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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF RIVERSIDE

GARY HERNANDEZ, individually, and on behalf of all others similarly situated, Plaintiff, v. SOCIAL SCIENCE SERVICES, INC. dba CEDAR HOUSE LIFE CHANGE CENTER, a California nonprofit corporation; and DOES 1 through 10, inclusive, Defendants.	Case No.: CVRI2303875 Related Case No. CVRI2403412 *Assigned for all purposes to:* *Hon. Harold W. Hopp, Dept. 1* **NOTICE OF MOTION AND MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT** Date: September 5, 2025 Time: 8:30 a.m. Dept.: 1 **Reservation 705529948351**

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on September 5, 2025 at 8:30 a.m., or as soon thereafter as the matter may be heard in Department 1 of the above-entitled Court, located at 4100 Main Street, Riverside, California 92501, Plaintiffs Gary Hernandez, Jasmine Aikens, and Christopher Alaniz Jr.'s ("Plaintiffs") will and hereby do move this Court for an Order:

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

Pursuant to California Rules of Court, Rule 3.769(d) and (e), this Motion is made on the grounds that the proposed Settlement satisfies all criteria for preliminary approval and falls well within the range of reasonableness. The Settlement was reached through informed, arm's length bargaining between experienced attorneys with the assistance of an experienced neutral, and Plaintiffs and Plaintiffs' Counsel will fairly and adequately represent the Class.

This Motion is based on this Notice of Motion, the accompanying Memorandum of Points and Authorities, the Declaration of John G. Yslas, the Declarations of Gary Hernandez, Jasmine Aikens, and Christopher Alaniz, the Declaration of Jodey Lawrence, the Declaration of defense counsel Seana Scholtemeyer, and on all records and documents on file, together with such oral and documentary evidence that may be presented at the hearing on this matter.

Dated: August 13, 2025

WILSHIRE LAW FIRM, PLC

By: Lisa Iturriaga
Lisa B. Iturriaga

Counsel for Plaintiffs

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I. INTRODUCTION

Pursuant to California Rules of Court, Rule 3.769(d) and (e), Plaintiffs seek preliminary approval of a class action settlement of wage and hour claims, including representative claims brought under the Private Attorneys' General Act of 2004 ("PAGA"), against Defendant Social Science Services, Inc. dba Cedar House Life Change Center ("Defendant"). The proposed Class is defined as all hourly, non-exempt employees who worked for Defendant ("Class Members") during the Class Period of July 31, 2019 through June 12, 2025 ("Class Period"). The main terms of the Settlement are as follows:

1. A Gross Settlement Amount of $335,000.00, which will be distributed to approximately 379 Class Members on a pro rata basis according to the total workweeks worked by each Class Member during the Class Period;
2. Attorneys' fees of up to one-third of the Gross Settlement Amount (currently $111,666.67) and up to $25,000.00 in reimbursement of litigation costs to Plaintiffs' Counsel;
3. A class representative service payment of up to $10,000.00 to each Plaintiff;
4. Costs of settlement administration of up to $9,250.00; and
5. Allocation of $15,000.00 to PAGA penalties, seventy-five percent (75%) of which ($11,250.00) will be paid to the Labor and Workforce Development Agency ("LWDA"), and twenty-five percent (25%) of which ($3,750.00) will be paid to Class Members who worked for Defendant during the PAGA Period of August 23, 2022 through June 12, 2025. ("Aggrieved Employees").

The Settlement meets all criteria for preliminary approval and falls within the range of reasonableness given the risks and expenses of further litigation. The Settlement was reached through informed, arm's length bargaining between experienced attorneys with the assistance of an experienced neutral. As such, Plaintiffs request that the Court grant preliminary approval of the Settlement, conditionally certify the Class for settlement purposes only, appoint Plaintiffs as the Class Representatives, appoint Plaintiffs' Counsel as Class Counsel, appoint Phoenix Class Action

Administrators as the Settlement Administrator, authorize the Settlement Administrator to administer notice of the Settlement to the Class, and set a final approval hearing date.

II. PROCEDURAL HISTORY

On July 31, 2023, Plaintiff Gary Hernandez filed this action as a putative class action against Defendant alleging: (1) failure to pay minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay final wages at termination; (6) failure to provide accurate itemized wage statements; (7) failure to indemnify employees for expenditures; and (8) violate California's Unfair Competition Law, California Business and Professions Code section 17200 *et seq*. Declaration of John G. Yslas in Support of Motion for Preliminary Approval of Class Action and PAGA Settlement ("Yslas Decl.") at ¶ 3.

On August 23, 2023, Plaintiff Hernandez provided written notice to the LWDA and Defendant of his intention to file a PAGA claim. *Id*. at ¶ 4. The LWDA did not notify Plaintiff that it intended to investigate within 65 days of this written notice. *Id*. On May 29, 2024, Plaintiff Hernandez submitted an amended PAGA notice adding Plaintiff Aikens and Plaintiff Alaniz to his PAGA claim. *Id*. On June 17, 2024, Plaintiff Hernandez filed his separate PAGA Representative Complaint, Riverside County Case No. CVRI2403412. *Id*. ¶ 5. On August 2, 2024, Plaintiff Hernandez filed a First Amended Complaint in the PAGA Action to add Plaintiff Aikens and Plaintiff Alaniz. *Id.*

On April 14, 2025, the Parties participated in an all-day mediation presided over by mediator Daniel Turner. With the help of Mr. Turner, the Parties were able to reach an agreement to settle in principle at mediation. *Id.* at ¶ 6. The parties negotiated the terms of the Settlement over the next several months, which was finalized in August 2025. *Id.* at ¶ 7, Exhibit 1 ("Settlement Agreement"). On August 12, Plaintiffs submitted a copy of the Settlement Agreement to the LWDA. *Id.* at ¶ 8, Exhibit 2.

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III. SUMMARY OF THE SETTLEMENT TERMS

A. Terms of the Proposed Settlement

The parties have agreed to settle the claims alleged in this case and the related PAGA Action for a Gross Settlement Amount of $335,000.00. Settlement Agreement at § 3.1. Subject to Court approval, the following payments will be deducted from the Gross Settlement Amount: (1) a class representative service payment of up to $10,000.00 to each Plaintiff; (2) attorneys' fees of up to one-third of the Gross Settlement Amount (currently $111,250.00) and reimbursement of litigation costs of up to $25,000.00 to Plaintiffs' Counsel; (3) costs of settlement administration of up to $9,250.00 to Phoenix Class Action Administrators; (4) individual class payments to Class Members; and (5) PAGA penalties in the amount of $15,000.00, which will be allocated 75% to the LWDA ($11,250.00) and 25% to Aggrieved Employees ($3,750.00). *Id.* at § 3.2. After all requested deductions are made, the remaining Net Settlement Amount is currently estimated to be $144,500.00.

Individual class payments will be calculated based on the number of workweeks worked by each Class Member during the Class Period. *Id*. at § 3.2.4. For tax purposes, the individual class payments will be allocated 15% to wages and 85% to penalties, interest, and reimbursement of expenses. *Id*. at § 3.2.4.1. Defendant will separately pay any and all employer payroll taxes owed on the wage positions of the individual class payments separate from the Gross Settlement Amount. *Id*. at 3.1.

Individual PAGA payments to Aggrieved employees will be calculated based on the number of pay periods worked by each Aggrieved Employee during the PAGA Period. *Id*. at § 3.2.5.1. For tax purposes, the individual PAGA payments will be allocated 100% to penalties. *Id*.

Any deductions not approved by the Court will be retained by the Settlement Administrator in the Net Settlement Amount. *Id.* at § 3.2. Funds from any uncashed checks will be transmitted by the Settlement Administrator to California Controller's Unclaimed Property Fund, a Court-approved nonprofit organization. *Id.* at § 4.4.3. None of the Gross Settlement Amount will revert to Defendant. *Id*. at § 3.1.

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B. Proposed Settlement Administration

The parties' proposed Class Notice complies with the requirements of California Rules of Court, Rule 3.766(d). *See* Exhibit A to Settlement Agreement. It provides information regarding the nature of this lawsuit, a summary of the settlement terms, the formula used for calculating individual class and PAGA payments and instructions to dispute the calculations, instructions on how to opt-out of or object to the Settlement, the date, time, and location of the final approval hearing, and the amounts sought for the class representative service payment, attorneys' fees and litigation costs, and settlement administration costs. *See generally, id*. The Class Notice also notifies Class Members that they do not need to submit a claim in order to participate in the Settlement and receive a payment. *See id*. The Settlement Administrator will mail Class Members the Class Notice by first-class mail in English and in Spanish. Settlement Agreement at § 7.4.2.

If a Class Notice is returned as undeliverable, the Settlement Administrator will re-mail the Class Notice within 3 business days to the forwarding address provided by the U.S. Postal Service. *Id*. at § 7.4.3. If no forwarding address is provided, the Settlement Administrator will conduct a Class Member Address Search and re-mail the Class Notice to the most current address obtained. *Id.* The deadline to opt-out of the Settlement or to submit an objection or dispute will be extended by 14 days for all Class Members whose Class Notice was remailed. *Id*. at §7.4.4.

C. Proposed Release

All Participating Class Members will release the Released Parties from those claims alleged in the operative complaint as well as all claims that could have been pled arising out of the same operative facts during the Class Period. Settlement Agreement at § 5.2.

All Aggrieved Employees will release the Released Parties from those claims alleged in the PAGA notice(s) as well as all claims that could have been pled arising out of the same operative facts. *Id.* at § 5.3. Only Plaintiffs will agree to a general release and a waiver of Civil Code § 1542. *Id*. at § 5.1.

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IV. THE PROPOSED SETTLEMENT AGREEMENT MEETS ALL CRITERIA FOR PRELIMINARY APPROVAL

A. Provisional Certification of the Class is Appropriate

Class certification is appropriate when there is: (1) an ascertainable and sufficiently numerous class; (2) a well-defined community of interest among class members; and (3) substantial benefits from certification that render proceeding as a class superior to the alternatives. *Brinker Restaurant Corp. v. Superior Court*, 53 Cal.4th 1004, 1021 (2012). Although courts still need to review and consider each element for certification, a lesser standard can be used to provisionally certify a settlement class. *Global Minerals & Metals Corp. v. Superior Court*, 113 Cal.App.4th 836, 859 (2003).

1. The Proposed Class is Numerous and Ascertainable

"Ascertainability" is determined by examining the class definition and the size of the class, and may also involve examining the means available to identify class members. *Noel v. Thrifty Payless, Inc.*, 7 Cal.5th 955, 980-981, 985-986 (2019). As the settlement eliminates the need for trial, "the case management issues inherent in the ascertainable class determination need not be confronted." *Global Minerals*, 113 Cal.App.4th at 859. Further, under California law, there is no minimum number of class members for maintenance of a class action. *Hendershot v. Ready to Roll Transp., Inc.*, 228 Cal.App.4th 1213, 1222 (2014). Class sizes as small as 10 have been permitted. *Rose v. City of Hayward*, 126 Cal.App.3d 926, 934 (1981), disapproved on other grounds by *Noel*, 7 Cal.5th at 986.

The Class here all current and former non-exempt employees of Defendant in the State of California during the Class Period. *See* Settlement Agreement at §§ 1.5. The Class is also readily ascertainable from Defendant's business records, because all Class Members are or were employees of Defendant. *Id*. Defendant's records show there are approximately 379 Class Members and 262 Aggrieved Employees, making joinder of all Class Members impracticable. Yslas Decl. at ¶ 10.

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2. A Well-Defined Community of Interest Exists

The community of interest requirement embodies three factors: (1) predominant common questions of law or fact; (2) class representatives with claims or defenses typical of the class; and (3) class representatives who can adequately represent the class. *Brinker*, 53 Cal.4th at 1021.

a. *Common Questions Predominate*

In determining whether common issues "predominate," courts consider both plaintiff's legal theories and defendant's affirmative defenses. *Duran v. U.S. Bank Nat'l Ass'n*, 59 Cal.4th 1, 28-29 (2014). The "predominate common questions" factor does not require that all class members have identical claims. *Ayala v. Antelope Valley Newspapers, Inc.*, 59 Cal.4th 522, 530 (2014). Rather, the focus is on whether issues shared by the class members are sufficiently uniform to permit class-wide assessment, and whether individual variations in proof on those issues are manageable. *Id.*

Plaintiffs have alleged that Defendant maintained common employment policies and/or practices that unlawfully deprived Class Members of wages, meal period, rest periods, reimbursements for business expenses, accurate wage statements, and timely payment of wages upon separation of employment. Yslas Decl. at ¶ 11. These allegations present common factual and legal questions of, *inter alia*, whether Defendant applied the same scheduling, timekeeping, pay, meal period, rest period, and reimbursement policies to all Class Members, whether these policies and practices resulted in Labor Code violations, whether Defendant's conduct was intention, and whether Class Members are entitled to damages and/or penalties. *Id*. These common questions could be resolved using Class Members' time records, payroll records, testimony from Defendant's designated representative(s), and Class Members' testimony. *Id*. Therefore, the Court can and should exercise its discretion to grant conditional class certification for settlement purposes.

b. *Plaintiffs are Typical of the Class*

Typicality does not require that the representative plaintiff's claims and those of the class members be identical or perfectly aligned. *Wershba v. Apple Computer, Inc.*, 91 Cal.App.4th 224, 228 (2001), disapproved on other grounds by *Hernandez v. Restoration Hardware, Inc.*, 4 Cal.5th

260, 269-280 (2018). Typicality does not require that a plaintiff's claims be identical to those of other class members, only that their claims and the defenses applicable to them are sufficiently similar to those of other class members that a named plaintiff is able to adequately represent the class and focus on common issues. *Medrazo v. Honda of North Hollywood*, 166 Cal.App.4th 89, 99 (2008).

Plaintiffs have alleged that they and Class Members were employed by the same Defendant and injured by Defendant's common wage and hour policies and practices, including Defendant's scheduling, timekeeping, pay, meal period, rest period, and reimbursement policies. *See* Yslas Decl. at ¶ 11. Through informal discovery, including class data points, Plaintiffs' personnel files, employment handbook and policies, job descriptions, and a 25% random sampling of time and payroll records, Plaintiffs confirmed that these challenged policies and practices applied to Plaintiffs as well as Class Members. *See id.* at ¶¶ 9, 11. Therefore, Plaintiffs' claims and Class Members' claims arise from the same challenged employment policies and practices and are based on the same legal theories.

c. Plaintiffs and Plaintiffs' Counsel Will Adequately Represent the Class

Certification requires adequacy of both the proposed class representative and of the proposed class counsel. Cal. Code Civ. Proc. § 382. "Only a conflict that goes to the very subject matter of the litigation will defeat a party's claim of representative status." *Richmond v. Dart Industries*, 29 Cal.3d 462, 470 (1981). Only conflicts that are "irreconcilable" can defeat adequacy. *Nat'l Solar Equip. Owners' Ass'n v. Grumman Corp.*, 235 Cal.App.3d 1273, 1286 (1991). The proposed representative Plaintiffs and proposed Class Counsel present no such conflict.

Plaintiffs' interests are coextensive with Class Members' interests. Declaration of Gary Hernandez, Declaration of Jasmine Aikens, and Declaration of Christopher Alaniz in Support of Motion for Preliminary Approval ("Hernandez Decl."); ("Aikens Decl."); and ("Alaniz Decl.") at ¶ 6. Plaintiffs have demonstrated an ability to advocate for the interests of Class Members by initiating this lawsuit, gathering documents and information, being available on the day of mediation to answer questions, meeting with their attorneys to understand the claims and theories of liability at issue, assisting their attorneys in preparation for mediation, and reviewing the proposed Settlement. *Id.* at ¶ 7.

Likewise, Wilshire Law Firm, PLC has expended considerable time and effort on this case and will continue to do so through final approval. *See generally*, Yslas Decl. Therefore, Plaintiffs should be appointed Class Representative, and their counsel should be appointed Class Counsel.

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

Courts have held that class treatment of wage and hour claims is clearly "superior to the other available methods for the fair and efficient adjudication of the controversy." *Dean Witter Reynolds, Inc. v. Superior Court*, 211 Cal.App.3d 758, 772-773 (1989). This is so because "[p]ublic policy has long favored the 'full and prompt payment of wages due an employee.'" *Sav-On Drug Stores, Inc. v. Superior Court*, 34 Cal.4th 319, 340 (2004). Here, a class action is superior to a multitude of individual lawsuits. Given the size and amount of each Class Members' claim, Class Members have little incentive to litigate their claims on an individual basis because the out-of-pocket expenses and personal commitment necessary to litigate each claim likely outweighs any potential recovery. Yslas Decl. at ¶ 10. Therefore, a class action is the superior method for seeking relief.

B. The Settlement Meets the Standards for Preliminary Approval

The moving party must demonstrate that "the settlement is fair, adequate and reasonable." *Kullar v. Foot Locker Retail, Inc.*, 168 Cal.App.4th 116, 126 (2008). "In determining whether a class settlement is fair, adequate, and reasonable, the trial court should consider relevant factors, such as the strength of plaintiffs' case, the risk, expense, complexity and likely duration of further litigation, the risk of maintaining class action status through trial, the amount offered in settlement, the extent of discovery completed and the stage of the proceedings, the experience and views of counsel, the presence of a governmental participant, and the reaction of the class members to the proposed settlement." *Wershba*, 91 Cal.App.4th at 244-245 (internal quotations and citations omitted).

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1. The Settlement is Entitled to a Presumption of Fairness

A settlement is entitled to "a presumption of fairness . . . where : (1) the settlement is reached through arm's length bargaining; (2) investigation and discovery are sufficient to allow counsel and the court to act intelligently; (3) counsel is experienced in similar litigation; and (4) the percentage of objectors is small." *Dunk v. Ford Motor Co.*, 48 Cal.App.4th 1794, 1801 (1996). The Settlement here satisfies the first three factors. Plaintiffs will analyze the fourth factor at final approval after Class Members have been notified of the Settlement and provided with an opportunity to object.

a. <u>The Settlement is the Result of Arm's Length Negotiation</u>

Courts have recognized that the involvement of a respected mediator provides a high degree of assurance that the settlement is the result of arm's length bargaining. *See Chavez v. Netflix, Inc.*, 162 Cal.App.4th 43, 52-53 (2008). The Settlement in this matter was the product of a full-day mediation session with a respected mediator. Yslas Decl. at ¶ 6. The negotiations were adversarial, conducted at arm's length, and tempered by the efforts of both sides to serve the interests of their clients. *Id.*

b. <u>Sufficient Investigation and Discovery Have Been Conducted</u>

Prior to attending mediation, Plaintiffs' Counsel thoroughly investigated the claims, applicable law, and potential defenses. *Id.* at ¶ 9. Plaintiffs' Counsel assessed the value to the class claims using the documents and data Defendant produced in informal discovery, including class data points, Plaintiffs' personnel files, employment handbook and policies, job descriptions, and a 25% random sampling of time and payroll records. *Id.*

c. <u>Plaintiffs' Counsel is Experienced in Similar Litigation</u>

Plaintiffs are represented by Wilshire Law Firm, PLC. *Id.* at ¶ 1. Plaintiffs' Counsel have extensive experience litigating wage and hour class actions on behalf of employees. *See id.* at ¶¶ 22-32. Plaintiffs' Counsel have been involved as counsel in numerous class actions that have resulted in millions of dollars in recovery. *See id.*

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2. *The Settlement is Reasonable Given the Strengths of Plaintiffs' Claims and the Risks and Expense of Further Litigation*

A settlement does not have to provide 100% of the damages sought to be considered fair and reasonable. *See Rebney v. Wells Fargo Bank*, 220 Cal.App.3d 1117, 1139 (1991). Although the exposure Plaintiffs' Counsel calculated is substantial, the various risks at succeeding at class certification and through trial affected the valuation of the claims for settlement purposes. Yslas Decl. at ¶ 12.

Minimum and Overtime Wages: Plaintiffs' unpaid minimum and overtime wage claims were based on the allegation that Defendant required Class Members to perform work duties off-the-clock, unpaid. *Id.* at ¶ 13. Based on Plaintiffs' estimate that they worked a total of 1 hour off-the-clock each week, Plaintiffs' Counsel assumed each Class Member worked 1-hour off-the-clock per week in calculating potential exposure to be approximately $882,092.67 (28,519 workweeks x $20.62 hourly rate x 1.5 overtime premium x 1 hour of unpaid work per workweek) for these claims. *Id.* However, Defendant argued that any off-the-clock time was undocumented and unknown to Defendant, and that Defendant was therefore not obligated to pay for this time. Because this claim would have relied heavily on Class Member testimony and would not be evidenced in Defendant's time and payroll records, the risk of succeeding at class certification was substantial. *Id.* Accordingly, Plaintiffs' Counsel applied a risk discount based on a 30% chance of succeeding at class certification and a 20% chance of succeeding at trial on the merits, yielding a realistic damage estimate of $52,925.56 ($882,092.67 x 30% x 20%). *Id.*

Meal Periods: Plaintiffs' meal period claim was based on the allegation that Defendant failed to maintain a policy and practice of paying meal period premiums when its time records showed Class Members' meal periods were late, short, or missed. *Id.* at ¶ 14. Plaintiffs' Counsel found a unique violation rate of nearly 35% in Defendant's time and payroll records and calculated potential exposure on this claim to be approximately $958,331.00 (132,788 shifts x $20.62 hourly rate x 35% violation rate). *Id.* However, Defendant argued that Class Members signed meal period waivers. *Id.* Accordingly, Plaintiffs' Counsel applied a risk discount based on a 30% chance of succeeding at class certification and a 30% chance of succeeding at trial on the merits, yielding a realistic damage estimate of $86,249.79 ($958,331.00 x 30% x 30%). *Id.*

Rest Breaks: Plaintiffs' meal period claim was based on the allegation that Defendant failed to relieve Class Members of all duties during rest periods because it required them to remain on premises. *Id.* at ¶ 15. Plaintiffs' Counsel applied a 100% violation rate to all shifts over 3.5 hours and calculated a potential exposure of $2,738,088.56 (132,788 shifts x $20.62 hourly rate x 100% violation rate) for this claim. *Id*. However, Defendant argued that its employees were provided with compliant rest periods and that a 100% violation rate was unrealistic. *Id*. Because this claim would have relied exclusively on Class Member testimony, Plaintiffs' Counsel applied a risk discount based on a 20% chance of succeeding at class certification and a 20% chance of succeeding at trial on the merits, yielding a realistic damage estimate of $109,523.54 $2,738,088.56 x 20% x 20%). *Id.*

Reimbursements: Plaintiffs' reimbursement claim was based on the allegation that Defendant required Class Members to use their personal cell phones and vehicles for work. *Id.* at ¶ 16. Based on Plaintiffs' estimate that they incurred $30 in unreimbursed expenses per month, Plaintiffs' Counsel assumed each Class Member incurred $30 in unreimbursed expenses per month in calculating potential exposure to be approximately $213,892.50 ($7.50 per workweek x 28,519 workweeks) for this claim. *Id.* However, Defendant argued that these expenses were not required by Defendant. *Id*. Accordingly, Plaintiffs' Counsel could not attribute any value to this claim in terms of settlement value. *Id*.

Derivative Penalties: Plaintiffs alleged that as a result of Defendant's alleged failure to pay all wages and meal and rest period premiums owed, Defendant owed waiting time penalties and wage statement penalties. *Id.* at ¶ 17. However, Defendant argued that it had good faith defenses that made the imposition of these penalties unwarranted. *Id.* Moreover, Plaintiffs could not recover these penalties if they failed to prove the underlying claims. *Id.* Plaintiffs' Counsel calculated that potential exposure for the waiting time penalty claim was approximately $1,016,607.24 (assuming 30 days per employee at 8.3 hours per day, based on the average hours per shift), and approximately $1,048,000.00 for the wage statement penalty claim (based on $50 for the first violations and $100 for subsequent violations, with a $4,000 employee maximum). *Id.* However, considering that the underlying claims are realistically estimated to be $248,698.89, such a disproportionate award would also raise due process concerns. *Id.* As such, Plaintiffs discounted the figure to account for the risk and uncertainty of prevailing at class certification and trial, resulting in a realistic evaluation of $40,664.29 ($1,016,607.24 x 20% x 20%) for waiting time penalty claims and $41,920.00 ($1,048,000.00 x 20% x 20%) for wage statement penalty claims. *Id.*

PAGA: For the PAGA claim, Plaintiffs' Counsel determined that Defendant's potential exposure could potentially reach $738,000.00, assuming the initial $100 penalty would apply for each of the 7,380 pay periods in the PAGA Period. *Id.* at ¶ 18. However, even assuming success on the merits of each claim, PAGA gives the Court discretion to reduce penalties for a variety of reasons, including where to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory. *Id*. Therefore, the settlement allocates $15,000.00 of the Gross Settlement Amount to PAGA, which amounts to approximately $2.03 per pay period. *Id.*

C. The Requested Service Payment is Reasonable

Plaintiffs seek a class representative service payment of up to $10,000.00 to each Plaintiff for accepting the responsibilities of representing the interests of the Class and potential costs that were not borne by any other Class Member. Settlement Agreement at § 3.2.1. A named plaintiff is eligible for payment that reasonably compensates them for undertaking and fulfilling a fiduciary duty to represent absent class members. *See Cellphone Termination Fee Cases*, 186 Cal.App.4th 1380, 1393 (2010); *Bell v. Farmers Ins. Exch.*, 115 Cal.App.4th 715, 726 (2004).

Throughout this case, Plaintiffs assisted counsel in gathering evidence necessary to prosecute the claims, maintained regular contact with counsel, was available on the day of mediation to answer questions, and reviewed the Settlement to ensure it was fair to the Class. Hernandez Decl., Aikens Decl., and Alaniz Decl.at ¶ 7. No action would likely have been taken by Class Members individually and no compensation would have been recovered for them, but for Plaintiffs' services on behalf of the Class. By actively pursuing this action, Plaintiffs furthered the California public policy goal of enforcing the State's wage and hour laws. *See Sav-On*, 34 Cal.4th at 340. The requested class representative service payment is reasonable and should be preliminarily approved. Plaintiffs have provided a declaration regarding their work performed to date and will provide additional information as requested or required by the Court at final approval.

D. The Requested Attorneys' Fees and Costs Are Reasonable

The purpose of an attorneys' fee award in class action litigation is to reward counsel who invested in a case despite the risk of non-payment and achieved a substantial positive result for the class. California courts routinely award attorneys' fees equaling one-third or more of the potential value of the common fund. *See Chavez*, 162 Cal.App.4th at 66, fn. 11 ("Empirical studies show that, regardless of whether the percentage method or the lodestar method is used, fee awards in class actions average around one-third of the recovery.").

Plaintiffs seek appointment of Wilshire Law Firm, PLC as Class Counsel. The attorneys performed significant work and expended litigation costs in prosecuting this matter with no guarantee of payment. Yslas Decl. at ¶ 21. Plaintiffs' Counsel seeks preliminary approval for $111,666.67 in attorneys' fees, which is up to one-third of the Gross Settlement Amount, and up to $25,000.00 in reimbursement of litigation costs. Given the work performed in this matter, the extensive information exchange, and the substantial recovery obtained on behalf of the Class, Plaintiffs' Counsel achieved a settlement through efficient and diligent work. *See generally*, Yslas Decl. At final approval, Plaintiffs' Counsel will fully brief the merits of its request for the award of attorneys' fees and litigation costs.

V. THE PROPOSED NOTICE IS CONSTITUTIONALLY SOUND

A. The Proposed Notice Plan Satisfies Due Process

Notice requirements are set forth in the California Rules of Court. Cal. Rules of Court, Rule 3.766 (e) and (f). California law vests the Court with broad discretion in fashioning an appropriate notice program. *Cartt v. Super Ct.* (1975) 50 Cal.App.3d 960, 973-74. There is no statutory or due process requirement that all class members receive actual notice, but in this matter, the Class Members will receive direct mailed notice. As the Court of Appeals has explained, "[t]he notice given should have a reasonable chance of reaching a substantial percentage of the Class Members…." *Id.* at 974. In this case, notice of the proposed Settlement will be provided by direct mailing, the best possible form of notice.

B. The Notice is Accurate and Informative

The proposed Notice should be approved. It will be disseminated via first-class United States Postal Service to the last known address for each Class Member. It informs the Class members of the terms of the Settlement and their right to be excluded from the Settlement. And if there are Class Members who wish to object to this proposed class action Settlement, they will have the opportunity to file their objections and be heard at the Final Approval Hearing. *See generally*, Yslas Decl. at ¶ 7, Exhibit A (Class Notice). The Notice will be accompanied by exclusion and objection forms in compliance with the Court's Complex Litigation Guidelines. Yslas Decl. at ¶ 7, Exhibits B and C.

The Notice also fulfills the requirement of neutrality in class notices. Conte & Newberg, Newberg on Class Actions (3rd Ed.) § 8.39. It summarizes the proceedings to date and the terms and conditions of the Settlement Agreement, in an informative and coherent manner. It makes clear that the Settlement Agreement does not constitute an admission of liability by the Defendant, who denies all liability, and it recognizes that this Court has not ruled on the merits of the Action. It also states that the final settlement approval decision has yet to be made. The Notice thus complies with the standards of fairness, completeness, and neutrality required of a combined settlement-certification class notice.

VI. CONCLUSION

For the foregoing reasons, Plaintiffs respectfully request that the Court grant preliminary approval of the proposed Settlement and set a Final Approval Hearing on a date convenient for the Court.

Dated: August 13, 2025

WILSHIRE LAW FIRM, PLC

By: *Lisa Iturriaga*

Lisa B. Iturriaga
Counsel for Plaintiffs