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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SACRAMENTO

JOSE GUADALUPE LUNA LUNA, individually and on behalf of all others similarly situated,

Plaintiff,

vs.

SOLID PERSONNEL, INC.; REX MOORE GROUP, INC.; REX MOORE ELECTRICAL CONTRACTORS & ENGINEERS, INC.; and DOES 1 through 20, inclusive,

Defendants.

Case No. 23CV006310

Assigned for all purposes to:
Hon. Jill H. Talley
Dept. 8A

MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT

Date:	May 8, 2026
Time:	9:00 a.m.
Dept:	8A

TABLE OF CONTENTS

TABLE OF AUTHORITIES

Cases

Statutes

Rules

Treatises

I. INTRODUCTION

Pursuant to California Rules of Court 3.769 (d) and (e), Plaintiff Jose Guadalupe Luna Luna ("Plaintiff") requests that the Court grant preliminary approval of a class action settlement of wage and hour claims, including a claim under the California Private Attorneys General Act of 2004, codified at Labor Code §§ 2698, *et seq.* ("PAGA"), against Defendants Solid Personnel, Inc., Rex Moore Group, Inc., Rex Moore Electrical Contractors & Engineers, Inc., and Rex Signature Services, LLC, ("Defendants") (collectively, Plaintiff and Defendants referred to as the "Parties"). The settlement releases claims on behalf of all non-exempt employees employed by Defendants Rex Moore Group, Inc., Rex Moore Electrical Contractors & Engineers, Inc., and Rex Signature Services, LLC, in California at any time between October 21, 2022 through November 16, 2025 and all non-exempt employees employed by Defendants Solid Personnel, Inc. in California at any time between February 11, 2019 through November 16, 2025 (individually, "Class Member," collectively, the "Class") (the "Class Period"). The basic terms of the Class Action and PAGA Settlement Agreement ("Settlement Agreement" or "Settlement")[1] provide for the following:

(1) A non-reversionary Gross Settlement Amount of $660,000.00 allocated to approximately 461 Class Members on a pro rata basis according to the number of weeks each Class Member worked during the Class Period;

(2) An award of up to one-third of the Gross Settlement Amount (currently $220,000.00) and up to $25,000.00 in reimbursement of costs to Plaintiff's Counsel for services rendered as counsel on this matter;

(3) Service Payment of up to $15,000.00 to the Named Plaintiff;

(4) Settlement Administration fees and costs of up to $8,550.00; and

(5) Allocation of $30,000 for resolution of civil penalties under PAGA. Seventy-five percent (75%) of this payment will be paid to the California Labor and Workforce

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[1] A true and correct copy of the fully-executed "Class Action and PAGA Settlement Agreement and Class Notice" is attached as **Exhibit 1** to the Declaration of Julia M. Toscano in Support of Plaintiff's Motion for Preliminary Approval of Class Action Settlement ("Toscano Decl."), filed concurrently herewith. Unless otherwise defined herein, all capitalized terms in this Motion will be used as such terms are defined and used in the Settlement.

Development Agency ("LWDA Payment"), and twenty-five percent (25%) will be paid to Class Members who worked for Defendants during the PAGA Period (the "Aggrieved Employees").

With each Class Member allocated an average recovery of approximately $784.00 from the Net Settlement Amount, the Settlement satisfies the criteria for preliminary approval and falls well within the range of reasonableness given the risks and costs of continued litigation. The Settlement was reached through informed, arms-length bargaining at and after mediation between experienced attorneys. As such, Plaintiff requests that the Court grant preliminary approval of the Settlement, conditionally certify the Class for settlement purposes only, appoint Plaintiff as the Class Representative, appoint Plaintiff's Counsel as Class Counsel, appoint ILYM Group, Inc. as the Settlement Administrator, authorize the Settlement Administrator to send notice of the Settlement, and set a final approval hearing date.

II. SUMMARY OF THE LITIGATION

On August 8, 2023, Plaintiff filed a putative class action on behalf of Defendants' non-exempt employees alleging the following causes of action: (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to permit rest breaks; (5) failure to reimburse business expenses; (6) failure to provide accurate itemized wage statements; (7) failure to pay wages timely during employment; (8) failure to pay all wages due upon separation of employment and (9) violation of Business and Professions Code § 17200, *et seq*.; for the preceding claims. Toscano Decl., ¶ 3. On August 8, 2023, Plaintiff's counsel provided written notice to the LWDA and Defendants regarding Defendants' alleged Labor Code violations as required by Labor Code section 2699.3(a). *Id.* at Ex. 2. The LWDA did not respond to the notice, indicating it did not intend to investigate, thus allowing Plaintiff to bring a PAGA claim against Defendants. *Id*. On October 18, 2023, Plaintiff filed a First Amended Complaint adding a PAGA claim. *Id*. On December 10, 2025, Plaintiff's counsel provided amended written notice to the LWDA and Defendants pursuant to Labor Code section 2699.3, subd.(a) regarding Defendants' additional alleged Labor Code violations. *Id.* at Ex. 2. On February 13, 2026, Plaintiff filed a Second Amended Complaint, which is the operative complaint in the Action (the "Operative Complaint."). *Id.*

Through informal discovery, Defendants produced a significant number of documents and information, including Plaintiff's personnel files, Defendants' policy documents, and a sample of class members' timekeeping and pay records. Toscano Decl., ¶ 4. After extensive exchange of informal discovery and numerous discussions between the Parties' attorneys, the Parties agreed to attend a private mediation session. *Id.*

On September 16, 2025, the Parties attended a mediation session with Eve Wagner, a respected mediator. Toscano Decl., ¶ 5. The Parties reached a settlement at the end of the mediation. *Id.* The Parties spent the next several months negotiating the terms of the Settlement, which was finalized in January of 2026. *Id.* 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.*

On April 15, 2026, Plaintiff submitted the Settlement to the LWDA pursuant to Labor Code section 2699(l)(2). *Id.* at ¶ 6, Ex. 3.

III. SUMMARY OF THE SETTLEMENT

A. Terms of Settlement

Plaintiff and Defendants agreed to settle the class claims in exchange for a Gross Settlement Amount of $660,000.00. Settlement Agreement, § 3.1. The Gross Settlement Amount will be used to make payments for the following: (1) Individual Settlement Payments to Participating Class Members; (2) attorneys' fees to Class Counsel of up to one-third of the Gross Settlement Amount; (3) reimbursement of Class Counsel's litigation costs of up to $25,000.00; (4) a Service Payment to Plaintiff of up to $15,000.00; (5) Settlement Administration fees and costs of $8,550.00; and (6) a payment to the LWDA of $30,000.00 pursuant to PAGA. *Id.* at § 3.2.1 -3.2.2 -3.2.3 -3.2.5.

Class Members do not need to submit a claim form to participate in the Settlement. Settlement Agreement, § 3.1. Pursuant to the Settlement Agreement, Defendants will fully fund the Gross Settlement Amount and also fund the amounts necessary to fully pay Defendants' share of payroll taxes by transmitting the funds to the Administrator no earlier than 12 months from September 16, 2026, or 61 days from Final Approval, whichever is later. *Id.* at § 4.3. Class Members' Individual Settlement Payments will be distributed within 14 days after Defendants fully funds the Gross Settlement Amount. *Id.* at § 4.4. Individual Settlement Payments will be calculated by comparing the total number of Workweeks for the Class to each individual Class Member's number of Workweeks. *Id.* at § 3.2.4. The

Settlement Administrator will calculate the actual estimated recovery to include in the Class Notice and provide the estimated low and high range of possible recovery at final approval. *Id.* at § 7.4.2; Settlement Agreement, Ex. A (Notice of Class Action Settlement). The class notice will be provided in English, with a Spanish translation, in the form of Exhibit A to the Settlement Agreement, without material variation. *See* Settlement Agreement, § 1.11.

The Individual Settlement Payments to Class Members will be allocated for tax purposes as follows: 20% to wages; 80% to penalties and interest. Settlement Agreement, § 3.2.4.1. The employer-side payroll taxes on the portion allocated to wages will be paid by Defendants separately from, and in addition to the Gross Settlement Amount. *Id.* at § 3.1. No portion of the Gross Settlement Amount will revert to Defendants. *Id* at § 3.1. Funds from uncashed or undeliverable checks will be tendered by the Settlement Administrator to the State Controller Unclaimed Property Fund in the name of the Class Member for whom the funds are designated. *Id*. at § 4.4.3.

B. Proposed Opt-Out and Objection Process

Once the Court grants preliminary approval, Defendants will have fifteen (15) days to deliver the Class Data to the Settlement Administrator. Settlement Agreement, § 4.2. The Settlement Administrator will then have fourteen (14) days to send Class Members the Notice of Class Action Settlement ("Class Notice") by first-class mail after checking for updated addresses through the National Change of Address database. *Id.* at §§ 4.4, 7.4.2. The Class Notice provides information regarding the nature of the lawsuit, a summary of the substance of the settlement terms, the formula for calculating Individual Settlement Payments, the individual's estimated payout, a statement that Class Members who take no action will release their claims and receive settlement checks, instructions regarding how to dispute the calculations, instructions regarding how to request exclusion or object to the Settlement, the date for the final approval hearing, the amounts sought for attorneys' fees and costs, the Settlement Administration Costs, the Class Representative's Service Payment, and the PAGA allocation. *See* Settlement Agreement, Ex. A (Class Notice).

The Class Notice provides instructions for Class Members who choose to exclude themselves from the Settlement. *See* Settlement Agreement § 7.5.1. To opt out, Class Members are instructed to submit a Request for Exclusion to the Settlement Administrator by a specified date (60 days after the date of mailing of the Class Notice). *See* Settlement Agreement, Ex. A (Class Notice), pp. 2, 8. Class Members do not need to submit a claim form to participate in the Settlement. *Id.* at p. 2. Class Members are informed of how they can object to the Settlement, and the Class Notice informs Class Members of the date, time, and location of the final fairness and approval hearing so that they can appear in person. *Id.* at pp. 2, 8. The Class Notice also informs Class Members to check the Administrator's website or contact Class Counsel to verify the date and time of the Final Approval Hearing. *Id.* at p. 9. Accordingly, the content of the Class Notice complies with the requirements of California Rules of Court Rule 3.766(d).

If Class Notice packets are returned as undeliverable, the Settlement Administrator will perform a skip-trace or other search, and re-mail the Class Notice with an extended deadline, to opt out or object, of 14 days from the date of the original deadline. Settlement Agreement, § 7.6. The initial 60-day notice period and extension process ensures the notice program provides due process by giving Class Members enough time to determine whether they want to participate in the Settlement. This means of notice is reasonably calculated to apprise Class Members of the pendency of the action. *See* California Rules of Court Rule 3.766 (d)-(f).

C. Proposed Release

The release to be given by Class Members is limited to Defendants and each of their former and present directors, officers, shareholders, owners, members, managers, employees, agents, attorneys, insurers, predecessors, successors, assigns, subsidiaries and affiliates (the "Released Parties"). Settlement Agreement, § 1.41. Under the proposed release, Class Members who do not exclude themselves from the Settlement will be deemed to have released the following:

> (i) all claims arising during the Class Period that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint (collectively the "Released Class Claims"). These Released Class Claims include but are not limited to claims for failure to pay minimum and straight time wages (Cal. Lab. Code §§ 204, 218.5, 218.6, 1174, 1194, 1194.2, 1197, IWC Wage Orders), failure to pay overtime wages (Cal. Lab. Code §§ 204, 510, 1174, 1194 and 1198, IWC Wage Orders), failure to provide meal periods (Cal. Lab. Code §§ 226.7, 512, IWC Wage Orders), failure to authorize and permit rest periods (Cal. Lab. Code §§ 226.7, 512, IWC Wage Orders), failure to timely pay final

> wages at termination (Cal. Lab. Code §§ 201-203, 218.5, 218.6, 1194), failure to provide accurate itemized wage statements (Cal. Lab. Code § 226), failure to indemnify employees for expenditures (Cal. Lab. Code § 2802), failure to pay all earned wages twice per month (Cal. Lab. Code § 204), failure to implement workplace violence prevention laws (Cal .Lab. Code §§ 6401.7, 6401.9, 6428, 6429); failure to implement heat and illness prevention laws (Cal. Lab. Code §§ 6308, 6317, 6721, Cal. Code Regs. Title 8, §§ 3395, 3396; and unfair business practices (Cal. Bus. & Prof. Code §§ 17200, *et seq*.).

Id at § 5.2.

Aggrieved Employees, including Non-Participating Class Members who are Aggrieved Employees, and the State of California are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims, both potential and actual, for PAGA penalties arising during the PAGA Period that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint, and the PAGA Notice, as Amended, regardless of whether the Aggrieved Employee opts out of the Class portion of the Settlement, § 5.3.

Only Plaintiff will agree to a general release of any and all claims, whether known or unknown, which exist or may exist on Plaintiff's behalf as of the date of the Settlement, and a waiver of Civil Code section 1542. Settlement Agreement, § 5.1.1.

IV. LEGAL ARGUMENTS SUPPORTING PRELIMINARY APPROVAL

A. Provisional Certification of the Class is Appropriate

Class certification is appropriate when there exists (1) an ascertainable and sufficiently numerous class, (2) a well-defined community of interest among class members, and (3) when certification would be a fair and efficient means of adjudicating the action, rendering class litigation superior to alternative means. *See Brinker Restaurant Corp. v. Superior Court*, 53 Cal. 4th 1004, 1021 (2012).

1. The Proposed Class is Numerous and Ascertainable

Whether a class is "ascertainable" is "determined by examining (1) the class definition, (2) the size of the class, and (3) the means available for identifying class members." *Reyes v. Bd. of Supervisors*, 196 Cal. App. 3d 1263, 1271 (1987). Here, the Class consists of all non-exempt employees employed by

Defendants Rex Moore Group, Inc., Rex Moore Electrical Contractors & Engineers, Inc., and Rex Signature Services, LLC, in California at any time between October 21, 2022 through November 16, 2025 and all non-exempt employees employed by Defendant Solid Personnel, Inc. in California at any time between February 11, 2019 through November 16, 2025. Settlement Agreement, §§ 1.4, 1.12. Defendants' records show the Class consists of approximately 461 individuals, making joinder of all Class Members impracticable. Toscano Decl., ¶ 7. Further, the Class is readily ascertainable from Defendants' business records because all Class Members are current or former employees of Defendants. *Id.*

2. A Well-Defined Community of Interest Exists Among Class Members

"[T]he 'community of interest requirement embodies three factors: (1) predominant common questions of law or fact; (2) class representatives with claims or defenses typical of the class; and (3) class representatives who can adequately represent the class.'" *Fireside Bank v. Superior Court*, 40 Cal. 4th 1069, 1089 (2007) (quoting *Richmond v. Dart Industries, Inc.*, 29 Cal. 3d 462, 470 (1981)).

a. <u>Common Questions Predominate</u>

To assess whether common questions predominate, courts focus on whether the theories of recovery advanced are likely to prove amenable to class treatment. *See Sav-On Drug Stores, Inc. v. Superior Court*, 34 Cal. 4th 319, 327 (2004). In other words, courts determine whether the elements necessary to establish liability are susceptible of common proof, even if the class members must individually prove their damages. *Brinker, supra*, 53 Cal. 4th at 1021-1022, 1024.

Plaintiff alleged that Defendants maintained uniform employment policies and/or practices that illegally deprived Class Members of lawful wages, meal periods, rest breaks, accurate wage statements, and waiting time pay. Toscano Decl., ¶ 8. Plaintiff's allegations present common legal and factual questions of, *inter alia*, whether Defendants applied the same scheduling, timekeeping, minimum and overtime pay, meal period, and rest break policies to all Class Members; whether these policies and practices resulted in Labor Code violations; whether Defendants' conduct was intentional; and whether Class Members are entitled to penalties. *Id*. These common questions could be resolved using Class Members' schedules, time punches, and payroll records, Defendants' corporate representative's testimony, written communications between Defendants and Class Members, and Class Member declarations. *Id.* Thus, the Court can and should exercise its discretion to grant conditional class certification for settlement purposes.

b. Plaintiff's Claims are Typical of the Class Claims

The typicality requirement is satisfied when the legal theories and facts supporting Plaintiff's claims are substantially similar to other class members. *See Classen v. Weller*, 145 Cal. App. 3d 27, 46 (1983). Here, Plaintiff alleges that he and other Class Members were employed by Defendants and injured by Defendants' common wage and hour policies and practices, including Defendants' scheduling, timekeeping, minimum wage pay, overtime pay, meal period, and rest break practices and policies. Toscano Decl., ¶ 9. Through documents and information exchanged in discovery, including production of thousands of pages of documents by Defendants, Plaintiff confirmed that these common policies and practices similarly affected Plaintiff and the Class. *Id.* Thus, Plaintiff's claims arise from the same employment practices and are based on the same legal theories as those applicable to other Class Members, as further explained in Plaintiff's exposure analysis below.

c. Plaintiff and Plaintiff's Counsel Will Adequately Represent the Interests of the Proposed Class

Certification requires adequacy of both the proposed class representative(s) and proposed class counsel. With respect to the class representative, a plaintiff must adequately represent and protect the interests of other members of the class and demonstrate that his or her claim is not inconsistent with the claims of other members of the class. *See Capitol People First v. State Dep't of Developmental Servs.*, 155 Cal. App. 4th 676, 696-697 (2007). Here, Plaintiff's interests are coextensive with the interests of the Class. Plaintiff demonstrated an ability to advocate for the interests of the Class by litigating this action, gathering documents and information, meeting with his attorneys on several occasions to understand the claims and theories of liability at issue, assisting his attorneys in preparing for mediation, being available on the day of mediation to answer questions, reviewing the proposed settlement agreement to understand its legal effect, and obtaining a fair settlement on behalf of Class Members who stand to recover a substantial amount under the Settlement. Toscano Decl., ¶ 19.

Likewise, Aegis Law Firm, PC has expended considerable time and effort on this case and will continue to do so through final approval. *See generally*, Toscano Decl. Accordingly, Plaintiff should be appointed Class Representative, and Plaintiff's Counsel should be appointed Class Counsel.

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

Class treatment is superior to other methods of adjudication when the probability is small that each class member will come forward to prove his or her claim and when the class approach would deter and redress the alleged wrongdoing. *See Linder v. Thrifty Oil Co.*, 23 Cal. 4th 429, 435, 446 (2000); *Ghazaryan v. Diva Limousine, Ltd.*, 169 Cal. App. 4th 1524, 1537-1538 (2008). Here, none of the other 461 Class Members had shown any interest in bearing the expense and burden of litigating their own claims. Toscano Decl. ¶ 19. Thus, a class action is the superior method for seeking relief.

B. The Settlement Meets the Standards for Preliminary Approval

Preliminary approval is warranted if the settlement falls within a "reasonable range." *See North County Contractor's Ass'n., Inc. v. Touchstone Ins. Servs.*, 27 Cal. App. 4th 1085, 1089-90 (1994); Conte & Newberg, *Newberg on Class Actions*, § 11.26 (4th ed. 2002). In reviewing the fairness of a class action settlement, due regard should be given to what is "'otherwise a private consensual agreement between the parties.'" *Cellphone Termination Fee Cases*, 186 Cal. App. 4th 1380, 1389 (2010). The inquiry "must be limited to the extent necessary to reach a reasoned judgment that the agreement is not the product of fraud or overreaching by, or collusion between, the negotiating parties, and that the settlement, taken as a whole, is fair, reasonable and adequate to all concerned." *Id.*

Reasonableness and fairness are presumed where (1) the settlement is reached through "arms-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, 1802 (1996). The Settlement satisfies the first three factors. Plaintiff will analyze the fourth factor at the final approval stage.

1. The Settlement is Entitled to a Presumption of Fairness

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

Courts presume the absence of fraud or collusion in the negotiation of a settlement, unless evidence to the contrary is offered. Thus, there is a presumption that settlement negotiations are conducted in good faith. Here, the Settlement was the product of extensive investigation and a full day mediation session with a respected mediator after extensive exchange of discovery. Toscano Decl. ¶¶

4-5. 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.* at ¶ 5. The amount of Plaintiff's requested Service Award was not negotiated until after the Parties agreed to the Gross Settlement Amount and many other terms. *Id.* at ¶ 20.

b. *__Plaintiff's Counsel Conducted Sufficient Investigation and Discovery__*

Plaintiff's Counsel thoroughly investigated the class claims, applicable law, and potential defenses. *See generally,* Toscano Decl. In particular, Plaintiff's Counsel assessed the value of the class claims using Defendants' data and documents produced through discovery. Toscano Decl., ¶ 9. Plaintiff's counsel extensively reviewed policy documents and Class Members' time and pay records to perform a thorough analysis. *Id*. Further, Plaintiff's Counsel engaged an expert to quantify the potential exposure using the time and payroll records, and then assessed the risks associated with each of the claims meriting reductions in the likely recovery at trial. *Id.* Accordingly, Plaintiff's Counsel fully understood the strengths and weaknesses of the claims before the Parties reached a settlement. *Id.*

c. *__Plaintiff's Counsel is Experienced in Similar Litigation__*

Plaintiff is represented by Aegis Law Firm, PC ("Class Counsel"). Class Counsel prosecute wage and hour class actions on behalf of employees and others who have had their rights violated. Toscano Decl. ¶¶ 22-24. The attorneys working on this case have been appointed class counsel in many cases, through both contested motions and settlement approval motions. *Id.* Thus, Plaintiff's Counsel has extensive experience in similar litigation and should be appointed as Class Counsel.

2. The Settlement is Reasonable Given the Strengths of Plaintiff's Claims and the Risks and Expense of Litigation

Courts have discretion to approve class settlements by assessing several factors, including the "strength of plaintiffs' case, risk, expense, complexity and likely duration of further litigation and risk of maintaining the class action through trial." *Munoz v. BCI Coca-Cola Bottling Co. of L.A.*, 186 Cal. App. 4th 399, 407 (2010); *see Kullar v. Foot Locker Retail, Inc.*, 168 Cal. App. 4th 116, 129 (2008).

While Plaintiff and his counsel believed and continue to believe this is a strong case for certification, the significant risks and expenses associated with class certification and liability proceedings must be considered. Toscano Decl., ¶ 11. To determine if the amount offered at mediation was reasonable, Plaintiff's Counsel weighed the figure against numerous risk factors. *Id.* at ¶ 12. For example, Plaintiff's counsel considered that if they were to continue to prosecute the claims rather than accept the settlement offered at mediation, they would expend significant time and resources engaging in extensive formal written discovery, conducting depositions, resolving disputes, preparing and filing discovery motions and/or dispositive motions, preparing and filing a motion for class certification, and engaging in extensive trial preparation. *Id*. Moreover, they understood that an adverse ruling at any one of the foregoing stages could prevent Plaintiff and the Class from obtaining any recovery. *Id*.

a. *<u>Exposure Analysis</u>*

A settlement need not provide 100% of the damages sought to be considered a fair and reasonable settlement. *See Rebney v. Wells Fargo Bank*, 220 Cal. App. 3d 1117, 1139 (1991). Rather, compromise is expected:

> Compromise is inherent and necessary in the settlement process . . . even if "the relief afforded by the proposed settlement is substantially narrower than it would be if the suits were to be successfully litigated," this is no bar to a class settlement because "the public interest may indeed be served by a voluntary settlement in which each side gives ground in the interest of avoiding litigation."

Wershba v. Apple Computer, Inc., 91 Cal. App. 4th 224, 250 (2001) (citation omitted). Here, Plaintiff contends that his claims are based on Defendants' common, class-wide policies and procedures, and that liability could be determined on a class-wide basis without dependence on individual assessments of liability. Toscano Decl., ¶ 10. Although the amount of the Class's maximum potential damages—if proven—is substantial, the legitimate and serious risks of succeeding at class certification and trial compelled a serious consideration of the benefit of a settlement. *Id.* at ¶¶ 13-18.

<u>Minimum Wage and Overtime Claims</u>: Plaintiff's minimum wage and overtime claims were premised on the theory that Defendants failed to compensate class members for all time worked by requiring them to complete pre- and post-shift duties off the clock. Assuming unpaid wages of five minutes per shift, Plaintiff's expert calculated a maximum exposure of $1,017,983.00. However, Defendants argued that they maintained policies of paying for all recorded work, and that there was no evidence that they required class members to work before or after clocking in. As such, this claim could become highly individualized and difficult to certify. As such, Plaintiff assumed there was a 20% chance of success at class certification and 10% chance of success on the merits at trial, rendering the claim

worth approximately $20,359.66.00. Toscano Decl., ¶ 13.

Unreimbursed Business Expenses Claim: Plaintiff's unreimbursed business expenses claim was based on the theory that Defendants failed to reimburse class members for the purchase of personal protective equipment (PPE), including hard hat, gloves, safety glasses, and/or foam ear plugs. Assuming $30.00 per month, Plaintiff's expert calculated that this claim was worth approximately $216,593.00. However, Defendants provided evidence that it provided each of the PPE items to class members, including Plaintiff. With evidence refuting Defendants' common failure to reimburse business expenses all class members, this claim could be difficult to certify. As such, Plaintiff assumed there was a 30% chance of success at class certification and 20% chance of success on the merits at trial, rendering the claim worth approximately $12,995.58. Toscano Decl., ¶ 14.

Meal Period Claims: Plaintiff's meal period claim was potentially worth about $8,143,860.00 assuming a 100% violation rate. Plaintiff argued that the exactly 30-minute meal periods shown in the records could not be accurate representations of when meal breaks were taken. However, Defendants argued that they provided meal periods for all class members at the same scheduled time each day, maintained compliant written policies, and that employees could waive their meal periods. Thus, Plaintiff discounted this claim for the risk that the damages could at least be reduced, and that the claim would be hard to certify with a compliant policy. As such, Plaintiff's counsel believed there was a 20% chance succeeding at class certification and a 5% chance at trial, resulting in a value of $81,438.60.00. Toscano Decl., ¶ 15.

Rest Break Claim: Plaintiff alleged that Defendants failed to authorize timely rest breaks due to the productivity requirements imposed on class members. If Plaintiff could prove a 100% violation rate for each shift over 3.5 hours, then damages could reach up to $8,143,860.00. However, Defendant argued that it maintained compliant written rest break policies and that class members could again choose to waive their rest breaks. As such, this claim would have relied on Class Member testimony, making it a riskier claim at class certification and liability stages. Plaintiff's counsel believed there was a 20% chance succeeding at class certification and a 5% chance at trial, resulting in a value of $81,438.60.00. Toscano Decl., ¶ 16.

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Waiting Time and Wage Statement Penalties: Plaintiff's Counsel also considered the arguable presence of various derivative penalties, and weighed the potential recoveries against probable defenses. Specifically, Defendants could argue that Plaintiff could not prove the "willful" prong needed to obtain waiting time penalties under Labor Code § 203. Additionally, Defendants could argue that Plaintiff could not show that Class Members suffered an "injury" as a result of wage statement violations, as required by Labor Code § 226, or that the wage statements correctly reflected the wages paid and owed. Moreover, Plaintiff would not recover any of these derivative penalties if he failed to prove the underlying claims. Although the Class arguably could have seen a payout of approximately $4,447,170.00 for waiting time penalties and $1,844,000.00 for wage statement penalties, Plaintiff would not recover any of these derivative penalties if he failed to prove the underlying claims. Thus, Plaintiff discounted these claims assuming a 30% chance of class certification and 20% chance at the merits for both claims, resulting in a realistic value of $266,830.20 for the waiting time claim and $110,640.00 for the wage statement claim. Toscano Decl. ¶ 17.

PAGA Claim: The PAGA claim presented even higher hurdles. Although Plaintiff's Counsel found Defendants' exposure could potentially reach approximately $11,551,600.00 under Lab. Code § 2699(f), assuming the initial penalty rate of $100 for each pay period, Plaintiff would have to prove a violation in every pay period. Most importantly, the Court would have discretion to reduce the PAGA award based on whether the amount of the award would be "unjust, arbitrary and oppressive, or confiscatory." Lab. Code § 2699(e)(2). In theory, the Court could reduce the award by 99% if it so wished. Plaintiff was doubtful he could recover any PAGA penalties, especially if a large class judgment was entered for the same violations. Accordingly, Plaintiff could not place a high value on the PAGA penalties, and therefore allocated $30,000.00 of the Gross Settlement Amount to settle these claims. Toscano Decl. ¶ 18.

C. The Requested Service Award for Plaintiff

Plaintiff seeks a Service Award of up to $15,000.00 for accepting the responsibilities of representing the interests of the Class and assuming risks and potential costs that were not borne by any other Class Members. A named plaintiff is eligible for payment that reasonably compensates him or her for undertaking and fulfilling a fiduciary duty to represent absent class members. *See Cellphone*

Termination Fee Cases, *supra*, 186 Cal. App. 4th at 1393; *Bell v. Farmers Ins. Exch.*, 115 Cal. App. 4th 715, 726 (2004).

Here, Plaintiff had the option to pursue his claims individually, but instead chose to pursue this class action, delaying individual recovery until approval of a class action settlement. Toscano Decl., ¶ 19. Throughout the case, Plaintiff assisted counsel in gathering the evidence necessary to prosecute the class claims, maintained regular contact with counsel, made himself available on the day of mediation to answer critical questions from his attorneys, and reviewed the Settlement to make sure it was fair to the Class. *Id.* No action would likely have been taken by Class Members individually, and no compensation would have been recovered for them, but for Plaintiff's services on behalf of the Class. *Id.*

By actively pursuing this action, Plaintiff furthered the California public policy goal of enforcing the State's wage and hour laws. *See Sav-On Drug Stores, Inc.*, *supra*, 34 Cal. 4th at 340. The requested Service Award for Plaintiff's service as the class representative and for a general release of all employment claims is reasonable and should be preliminarily approved. At the final approval stage, Plaintiff will further support the request for the Service Award by declarations addressing the factors for the award. Toscano Decl., ¶ 21.

D. The Requested Attorneys' Fees and Costs

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. Attorneys' fees are awarded as a matter of equity. California courts routinely award attorneys' fees equaling one-third or more of the potential value of the common fund. *See Chavez v. Netflix, Inc.*, 162 Cal. App. 4th 43, 66, n.11 (2008) ("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").

Plaintiff seeks appointment of Aegis Law Firm, PC as Class Counsel. The attorneys performed significant work and expended litigation costs in prosecuting the matter with no guarantee of any payment. Toscano Decl., ¶ 35. Plaintiff's Counsel seeks preliminary approval for $220,000.00 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 substantial recovery obtained on behalf of Plaintiff and the Class, Plaintiff's Counsel achieved a settlement through efficient and diligent work. *See generally*, Toscano Decl. At final approval, Plaintiff's Counsel will fully brief the merits of its request for the award of attorneys' fees and litigation costs. *Id.* at ¶ 36.

V. CONCLUSION

The Parties have negotiated a fair and reasonable Settlement of the class claims in light of the risks present in this case. Plaintiff has appropriately presented the materials and information necessary for preliminary approval, and therefore, respectfully requests that the Court preliminarily approve the Settlement and schedule a date to conduct the final approval hearing.

Dated: April 15, 2026

AEGIS LAW FIRM, PC

By: *__/s/ Julia M. Toscano__________________*
Julia M. Toscano
Attorneys for Plaintiff Jose Guadalupe Luna Luna