this Settlement will expire one hundred and eighty (180) calendar days from the date of issuance. (S.A. ¶ 10(e).) Funds represented by settlement checks returned as undeliverable and those settlement checks remaining un-cashed for more than 180 days will be tendered by Settlement Administrator to the State Controller's Office, Unclaimed Property Division in the name of the PAGA Member whose check was returned. (Id.)

C. SETTLEMENT ALLOCATION TO THE PAGA MEMBERS

As set forth in the Settlement Agreement, twenty-five percent (25%) of the Net Settlement Amount—or $9,118.92—will be allocated to the PAGA Members. (S.A. ¶¶ 4(d), 8.) According to data provided by Defendant, approximately 119 PAGA Members will share in this allocation on a pro rata basis, based on the number of PAGA pay periods each individual worked during the applicable Settlement Period. (S.A. ¶ 7.)

The Settlement Period is defined in the Settlement Agreement to cover the period from August 25, 2022 through March 17, 2025 (S.A., Definitions ¶ 5; Bokhour Decl. ¶ 9.)

The portion of each PAGA Member's share of the Net Settlement Amount will be treated as non-wage income and, to the extent required by law, will be reported on an IRS Form 1099 by the Settlement Administrator.

D. THE RELEASE

The California Supreme Court has held that a judgment in "a representative action brought by an aggrieved employee under the Labor Code Private Attorneys General Act of 2004 ... is binding not only on the named employee plaintiff but also on government agencies and any aggrieved employee not a party to the proceeding." (*Arias v. Superior Court* (2009) 46 Cal.4th 969, 985–986.)

Here, the release in the Settlement Agreement is narrowly tailored and binds only the LWDA, the State of California, and the PAGA Members, and only as to PAGA civil penalty claims. The release is triggered upon the Effective Date. (S.A. ¶ 5.)

The relevant language provides:

> 5.a. PAGA Release. Plaintiff, the LWDA, and the PAGA Members agree to release any and all claims they have arising out of or in connection with any claim, theory, or primary right asserted in the Action, or which could have been asserted in the Action based on such facts, claims, theories, or primary rights alleged in the Action, for civil penalties and all available relief under the California Private Attorneys General Act of 2004 ("Released Claims") for the Settlement Period.
>
> As of the Effective Date, Plaintiff, the PAGA Members, and the LWDA fully and finally release Defendant, and each of its past, present, and future agents, employees, officers, directors, parents, subsidiaries, affiliates, successors, predecessors, insurers, attorneys, and assigns (collectively, the "Released Parties"), from all claims for civil penalties under the California Labor Code Private Attorneys General Act, Labor Code §§ 2698 et seq., that were alleged in the PAGA Notice submitted on August 25, 2023, or that arise out of or are based on the facts, theories, and primary rights alleged therein. The Released Claims include claims under PAGA for alleged violations of Labor Code §§ 201–203, 204, 210, 226(a), 226(e), 226.3, 226.7, 227.3, 246, 510, 512, 516, 1174, 1174.4, 1194, 1194.2, 1197.1, and 1199, as well as any alleged violations of the applicable Industrial Welfare Commission Wage Orders and any claims for attorneys' fees and costs recoverable under Labor Code § 2699(g). This release is limited to claims for civil penalties under PAGA and does not include any individual, non-PAGA claims.

Given these parameters, the release is appropriately narrow and consistent with California law governing representative PAGA actions and related to claims alleged and identified in the Plaintiff's PAGA Notice Letter. Accordingly, the Parties respectfully submit that the scope of the release is both reasonable and enforceable.

V. THE SETTLEMENT IS FAIR AND REASONABLE AND WARRANTS COURT APPROVAL

In 2016, the California Legislature amended PAGA to require that "[t]he superior court shall review and approve any settlement of any civil action filed pursuant to this part." (Lab. Code §

2699(l)(2).) The same provision requires that the proposed settlement be submitted to the Labor and Workforce Development Agency (LWDA) at the same time it is submitted to the Court. Plaintiff has complied with this requirement. The Settlement Agreement and this Motion for Approval have been concurrently submitted to the LWDA. (Bokhour Decl. ¶ 41; Ex. C.)

Beyond procedural compliance, courts must evaluate whether a proposed PAGA settlement is fair, reasonable, and consistent with PAGA's statutory purpose—namely, to deter Labor Code violations, incentivize employer compliance, and serve the State's interest in enforcing labor standards. (*See Arias v. Superior Court (2009)* 46 Cal.4th 969, 980.) Courts have held that a PAGA settlement should be approved where it represents a genuine and informed compromise, particularly when the parties have participated in arm's-length negotiations (such as mediation), exchanged relevant data or discovery, and thoroughly evaluated liability, exposure, and litigation risks. (*See Moniz v. Adecco USA, Inc*. (2021) 72 Cal.App.5th 56, 76.)

Here, the Parties engaged in meaningful pre-settlement litigation efforts. They conducted discovery and factual investigation through substantive and comprehensive informal exchanges of Defendant's policies and a sampling of time and payroll records. PAGA Counsel reviewed this data and conducted an exposure analysis to assess penalties and litigation risks. The Parties then participated in a full-day private mediation with experienced wage and hour mediator Jeffrey Winikow, Esq., and reached a negotiated resolution only after extensive analysis and good-faith negotiations. (Bokhour Decl. ¶¶ 18–21.)

The resulting non-reversionary $100,000 Settlement reflects a fair and reasonable compromise. It accounts for Defendant's asserted defenses as well as the challenges of proving liability and penalties, and the Court's discretion to reduce penalties under Labor Code § 2699(e)(2). Of the Net Settlement Amount, $27,356.75 will be paid to the LWDA and $9,118.92 will be distributed to approximately 119 PAGA Members on a pro rata basis based on approximately 3,217 PAGA pay periods. Given the strength of Plaintiff's claims, the risks of further litigation, and the real and meaningful recovery for both the State and employees, the proposed settlement is fair, adequate, reasonable, and in the public interest. Accordingly, the Parties respectfully request that the Court grant approval.

A. EVALUATION OF THE PAGA SETTLEMENT

Although PAGA and its legislative history do not expressly require courts to evaluate settlements against the theoretical "maximum value" of the claims, courts routinely assess whether the penalties recovered are reasonable in light of the potential exposure and litigation risks. Here, even under that framework, the penalties provided under the Settlement are fair and reasonable.

Plaintiff estimates that Defendant's maximum potential penalty exposure was approximately $631,500, based on approximately 3,217 PAGA pay periods and the statutory $100 per-pay-period penalty for a first violation. (Bokhour Decl. ¶ 30.) This amount was calculated as follows: $100 for 3,217 pay periods amounts to 321,700. (Id.) This figure is grounded in Plaintiff's core theories—namely, unpaid minimum wages due to unpaid and/or underpaid overtime and sick pay due to improper regular rate calculations, meal and rest break violations, unreimbursed business expenses, and derivative penalties for inaccurate wage statements, untimely wages, and untimely final wages. (Id.)

Plaintiff based this estimate on civil penalties available under Labor Code § 2699(f)(2), which generally provides $100 for an initial violation and $200 for each subsequent violation, per aggrieved employee, per pay period. Citing *Amaral v. Cintas Corp.* (2008) 163 Cal.App.4th 1157, Plaintiff asserted that Defendant's notice of the alleged violations through the PAGA notice letter justified applying at least the $100 rate for each pay period after the notice was served. However, Plaintiff acknowledges that some courts have held that the $200 "subsequent violation" rate applies only after an employer has been put on notice of a violation by a court or commission, not merely by the PAGA letter. (See, e.g., *Amalgamated Transit Union Local 1309 v. Laidlaw Transit Servs.*, 2009 U.S. Dist. LEXIS 69842, *26 (C.D. Cal.).) Defendant maintains that the higher $200 rate does not apply and that only the $100 rate is available.

However, this maximum amount does not take into account the various risks and potential defenses to the claims herein. Moreover, Defendant dispute liability altogether and argue that, even if violations occurred, the Court has discretion under Labor Code § 2699(e)(2) to significantly reduce any penalties "based on the facts and circumstances of the particular case," including where an award might otherwise be "unjust, arbitrary and oppressive, or confiscatory." Defendant further asserts that any violations were unintentional, isolated, or de minimis and that any penalties should be mitigated due to the absence of "willfulness" or based on their good-faith compliance efforts. They also argue that stacking penalties for multiple derivative violations (e.g., wage statements and final pay) would be improper and excessive.

Despite these defenses and the litigation risks, Plaintiff secured a $100,000 PAGA penalty fund, representing approximately 33% of the total maximum exposure. This result reflects a meaningful compromise following a thorough and extensive investigation, informal discovery, and private mediation. PAGA Counsel analyzed time and pay data, reviewed Defendant's policies and procedures, and modeled potential penalty outcomes using the data provided during the relevant time period. (Bokhour Decl. ¶¶ 20, 30.)

The agreed-upon penalty fund ensures meaningful recovery to the State and affected employees while avoiding the uncertainty and cost of further litigation. It advances the goals of PAGA and is neither unjust, arbitrary, nor excessive. Accordingly, the Settlement is a fair and reasonable resolution of the disputed claims and warrants the Court's approval. (Bokhour Decl. ¶¶ 23-24.)

B. THE REQUESTED SERVICE AWARD TO PLAINTIFF IS FAIR AND REASONABLE

Plaintiff respectfully requests that the Court approve a $10,000 service award in recognition of his time, effort, and commitment in prosecuting this action on behalf of the State of California and PAGA Members. The award is reasonable given Plaintiff's active role in the case, including assisting counsel in preparing pleadings and declarations, participating in discovery proceedings, attending status conferences, reviewing Defendant's policy documents and payroll data, and providing input throughout the settlement negotiations.

Courts routinely approve service or enhancement awards in PAGA-only cases to compensate plaintiffs who invest time and energy in advancing claims for the benefit of others. Such awards reflect the burden representative plaintiffs undertake and the critical role they play in enforcing the Labor Code where state resources may be limited. (See, e.g., *Gonzalez v. CoreCivic of Tennessee, LLC* (E.D. Cal. Mar. 30, 2022) 2022 WL 1050300, at *6 [approving $7,500 service award in PAGA-only settlement].)

Here, Plaintiff helped initiate this enforcement action, litigated status conferences, and supported resolution of the case following extensive discovery and analysis. These efforts ultimately led to a significant, non-reversionary $100,000 PAGA settlement. As the California Supreme Court has explained, a PAGA plaintiff "represents the same legal right and interest as state labor law enforcement agencies," and acts as a proxy for the State in vindicating public rights. (*Arias v. Superior Court* (2009) 46 Cal.4th 969, 986; *Iskanian v. CLS Transp.* (2014) 59 Cal.4th 348, 387.)

In light of Plaintiff's meaningful contributions to this matter and the strong result obtained on behalf of the State and PAGA Members, the requested $10,000 Service Award is fair, reasonable, and appropriate. Accordingly, Plaintiff respectfully requests that the Court approve the award as part of the overall settlement.

VI. THE REQUESTED ATTORNEYS' FEES AND LITIGATION COSTS ARE FAIR AND REASONABLE

For their efforts and the risk, they undertook in obtaining a common fund settlement that benefits the LWDA and PAGA Members, the Parties allocated $33,333.33 to PAGA Counsel for reasonable attorneys' fees, which is one-third of the Total Settlement Amount. Additionally, the Parties agreed to reimburse PAGA Counsel for its actual litigation costs. These fees are warranted under the law and within the range of fees commonly awarded in similar cases. (Bokhour Decl. ¶ 31.)

A. PAGA Counsel are Entitled to Recover Attorneys' Fees Under The Common Fund Doctrine In This Qui Tam Action

PAGA provides that a plaintiff is entitled to recover reasonable attorneys' fees, expenses, and costs under section 2699(g)(1) of the California Labor Code, which provides that, "Any employee who prevails in any action shall be entitled to an award of reasonable attorney's fees and costs, including any filing fee paid pursuant to subparagraph (B) of paragraph (1) of subdivision (a) or subparagraph (B) of paragraph (1) of subdivision (c) of Section 2699.3." As discussed below, in a qui tam action, reasonable attorney's fees and costs are typically awarded under the common fund doctrine where, as here, the litigation creates a common fund of money in a specific amount for the benefit of others.

"A qui tam action is one brought under a statute that allows a private person to sue as a private attorney general to recover damages or penalties, all or part of which will be paid to the government." *People ex rel. Stratham v. Acacia Research Corp.* (2012) 210 Cal.App.4th 487, 491-492. "A qui tam action 'is a type of private attorney general lawsuit' (citation), in which 'the qui tam Plaintiff stands in the shoes of the state or political subdivision (citation).'" *Id.* at 501. As the name of the PAGA statute makes clear (e.g., "Labor Code Private Attorney General Act"), a PAGA action is a qui tam action because the statute allows the employee plaintiff, acting as the proxy of the state's labor law enforcement agency, to sue his or her employer for Labor Code violations and recover civil penalties that otherwise would have been assessed and collected by the LWDA. *Iskanian*, 59 Cal.4th at 380. "A PAGA representative action is therefore a type of *qui tam* action." *Id.* at 382. Indeed, the majority of the civil penalties recovered in a PAGA action are paid to the state, with a smaller portion paid to the aggrieved employees (*e.g.*, 75% paid to the state; 25% paid to the aggrieved employees). See Labor Code § 2699(i).

As here, where a common fund is created in a qui tam action by the successful litigation of a plaintiff and his attorneys, the attorneys are entitled to recover their fees from the common fund. *Bank of America v. Cory* (1985) 164 Cal.App.3d 66, 89-91. In *Bank of America*, California taxpayers compelled the State Controller to enforce the Unclaimed Property Law against banks who were retaining accounts that should have been turned over to the State. Because of the success of the taxpayers' lawsuit, a common fund was created in favor of some depositors and the State of California. (Id.) When the taxpayers' attorneys sought recovery of their attorney's fees from the judgment under the common fund doctrine, the Controller opposed the request. The Court of Appeal affirmed the trial court's fee award to the taxpayers' counsel under the common fund doctrine stating:

> "Those benefiting from the recovery of the fund, in this case some depositors and eventually the People of the State of California, must bear their share of the cost of litigation. Fees for taxpayers' attorneys will be deducted from the judgment, and each claimant's share reduced proportionately. To the extent the judgment relies upon section 1021.5 for recovery of attorney fees, it must be modified to confine the award of fees to the common fund theory." *Id.* at p. 91.

In this case, the PAGA Settlement created a common fund for the benefit of the employees and the State of California. Thus, these beneficiaries must bear their share of the costs and attorneys' fees, which fees and costs must be deducted from the settlement amount under the common fund theory. *Id*. Moreover, such fees are deducted as a percentage of the settlement amount. *Boeing Co. v. Van Gemert* (1980) 444 U.S. 472, 478-482; *Six (6) Mexican Workers v. Arizona Citrus Growers* (9^{th} Cir. 1990) 904 F.2d 1301, 1311; *Williams v. MGM-Pathe Communications Co.* (9^{th} Cir. 1997) 129 F.3d 1026, 1027; *Staton v. Boeing Co.*(9th Cir. 2003) 327 F.3d 938, 967.

The California Supreme Court upheld the use of the common fund theory of recovery for attorneys' fees in *Laffitte v. Robert Half Int'l Inc.* (2016) 1 Cal.5th 480, 506. In *Laffitte*, the settlement created a common fund of $19 million dollars. This ruling is consistent with the Court's prior rulings recognizing that "when a number of persons are entitled in common to a specific fund, and an action brought by … Plaintiff for the benefit of all results in the creation or preservation of that fund, such … Plaintiff may be awarded attorneys' fees out of the fund." *Serrano III v. Priest* (1977) 20 Cal.3d 25, 34; *Boeing Co. v. Van Gemert*, 444 U.S. 472, 478 (1980) ["(A) lawyer who recovers a common fund . . . is entitled to reasonable attorneys' fees from the fund as a whole"]; *Mills v. Electric Auto-Lite Co.* (1970) 396 U.S. 375, 393-394 [discussing the acceptance of awarding attorneys' fees and expenses from a settlement where "litigation has conferred a substantial benefit on the members of an ascertainable class"]; see also *Lealao v. Beneficial California, Inc.* (2000) 82 Cal.App.4th 19, 26 ["(f)ee spreading occurs when a settlement or adjudication results in the establishment of a separate or so-called common fund for the benefit of the class."].)

Accordingly, the common fund doctrine allows a court to award attorneys' fees based upon a percentage of the total fund that is created for the satisfaction of beneficiaries' claims when the fund consists of a "certain or easily calculable sum of money." *Dunk v. Ford Motor, Co.* (1996) 48 Cal.App.4th 1794, 1809; *Jutkowitz v. Bourns, Inc.* (1981) 118 Cal.App.3d 102, 1,282.91 [application of the percentage of the fund recovery depended on "(t)he critical point" that "a fund was created from which attorneys' fees could be paid"]; A. Conte & H. Newberg, *Newberg on Class Actions*, § 14:6 (4th ed. 2002).

California law has long upheld, and continues to uphold, the percentage of the recovery method for awarding attorneys' fees where a fund is established. See e.g., *Serrano v. Priest* (1977) 20 Cal.3d 25, 34; *Bell v. Farmers Insurance Exchange* (2004) 115 Cal.App.4th 715, 726; *Chavez v. Netflix, Inc.* (2008) 162 Cal.App.4th 43, 563 ["fees based on a percentage of the benefits are in fact appropriate in large class actions…"]; *Sanders v. City of Los Angeles* (1970) 3 Cal.3d 252, 261, 263 [affirming award of attorneys' fee based on percentage of recovery]; *Chavez v. Netflix, Inc.*, *supra*, 162 Cal.App.4th at pp. 65-66; see also *Consumer Cause, Inc. v. Mrs. Gooch's Natural Food Markets, Inc.* (2005) 127 Cal.App.4th 387, 397 [the common fund doctrine is "frequently applied in class actions when the efforts of the attorney for the named class representatives produce monetary benefits for the entire class"]; *Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 254 ["courts recognize two methods for calculating attorney fees in class actions: the lodestar/multiplier method and the percentage of recovery"].

Based on the foregoing, awarding attorneys' fees of one-third of the Total Settlement Amount is fair and warranted in light of the PAGA settlement that was reached on behalf of the State of California and PAGA Members. Accordingly, awarding fees on this basis in this amount is reasonable and appropriate. (Bokhour Decl. ¶¶ 31-39).

B. THE PERCENTAGE FEE OF THE TOTAL SETTLEMENT AMOUNT IS FAIR AND REASONABLE

An award of fees from the Total Settlement Amount under the common fund doctrine prevents unjust enrichment of those who benefit from the common fund created through the successful efforts of PAGA Counsel and furthers the important goal of attracting competent counsel to handle representative actions enforcing minimum labor standards. *Laffitte*, 1 Cal.5th at 503. In affirming the use of the common fund doctrine in California, the California Supreme Court summarized the benefits of the percentage method of recovery stating: "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 (citations)—convince us the percentage method is a valuable tool that should not be denied our trial courts." *Id*.

Among the factors considered in determining whether the requested fee percentage is reasonable are: (1) the results achieved; (2) the risk of further litigation; (3) the skill required of Plaintiff's counsel and the quality of work performed by Plaintiff's counsel; (4) the contingent nature of the fee and the financial burden carried by the Plaintiff; and (5) awards made in similar cases. *Vizcaino v. Microsoft Corp*. (9th Cir. 2002) 290 F.3d 1043, 1048-50. All these factors support an award here of one-third of the common fund.

First, PAGA Counsel achieved a superb PAGA settlement in a case that involved highly contested issues that were primarily related to small, alleged underpayments, as well as limited meal and rest break violation rates.

Second, Plaintiff faced significant risks going forward with the litigation. As discussed above, Defendant raised various defenses and, as such, Plaintiff faced risky issues going forward with this litigation, and it would have taken significant time to realize any recovery in this action.

Third, PAGA Counsel are experienced representative PAGA action litigators, including having been selected as a "Super Lawyer" in employment litigation and having achieved large PAGA awards in the State of California (Bokhour Decl. ¶¶ 3-8). This experience and expertise, combined with the high quality of work performed by PAGA Counsel, resulted in the settlement achieved in this case.

Fourth, as discussed above and as set forth in the Declaration of PAGA Counsel, the request for attorneys' fees falls well within the norms accepted by state and federal courts in California in comparable wage and hour actions actually handled by PAGA Counsel.

For all of the above reasons, a fee award of one-third of the Total Settlement Amount is fair and reasonable.

C. A LODESTAR CROSS-CHECK CONFIRMS THE REASONABLENESS OF THE FEE AWARD

Despite recognized limitations of the lodestar method, California and federal courts often find it useful as a "cross-check" on the reasonableness of percentage-based attorneys' fee requests.[2] *Lealao*, *supra*, 82 Cal.App.4th at 46-47. Under this approach, the court calculates counsel's total lodestar by multiplying the hours reasonably expended by each attorney or legal staff member by their respective hourly rates. The resulting figure may then be adjusted using a multiplier based on factors such as the novelty or difficulty of the issues, the contingency risk, and the results achieved. (*See PLCM Group, Inc. v. Drexler* (2000) 22 Cal.4th 1084, 1095–96; *Press v. Lucky Stores, Inc.* (1983) 34 Cal.3d 311, 322; *Lealao*, supra, at 43.)

Here, PAGA Counsel requests fees in the amount of $33,33.33, representing one-third of the Total Settlement Amount. As set forth in the declarations of PAGA Counsel submitted herewith, this fee represents a negative multiplier when cross-checked against their actual lodestar, which totals $47,250.00. The table below summarizes the lodestar calculation:

Lodestar Summary

Attorney	Experience	Hourly Rate	Total Hours	Lodestar

[2] In practice, the lodestar method is difficult to apply, time-consuming to administer, inconsistent in result, and capable of manipulation. In addition, the lodestar creates inherent incentive to prolong the litigation until sufficient hours have been expended. Herr, David F., *Manual for Complex Litigation,* § 14.121 (1988); *see also In re Activision* (N.D. Cal 1989) 723 F.Supp 1373.

Mehrdad Bokhour	13 years	$700	40.5[3]	$28,350.00
Joshua Falakassa	12 years	$675	28.0[4]	$18,900.00
		TOTAL		$47,250.00

(Bokhour Decl. ¶¶ 36-37; Falakassa Decl. ¶ 29.)

The requested fee of $33,333.33 represents a negative lodestar multiplier. This is well within the range routinely approved by California courts, particularly in wage and hour litigation involving significant litigation risk, meaningful relief, and substantial investment of attorney time. The requested fee is thus reasonable and appropriate under both the percentage-of-recovery method and the lodestar cross-check.

The hourly rates requested by PAGA Counsel are consistent with rates approved by California courts for attorneys of similar skill, experience, and reputation in complex wage-and-hour matters. The starting point for determining a reasonable hourly rate is the prevailing market rate in the relevant legal community. (*See PLCM Group, Inc. v. Drexler* (2000) 22 Cal.4th 1084, 1095; *Chavez v. City of Los Angeles* (2010) 47 Cal.4th 970, 985.)

Given that Mr. Bokhour (13 years) requests $700 per hour and Mr. Falakassa (12 years) requests $675 per hour, their rates fall squarely within this approved and prevailing range for experienced counsel handling complex representative employment matters in California.

Thus, the hourly rates used in Plaintiff's lodestar calculation are well-supported by recent authority, and further confirm that the requested attorneys' fees are fair, reasonable, and consistent with market standards.

D. THE REQUESTED LITIGATION COSTS ARE FAIR AND REASONABLE

PAGA Counsel respectfully requests reimbursement of their actual out-of-pocket litigation expenses incurred in prosecuting this action. These costs were both reasonable and necessary to the effective representation of Plaintiff and the PAGA Members. Courts routinely allow prevailing plaintiffs to recover such costs under the common fund doctrine, which applies equally to representative PAGA

[3] Includes an estimated 10 hours of additional work in preparation for and attending the hearing, as well as work that is anticipated to be performed after the hearing with counsel, administrator, employees, and the court.
[4] Includes an estimated 5 hours of additional work in preparation for and attending the hearing, as well as work that is anticipated to be performed after the hearing with counsel, administrator, employees, and the court.

actions. (*See Serrano v. Priest* (1977) 20 Cal.3d 25, 35 [common fund doctrine permits recovery of fees and costs from the fund]; *Rider v. County of San Diego* (1992) 11 Cal.App.4th 1410, 1424 n.6 [litigation costs may be recovered for the same reasons supporting a fee award].)

Additionally, courts recognize that counsel is entitled to recover "those out-of-pocket expenses that would normally be charged to a fee-paying client." (*Harris v. Marhoefer* (9th Cir. 1994) 24 F.3d 16, 19.) Such reimbursable expenses may include filing fees, mediation costs, court reporting, research, and related case administration expenses.

Here, the Settlement Agreement authorizes recovery of litigation costs of up to $20,000. (S.A. ¶ 4(a).) However, PAGA Counsel seeks reimbursement of $18,241.00, which reflects their actual costs through the anticipated approval hearing. (Bokhour Decl. ¶ 39.) These costs are modest in relation to the size and complexity of the case and are uncontested by Defendant. (Id.)

Because the requested costs are well-documented, reasonably incurred, and fall below the cap set by the Settlement, Plaintiff respectfully requests that the Court approve reimbursement in the amount of $18,241.00. The remaining balance of the Total Settlement Amount will be directed to the Net Settlement Amount, benefiting the LWDA and PAGA Members.

VII. <u>SUBMISSION TO THE LWDA</u>

As required by Labor Code § 2699(l)(2), Plaintiff has concurrently submitted the Settlement Agreement and this Motion for Approval to the California Labor and Workforce Development Agency ("LWDA"). (Bokhour Decl. ¶ 41.) Proof of the electronic submission to the LWDA is attached as Exhibit C to the Bokhour Declaration.

VIII. <u>THE SETTLEMENT ADMINISTRATOR</u>

ILYM Group, Inc. ("ILYM") has been selected to serve as the Settlement Administrator. ILYM will be responsible for issuing settlement payments, providing notice to PAGA Members, handling tax reporting, and performing other standard administrative functions related to the Settlement. ILYM submitted an all-inclusive bid to administer the Settlement for $1,950, which will be paid from the Total Settlement Amount. (S.A. ¶ 6.)

IX. CONCLUSION

For the foregoing reasons, Plaintiff respectfully requests (without opposition from Defendant) that the Court grant approval of the Parties' PAGA Settlement Agreement pursuant to Labor Code § 2699(l)(2). The Settlement is fair, adequate, and reasonable, and it advances the enforcement goals of the PAGA by providing meaningful relief to the State of California and the PAGA Members.

Dated: December 3, 2025

BOKHOUR LAW GROUP, P.C.
FALAKASSA LAW, P.C.

By: ______________________________

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