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8
9 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

10 **FOR THE COUNTY OF ORANGE**

11 LAN THANH LUU, an individual and on
12 behalf of all others similarly situated;

13 Plaintiff,

14 vs.

15 GARDEN GROVE SUPERSTORE INC., a
16 California corporation; TRAN'S GROUP,
17 INC., a California corporation; EL MONTE
18 SUPERSTORE INC., a California corporation;
19 SHUN FAT SUPERMARKET INC., a
20 California corporation; WESTMINSTER
21 SUPERSTORE, LLC, a California limited
22 liability company; SF SAN DIEGO INC., a
23 California corporation; SAN PABLO
24 SUPERMARKET, INC., a California
25 corporation; STOCKTON SUPERMARKET,
26 INC., a California corporation; SF
27 SUPERMARKET FRESNO, INC., a
28 California corporation; SF SUPERMARKET,
Inc., a California corporation; and DOES 1
through 50,

Defendants.

Case No.: 30-2023-01351037-CU-OE-CXC

[Assigned for All Purposes to:
Hon. David Hoffer, Dept. CX103

**NOTICE OF MOTION AND MOTION
FOR APPROVAL OF PAGA
SETTLEMENT, ATTORNEY'S FEES
AND COSTS, AND SERVICE AWARD**

(Filed Concurrently with Supporting
Declarations and [Proposed] Judgment and
Order)

DATE: November 30, 2026

TIME: 1:30 p.m.

DEPT: CX103

Reservation ID: 74957928

Action Filed: September 25, 2023

Trial Date: Not Set

1 TO THE COURT, AND TO ALL PARTIES AND THEIR COUNSEL OF RECORD:
2 PLEASE TAKE NOTICE that on November 30, 2026, at 1:30 p.m. in Department CX103
3 of the Superior Court of the State of California for the County of Orange, Civil Complex Center,
4 located at 751 W. Santa Ana Blvd., Santa Ana, CA 92701, before the Honorable David A. Hoffer,
5 Judge presiding, Plaintiff Lan Thanh Luu ("Plaintiff") will move the Court, pursuant to California
6 Private Attorneys General Act ("PAGA"), Labor Code §§ 2698, *et seq.*, for an Order:

7 1. Approving the settlement of this PAGA representative action in the form agreed to
8 by Plaintiff and Defendants Garden Grove Superstore Inc.; Tran's Group, Inc.; El Monte
9 Superstore Inc.; Shun Fat Supermarket Inc.; Westminster Superstore, LLC; SF San Diego Inc.;
10 San Pablo Supermarket, Inc.; Stockton Supermarket, Inc.; SF Supermarket Fresno, Inc.; and SF
11 Supermarket (collectively, "Defendants") (together with Plaintiff, the "Parties") in the PAGA
12 Settlement Agreement (the "Settlement" or "Agreement");

13 2. Appointing Plaintiff's counsel as PAGA counsel, for settlement purposes only, and
14 approving an award to Plaintiff's counsel for reasonable attorney's fees in the amount of
15 \$227,400.00 (30% of the Gross Settlement Amount) and reasonable costs in the amount of
16 \$15,175.53;

17 3. Appointing Phoenix Settlement Administrators as the Settlement Administrator, and
18 approving payment of Settlement Administrator's costs in the amount of \$10,500.00;

19 4. Approving a service award in the amount of \$5,000.00 to Plaintiff for Plaintiff's
20 service to the LWDA and Aggrieved Employees;

21 5. Approving the release of PAGA claims by Plaintiff on behalf of Aggrieved
22 Employees and the LWDA;

23 6. Directing consummation of the Settlement pursuant to its terms and provisions;

24 7. Entering final Judgment;

25 8. Setting a Hearing Re: Distribution for on or after January 31, 2028; and

26 9. Without affecting the finality of the Judgment and Order, reserving exclusive and
27 continuing jurisdiction over the Action, the Parties, and the Aggrieved Employees for purposes of
28 interpreting and enforcing the terms, conditions, and obligations of the Settlement pursuant to

1 California Code of Civil Procedure § 664.6.

2 This Motion will be based upon this notice, the attached Memorandum of Points and
3 Authorities, Declarations of William C. Sung, Lan Thanh Luu, and Jodey Lawrence of Phoenix
4 Settlement Administrators, and exhibits thereto that were filed concurrently herewith, the records
5 and files in this action, and any other further evidence or argument that the Court may properly
6 receive at or before the hearing.

7
8 DATED: September 16, 2026

Respectfully submitted,

9 **JUSTICE FOR WORKERS, P.C.**

10
11 By: 

12 William C. Sung
13 Tiffany L. Luu
14 Joseph C. Ramli
15 Attorneys for Plaintiff Lan Thanh Luu
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1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 Plaintiff Lan Thanh Luu (“Plaintiff”) seeks approval of a proposed representative action
4 settlement for civil penalties pursuant to the California Private Attorneys General Act, Labor Code
5 §§ 2698, *et seq.* (“PAGA”) against Defendants Garden Grove Superstore Inc.; Tran’s Group, Inc.;
6 El Monte Superstore Inc.; Shun Fat Supermarket Inc.; Westminster Superstore, LLC; SF San Diego
7 Inc.; San Pablo Supermarket, Inc.; Stockton Supermarket, Inc.; SF Supermarket Fresno, Inc.; and
8 SF Supermarket (“Defendants”) (together with Plaintiff, the “Parties”). After a full day of
9 mediation with experienced neutral mediator Gail Glick, Esq., the Parties reached a settlement and
10 thereafter executed a PAGA Settlement Agreement (the “Settlement” or “Agreement”)¹.

11 The Settlement calls for a Gross Settlement Amount of \$758,000.00. After deducting
12 Plaintiff’s counsel’s reasonable attorney’s fees and costs awards, payment for the Settlement
13 Administrator’s cost, and required payment to the California Labor and Workforce Development
14 Agency (the “LWDA”), approximately \$124,981.12 will be paid to approximately 1,316 Aggrieved
15 Employees. The average approximate share of the settlement paid to Aggrieved Employees is
16 \$94.97. Pursuant to Labor Code § 2699(1)(2)², Plaintiff now file this unopposed motion, seeking an
17 order approving the proposed Settlement.

18 The settlement of a PAGA claim requires court approval pursuant to the operative PAGA
19 statute, which states that the “court shall review and approve any penalties sought as part of a
20 proposed settlement agreement pursuant to this part.” (Lab. Code § 2699(1)(2).) In deciding whether
21 to grant approval of a proposed settlement, the primary issues to be decided is whether the
22 settlement is fair, adequate, and reasonable. (*Villalobos v. Calandri Sunrise Farm LP* (C.D. Cal.,
23 July 22, 2015, No. CV 12-2615 PSG (JEMx)) 2015 WL 12732709, at *5.)

24 ///

25
26 _____
27 ¹ A true and correct copy of the Agreement is attached as **Exhibit 1** to the Declaration of William C. Sung (“Sung
Decl.”). The proposed explanatory letter regarding PAGA settlement is attached to the Agreement as **Exhibit A** to the
Agreement. All defined terms in this Motion have the same definition as that in the Agreement.

28 ² This Action and Settlement are subject to pre-PAGA reform, July 1, 2024 PAGA requirements. All citations to Labor
Code §§ 2698, *et seq.* are to the pre-July 1, 2024 PAGA statute.

As set forth herein, the proposed Settlement embodies all the features of a settlement that is fair, adequate, and reasonable, as it is the product of (1) an arms-length negotiation, (2) negotiated by attorneys experienced in wage and hour issues, (3) subsequent to undertaking sufficient investigation necessary to evaluate the relative strength and value of the PAGA claim, and (4) reflects a reasoned compromise based directly on the relative strength and value of the PAGA claims, as well as the risks, expense, complexity, and likely duration of further litigation.

II. SUMMARY OF THE LITIGATION AND SETTLEMENT

A. PLAINTIFF’S CLAIMS AND PROCEDURAL BACKGROUND

Defendants own, operate, or otherwise manage a chain of supermarkets catering to the Asian American community under the brand name Shun Fat Supermarket and SF Supermarket. (Sung Decl., ¶ 9.) Defendants employed Plaintiff as an hourly-paid, non-exempt cashier at their Garden Grove Superstore location in Garden Grove, California. (Declaration of Lan Thanh Luu [“Luu Decl.”], ¶ 2.)

On August 18, 2023, Plaintiff submitted the LWDA Letter of alleged Labor Code violations to Defendants and the California Labor and Workforce Development Agency (the “LWDA”). (Sung Decl., ¶ 10, **Exh. 2** – LWDA Letter.) On September 25, 2023, Plaintiff submitted the Amended LWDA Letter to Defendants and the LWDA. (Sung Decl., ¶ 10, **Exh. 3** – Amended LWDA Letter.) Plaintiff’s administrative exhaustion period expired without the LWDA indicating its intent to investigate the allegations. (*Id.*)

On the same day, September 25, 2023, Plaintiff filed a Class Action Complaint alleging causes of action for (1) Minimum Wage Violations; (2) Overtime Wage Violations; (3) Meal Period Violations; (4) Rest Period Violations; (5) Wage Statement Penalties; (6) Waiting Time Penalties; (7) Failure to Reimburse Necessary Business Expenses; (8) Unlawful Deductions; (9) Unfair Competition; and (10) Failure to Permit Inspection of Employment Records. (Sung Decl., ¶ 11.) On October 23, 2023, Plaintiff filed the operative First Amended Complaint (“FAC”) adding a cause of action for Civil Penalties Under the California Private Attorneys General Act (“PAGA”). (Sung Decl., ¶ 12, **Exh. 4** – FAC.)

///

1 Thereafter, the Parties stipulated to arbitration of Plaintiff's individual claims, dismiss class
2 claims, and to stay representative PAGA claims, which the Court granted on January 16, 2024.
3 (Sung Decl., ¶ 13.) On May 8, 2024, Plaintiff filed a Demand for Arbitration with AAA. (*Ibid.*)
4 During the course of the arbitration proceedings, the Parties agreed to mediate on a PAGA
5 representative basis. (*Ibid.*)

6 **B. DISCOVERY AND INVESTIGATION**

7 Prior to mediation, the Parties engaged in informal discovery which allowed the Parties to
8 meaningfully mediate this matter. (Sung Decl., ¶ 14.) Specifically, Defendants produced: (1) a
9 PAGA list with Aggrieved Employees' dates of employment, rate of pay, location worked, and the
10 total number of pay periods worked; (2) a 25% sampling of employee time and payroll records; (3)
11 Defendants' relevant policies and procedures; and (4) Plaintiff's personnel records and wage
12 statements. (*Id.*)

13 Plaintiff's counsel, with the assistance of a retained expert data analyst, analyzed and
14 reviewed the documents regarding Defendants' wage and hour policies and practices, the Aggrieved
15 Employees' time and pay records, and other information provided by Defendants and Plaintiff.
16 (Sung Decl., ¶ 15.) Plaintiff's counsel was able to evaluate the probability of success on the merits
17 and Defendants' maximum and risk-adjusted monetary exposure and prepare a damage analysis
18 prior to mediation. (*Id.*) In conjunction with their extensive factual investigation, Plaintiff's counsel
19 also investigated the applicable law regarding the claims and defenses asserted in the litigation. (*Id.*)

20 **C. SETTLEMENT NEGOTIATIONS**

21 On May 13, 2026, the Parties participated in private mediation before Gail Glick, Esq., an
22 experienced, neutral, employment law mediator. (Sung Decl., ¶ 16.) After extensive negotiations
23 and discussions regarding the strengths and weaknesses of Plaintiff's claims and Defendants'
24 defenses, the Parties reached a settlement of this Action at mediation. (*Id.*) The Parties recognized
25 that the issues presented in the Action are likely only to be resolved with extensive and costly
26 pretrial and trial proceedings, and that further litigation will lead to inconvenience, distraction,
27 disruption, delay, and expense disproportionate to the potential benefits of litigation. (*Id.*) Plaintiff
28 and Plaintiff's counsel considered the risk and uncertainty of the outcome inherent in any litigation

1 when determining whether this Settlement was the correct option. (*Id.*)

2 **D. KEY TERMS OF THE PROPOSED PAGA SETTLEMENT**

3 The Settlement covers all current and former non-exempt employees employed by
4 Defendants in California during the PAGA Period (“Aggrieved Employees”). (Agreement, § I.2.)
5 The PAGA Period is from of September 25, 2022 through May 18, 2026. (Agreement, § I.14.) The
6 Agreement contains an Escalator Clause which, if triggered, provides Defendants with the option to
7 shorten the PAGA Period and “Defendants may only exercise this option to shorten the PAGA
8 Period if it does so within four (4) weeks of the close of the PAGA Period, which is June 15, 2026.”
9 (Agreement, § III.3.) Defendants did not exercise said option by June 15, 2026; accordingly, the
10 PAGA Period shall end on May 18, 2026 as agreed upon. (Sung Decl., ¶ 17.)

11 The Gross Settlement Amount of the Settlement is \$758,000.00. (Agreement, § I.10.) The
12 Settlement provides that Plaintiff’s counsel may seek an award of reasonable attorney’s fees of up
13 to one-third of the Gross Settlement Amount (here, Plaintiff only seeks \$227,400.00, or 30%, in
14 fees in this Motion), and up to \$25,000.00 in litigation costs. (Agreement, § III.4.a.) Plaintiff’s
15 litigation costs are approximately \$15,175.53, including estimated future costs in filing this Motion
16 and supporting papers (\$77.97), supplemental filings for this Motion (\$16.17), and filing of the
17 Settlement Administrator’s declaration of compliance re settlement administration (\$16.17). (Sung
18 Decl., ¶ 18; Exh. 5 – Itemized Costs, Including Mediation and Expert Invoices.)

19 The Settlement Administrator will be paid administration costs not to exceed \$10,500.00.
20 (Agreement, § III.4.b.) The Parties jointly selected Phoenix Settlement Administrator as the neutral
21 entity to administer this Settlement based on its bid of \$10,500.00. (Sung Decl., ¶ 19; *see also*
22 Declaration of Jodey Lawrence [“Admin. Decl.”], ¶ 22, Exh. B – Administrator Bid.) The
23 Settlement further provides that Plaintiff will be paid a service award in the amount of \$5,000.00
24 for Plaintiff’s service to the LWDA and the Aggrieved Employees. (Agreement, § III.4.c.)

25 After deducting Plaintiff’s attorney’s fee and cost awards, service award, and payment to the
26 Settlement Administrator, in the amounts approved by the Court, the remainder, called the Net
27 Settlement Amount, will be distributed as 75% to the LWDA and 25% to Aggrieved Employees.
28 (Agreement, § III.5.) The amount estimated in the Net Settlement Amount for the LWDA payment

1 and the Aggrieved Employee payment is \$499,924.47. (Sung Decl., ¶ 20.) Accordingly,
2 approximately \$124,981.12 (25% of the Net Settlement Amount) will be paid to the estimated 1,316
3 Aggrieved Employees on a pro-rata basis based on the number of pay periods each Aggrieved
4 Employee worked during the PAGA Period, and the raw average payment to Aggrieved Employees
5 is estimated at \$94.97, with the highest payment estimated at \$193.23 and the lowest payment
6 estimated at \$2.03. (*Id.*; *see also* Agreement, § III.5.)

7 Defendants will fund the Gross Settlement Amount by the later of March 15, 2027 or 14
8 days after the Effective Date, which is the date that the Court enters a final order and judgment
9 approving the Settlement. (Agreement, §§ I.6, III.2.) Within 14 days of the Effective Date,
10 Defendants will provide the Settlement Administrator with a PAGA list of all Aggrieved
11 Employees, including their full name, last known mailing address, social security number, and
12 number of Pay Periods or dates of employment. (Agreement, § V.2.)

13 Upon receipt of the PAGA list, the Settlement Administrator will perform a search on the
14 National Change of Address database to update the Aggrieved Employees' addresses. (Agreement,
15 § V.3.) Within 14 calendar days of the Settlement being fully funded, the Settlement Administrator
16 will mail copies of the explanatory letter, attached as **Exhibit A** to the Agreement and translated
17 into Simplified Chinese, Spanish, and Vietnamese, along with Individual PAGA Payments to all
18 Aggrieved Employees; and distribute the 75% share of PAGA penalties to the LWDA, court-
19 approved attorney's fees and cost awards to Plaintiff's counsel; and court-approval administration
20 costs to itself. (Agreement, §§ V.3, V.5.)

21 Any checks for Individual PAGA Payments returned as non-deliverable will be remailed to
22 the forwarding address affixed thereto. (Agreement, § V.4.) If no forwarding address is provided,
23 the Settlement Administrator will promptly attempt to determine the correct address, using a skip-
24 trace or other similar search, using the name, address and/or Social Security number of the
25 Aggrieved Employee involved and will perform a single re-mailing if a new address is located. (*Id.*)
26 Funds represented by checks returned as undeliverable after a re-mailing, and funds represented by
27 checks remaining un-cashed for more than 180 days after issuance, will be tendered to the State
28 Controller's Office under the unclaimed property fund laws in the names of the Aggrieved

1 Employees to whom the checks were issued. (*Id.*)

2 **III. DISCUSSION**

3 **A. AVAILABILITY OF CIVIL PENALTIES**

4 The LWDA and its constituent departments and divisions are authorized to assess and
5 collect civil penalties for specified violations of the Labor Code committed by an employer. With a
6 stated goal of improving enforcement of existing Labor Code obligations, the California Legislature
7 adopted the Labor Code Private Attorneys General Act of 2004, permitting, as an alternative, an
8 aggrieved employee to initiate a private civil action “on behalf of himself or herself and other
9 current or former employees . . .” (Lab. Code § 2699(a).) The penalties collected in these private
10 civil actions are to be distributed 75% to the LWDA and 25% to the aggrieved employees. (*Id.* at §
11 2699(i).) Before an employee may file an action seeking to recover civil penalties for violations of
12 any of the Labor Code provisions enumerated in Labor Code § 2699.5, he or she must comply with
13 the Act’s administrative procedures as set forth in Labor Code § 2699.3, subdivision (a). (*Caliber*
14 *Bodyworks, Inc. v. Superior Court* (2005) 134 Cal.App.4th 365, 1,316; *see also Dunlap v. Superior*
15 *Court* (2006) 142 Cal.App.4th 330.) Here, in compliance with Labor Code § 2699.3, Plaintiff
16 provided notice to the LWDA and Defendants. (Sung Decl., ¶ 10.) Plaintiff’s administrative
17 exhaustion periods expired without the LWDA indicating its intent to investigate the allegations.
18 (*Ibid.*) Accordingly, Plaintiff may proceed with this PAGA representative action.

19 **B. THE SETTLEMENT WARRANTS APPROVAL**

20 Settlement of PAGA claims must be approved by a Court. (Lab. Code § 2699(l).) Here, the
21 circumstances weigh heavily in favor of approval, as explained below.

22 **1. The Relief is Genuine, Meaningful, and Consistent with the Underlying**
23 **Purpose of the Statute to Benefit the Public**

24 Plaintiff’s counsel has conducted a thorough investigation into the facts of this case. (Sung
25 Decl., ¶ 21.) Based on the foregoing discovery and on their own independent investigation and
26 evaluation, Plaintiff’s counsel is of the opinion that the Settlement is fair, reasonable, and adequate.
27 (*Id.*) Furthermore, considering all known facts and circumstances, the risk of significant delay, trial
28 risk, appellate risk, the defenses that could be asserted by Defendants on the merits, the Settlement

1 is in the best interests of the Aggrieved Employees and the State. (*Id.*) The Settlement avoids the
2 risks, burdens, and the accompanying expense of further litigation. (*Id.*) Although the Parties have
3 engaged in a significant amount of investigation, informal discovery, and employee data analysis,
4 they have not participated in substantial formal discovery procedures, including depositions and
5 expert discovery. (*Id.*) Moreover, preparation for trial would remain for the Parties, as well as the
6 prospect of appeals in the wake of any summary judgment ruling. (*Id.*) As a result, the Parties
7 would incur considerably more attorneys' fees and costs through trial. (*Id.*)

8 Based on Plaintiff's counsel's analysis of the time and payroll records provided by
9 Defendants and on information from Plaintiff, Plaintiff's counsel evaluated Defendants' maximum
10 and risk-adjusted potential exposure. (Sung Decl., ¶ 22.) Based on Defendants' disclosures, there
11 were approximately 1,316 Aggrieved Employees who collectively worked approximately 61,447
12 pay periods. (*Id.*) Plaintiff's counsel's damages valuation utilizes the initial violation rate penalty of
13 \$100 in analyzing PAGA penalties because, based on Plaintiff's counsel's investigation, Defendants
14 have not been subject to any prior court judgments or Labor Commissioner order placing it on
15 notice of any violation pertaining to the claims Plaintiff asserted and the heightened subsequent
16 violation penalty does not apply. (*Id.*; see *Bernstein v. Virgin America, Inc.* (9th Cir. 2021) 990 F.3d
17 1157, 1173.) Plaintiff's counsel's valuation of each theory of liability is set forth below.

18 Unpaid Wages. Plaintiff alleged that she did not receive full wages for the first week when
19 she underwent training because Defendants would only pay Plaintiff once she learned to do the job
20 and not while she was a trainee. (Sung Decl., ¶ 23.) Based on Plaintiff's counsel's analysis of the
21 PAGA list, Defendants hired 1,112 employees after the start of the PAGA period. (*Id.*) Thus,
22 Defendants' PAGA penalties is calculated based on 1,112 pay periods and is estimated at
23 **\$112,200.00.** (*Id.*) In respond, Defendants vigorously contested liability and argued that they paid
24 employees, including Plaintiff, for all hours worked, including the time they spent in training. (*Id.*)

25 Meal Period Violations. Plaintiff alleged that she did not receive any meal breaks despite
26 regularly working more than 5 hours in a shift. (Sung Decl., ¶ 24.) Plaintiff's counsel and his expert
27 analyzed the 25% sampling of time and payroll records and found 9.45% of pay periods had one or
28 more meal period violations. (*Id.*). At a 9.45% violation rate and extrapolated to 61,447 pay periods,

1 PAGA penalties for meal period violations are **\$580,674.15**. (*Id.*) In response, Defendants countered
2 that they have maintained compliant meal period policies and practices throughout the PAGA
3 Period and always provided compliant meal periods in line with those policies. (*Id.*; *see Brinker*
4 *Rest. Corp. v. Superior Court* (2012) 53 Cal.4th 1004, 1040-1041 [holding employers need only
5 “provide” meal periods to employees and are not obligated to “police” meal periods].)

6 Rest Period Violations. Plaintiff contended that her rest periods were sometimes interrupted
7 by customers, resulting in rest break violations. (Sung Decl., ¶ 25.) Any rest period violations would
8 not be reflected in the time or payroll records. (*Id.*) Estimating that Aggrieved Employees
9 experienced rest period violations during approximately 10% of pay periods and extrapolated to
10 61,447 pay periods, PAGA penalties for rest period violations are **\$614,470.00**. (*Id.*) In response,
11 Defendants countered that they have maintained compliant rest period policies and practices
12 throughout the PAGA Period and always provided compliant rest periods in line with those policies.
13 (*Id.*)

14 Derivative Wage Statement and Waiting Time Violations. Plaintiff alleged that, as a result
15 of the aforementioned wage violations, Defendants failed to furnish Aggrieved Employees with
16 accurate itemized wage statements in violation of Labor Code § 226(a). (Sung Decl., ¶ 26.)
17 Estimating a 20% violation rate by pay period, and at \$100 initial violation rate penalty per pay
18 period, PAGA penalties are estimated at **\$1,228,940.00**. (*Id.*) Plaintiff alleged that, as a result of the
19 aforementioned wage violations, Defendants failed to pay all wages due to formerly employed
20 Aggrieved employees upon their separation of employment in violation of Labor Code §§ 201 and
21 202. (*Id.*) At \$100 per former employee for 676 former employees, PAGA penalties are estimated to
22 be **\$67,600.00**. (*Id.*) In response, Defendants pointed to their substantive defenses on regular rate,
23 off-the-clock work, and meal/rest period claims to argue that these derivative claims will fail with
24 the underlying claims. (*Id.*)

25 Failure to Reimburse Business Expenses. Plaintiff alleged that, as a cashier, she had to
26 purchase her own counterfeit detector pens because her wages were deducted when she accidentally
27 accepted counterfeit currency. (Sung Decl., ¶ 27.) Based on the PAGA list, approximately 25.47%
28 of pay periods belonged to employees in the cashier position. (*Id.*) Extrapolated to 61,447 pay

1 periods, PAGA penalties for reimbursement violations are approximately **\$1,565,055.09**. (*Id.*) In
2 response, Defendants vigorously contests the allegation that they deducted wages from employees
3 when they accepted counterfeit currency, and argued that they have procedures in place to address
4 counterfeit currency and did not require employees to purchase any detector pens. (*Id.*)

5 Claims for Which No Value Are Assigned. Plaintiff's counsel evaluated and
6 investigated the following theories and did not assign any value. (Sung Decl., ¶ 28.) First, Plaintiff's
7 counsel did not find any instances of wage deductions in the payroll records, and in any event, the
8 wage deduction theory is subsumed under the reimbursement theory which has been valued fully.
9 (*Id.*) Second, no penalties are assigned to Labor Code §§ 204 and 1174 violations because said
10 claim is purely derivative of underlying claims and Plaintiff assigned derivative valuation to Labor
11 Code § 226 violations. (*Id.*) Finally, no penalties are assigned to the failure to inspect personnel
12 records claim as penalties are probably limited to \$100 per violation which will probably *de minimis*
13 compared to the other theories valued above. (*Id.*)

14 Maximum Exposure and Realistic Recovery. Based on the foregoing, Plaintiff's counsel
15 estimates Defendants' maximum exposure for PAGA penalties to be approximately **\$4,168,939.24**,
16 and the Gross Settlement Amount is approximately 18.20% of Defendants' maximum exposure.
17 (Sung Decl., ¶ 29.) However, PAGA penalties are subject to discretionary reduction by this Court.
18 (*Id.*) Pursuant to Labor Code § 2699(f)(2), the Court can decline to award the full amount of PAGA
19 penalties where “. . . if, based on the facts and circumstances of the particular case, to do otherwise,
20 would result in an award that is unjust, arbitrary and oppressive, or confiscatory.” Indeed, courts
21 have affirmed the reduction of PAGA penalties in the past. As shown in *Carrington v. Starbucks*
22 *Corp.* (2018) 30 Cal.App.5th 504, 517, the Court of Appeal affirmed the trial court's reduction of
23 PAGA penalties by 90%, citing the employer's good-faith attempt at complying with the law. (*See*
24 *also Thurman v. Bayshore Transit Mgmt., Inc.* (2012) 203 Cal.App.4th 1112, 1135 [affirming
25 reduction of PAGA penalties]; *Fleming v. Covidien Inc.* (C.D. Cal. 2011) Case No. ED CV10-
26 01487 RGK (OPx), 2011 WL 7563047, at *4 [reducing PAGA penalties by over 82% in part
27 because employer “not aware” of violations].) Here, Defendants argued that based on their
28 compliant policies and practices and their defenses on Plaintiff's theories of liability on the merits,

1 the Court will significantly reduce any award of PAGA penalties based on its good-faith
2 compliance with the Labor Code. (Sung Decl., ¶ 29.)

3 Considering Defendants’ defenses on the merits and the potential for the Court to reduce a
4 PAGA penalty award, Plaintiff’s counsel believes there is a 70% risk factor that the Court will find
5 some of the claims in Defendants’ favor and/or exercise its discretion to reduce the PAGA penalty
6 award. (Sung Decl. at ¶ 30.) Accordingly, applying a 70% discount to the maximum penalty
7 exposure, Plaintiff’s counsel believes the realistic recovery at trial on these claims to be
8 **\$1,250,681.77**. (*Id.*) The \$758,000.00 settlement is an excellent result and amounts to “genuine and
9 meaningful” relief “consistent with the underlying purpose of the statute to benefit the public” as it
10 represents approximately **60.61%** of Plaintiff’s realistic recovery. (*Id.*; see *Villalobos v. Calandri*
11 *Sonrise Farm LP* (C.D. Cal., July 22, 2015, No. CV 12-2615 PSG (JEMx)) 2015 WL 12732709, at
12 *5; see also *O’Connor v. Uber Technologies, Inc.* (N.D. Cal. 2016) 201 F.Supp.3d 1110, 1135.)

13 **C. THE REQUESTED ATTORNEYS’ FEES AND COST AWARD SHOULD BE**
14 **APPROVED**

15 For the reasons set forth below, Plaintiff requests that the Court approve an attorney’s fee
16 award of **\$227,400.00** and cost award of **\$15,175.53** to Plaintiff’s counsel.

17 **1. Plaintiff’s Counsel Request an Award of Fees Based on the Common**
18 **Fund Method**

19 California courts have long awarded attorneys’ fees as a percentage of the benefit created by
20 counsel in pursuing claims on behalf of a class. (*See, e.g., Serrano v. Priest* (1977) 20 Cal.3d 25.) The
21 California Supreme Court has held, “when a number of persons are entitled in common to a specific fund,
22 and an action brought by a plaintiff or Plaintiff for the benefit of all results in the creation or preservation
23 of that fund, such plaintiff or Plaintiff may be awarded attorney’s fees out of the fund.” (*Id.* at p. 34.)

24 Plaintiff’s counsel seeks an award of attorneys’ fees on the “percentage of recovery/common
25 fund” theory. The purpose of this approach is to “spread litigation costs proportionately among all the
26 beneficiaries so that the active beneficiary does not bear the entire burden alone.” (*Vincent v. Hughes Air*
27 *W., Inc.* (9th Cir. 1977) 557 F.2d 759, 769.) In *Quinn v. State of Cal.* (1975) 15 Cal.3d 162, the California
28 Supreme Court stated, “one who expends attorneys’ fees in winning a suit which creates a fund from

1 which others derive benefits, may require those passive beneficiaries to bear a fair share of the litigation
2 costs.” (*Id.* at p. 167.) Similarly, in *City and County of San Francisco v. Sweet* (1995) 12 Cal.4th 105, the
3 California Supreme Court recognized that the common fund doctrine has been applied “consistently in
4 California when an action brought by one party creates a fund in which other persons[] are entitled to
5 share.” (*Id.* at pp. 110–11 [pincite omitted].) The reasons for applying this doctrine include:

6 fairness to the successful litigant, who might otherwise receive no benefit because his
7 recovery might be consumed by the expenses; correlative prevention of an unfair
8 advantage to the others who are entitled to share in the fund and who should bear their
9 share of the burden of its recovery; encouragement of the attorney for the successful
10 litigant, who will be more willing to undertake and diligently prosecute proper litigation
11 for the protection or recovery of the fund if he is assured that he will be properly and
12 directly compensated should his efforts be successful.

13 (*Id.* at p. 111.)

14 The percentage approach is preferable to the lodestar because: (1) it aligns the interests of
15 class counsel and absent class members; (2) it encourages efficient resolution of the litigation by
16 providing an incentive for early, yet reasonable, settlement; and (3) it reduces the demands on judicial
17 resources. (*Id.* at pp. 1378–79.) California Courts now routinely use the percentage of the common
18 fund approach to determine the award of attorney’s fees. (*See, e.g., In re Pac. Enter. Sec. Litig.* (9th
19 Cir. 1995) 47 F.3d 373, 378–79 [approving attorneys’ fee award of 33%].)

20 **2. The Requested Fee is in Line with Typical Cases**

21 According to a leading treatise on class actions: “No general rule can be articulated on what is a
22 reasonable percentage of a common fund. Usually, 50% of the fund is the upper limit on a reasonable fee
23 award from a common fund in order to assure that the fees do not consume a disproportionate part of the
24 recovery obtained for the class, although somewhat larger percentages are not unprecedented.” (Newberg,
25 Newberg on Class Actions (3rd ed. 1992) § 14.03.) Attorneys’ fees that are 50% of the fund are typically
26 considered the upper limit, with 30–40% commonly awarded in cases where the settlement is relatively
27 small. (*Id.*; *see also Van Vranken v. Atlantic Richfield Co.* (N.D. Cal. 1995) 901 F.Supp. 294, 297 [stating
28 that most cases where 30–50% was awarded involved “smaller” settlement funds of under \$10 million].)
29 Here, Plaintiff request attorneys’ fees equal to 30% of the Gross Settlement Amount, which is in
30 line with the prevailing guidelines established under California case law and in academic literature
31 and is consistent with awards in California. (*Chavez v. Netflix, Inc.* (2008) 162 Cal.App.4th 43, 66,

n.11 [“Empirical studies show that, regardless whether the percentage method or the lodestar method is used, fee awards in class actions average around one-third of the recovery.”].)

3. The Matter Involves a Fee and Cost Shifting Provision under PAGA

Labor Code § 2699 provides for the recovery of reasonable attorney’s fees as well as costs of suit. (Lab. Code § 2699(g)(1).) Specifically, it states: “Any employee who prevails in any [PAGA] action shall be entitled to an award of reasonable attorney’s fees and costs . . .” (*Id.*) This fee/cost-shifting provision reflects the understanding that PAGA Counsel must accept significant risk of substantial expenses and consumption of time, energy, and other resources in litigating a PAGA claim, and thus, that PAGA Counsel is not only permitted, but entitled, to recover reasonable attorneys’ fees and costs if successful in litigating a PAGA claim.

This Settlement is beneficial in that it limits the risk of continued expenses and consumption of time, energy, and resources facing Defendants while at the same time rewarding Plaintiff’s counsel for their decision to assume risk by taking on this matter. (Sung Decl., ¶ 30.) In fact, prosecution of this action involved significant financial risk for Plaintiff’s counsel. (*Id.*) Plaintiff’s counsel undertook this matter solely on a contingent basis, with no guarantee of recovery. (*Id.*) Once Plaintiff’s counsel undertook this litigation on behalf of the Aggrieved Employees, they committed to pursue it to its conclusion, placing their fiduciary duty to the Aggrieved Employees ahead of all other concerns. (*Id.*)

4. The Experience, Reputation, and Ability of Plaintiff’s counsel Support the Requested Fee Award

As demonstrated by their past experience in pursuing class and representative actions on behalf of employees, Plaintiff’s counsel possess considerable expertise in litigating class action and representative matters. (Sung Decl., ¶¶ 2-7.) Plaintiff’s counsel have been involved as lead counsel or co-counsel in a multitude of class and representative actions resulting in beneficial results to class members and aggrieved employees in California. (Sung Decl., ¶¶ 5-7.) Because it is reasonable to compensate Plaintiff’s counsel commensurate with their skill, reputation, and experience, Plaintiff’s counsel’s requested fee award is supported here. Plaintiff’s counsels’ experience in wage and hour class and representative actions was integral in evaluating the strengths and weaknesses of the case

1 against Defendants and the reasonableness of this Settlement. Practice in the narrow field of wage
2 and hour litigation requires skill and knowledge concerning the rapidly evolving substantive law
3 (state and federal), as well as the procedural law of representative action litigation.

4 **5. While the Lodestar Method is Not Necessary in Common Fund Cases,**
5 **the Court May Perform a Cross-Check to Award Fees**

6 “Despite its primacy, the lodestar method is not necessarily utilized in common fund cases.”
7 (*Lealao v. Beneficial Cal., Inc.* (2000) 82 Cal.App.4th 19, 27.) Courts have criticized the lodestar
8 method as a drain on the judicial system and a disincentive on attorneys to take on high-risk,
9 challenging cases. (*Id.* at p. 29.) Indeed, the lodestar approach: “(1) ‘increases the workload of an
10 already overtaxed judicial system,’ (2) is ‘insufficiently objective and produce[s] results that are far
11 from homogenous,’ (3) ‘creates a sense of mathematical precision that is unwarranted in terms of
12 the realities of the practice of law,’ (4) ‘is subject to manipulation by judges who prefer to calibrate
13 fees in terms of percentages of the settlement fund or the amounts recovered by the Plaintiff or of
14 an overall dollar amount,’ (5) ‘encourages lawyers to expend excessive hours, and . . . engage in
15 duplicative and unjustified work,’ (6) ‘creates a disincentive for the early settlement of cases,’ (7)
16 deprives trial courts of ‘flexibility to reward or deter lawyers so that desirable objectives, such as
17 early settlement, will be fostered,’ (8) ‘works to the particular disadvantage of the public interest
18 bar,’ and (9) results in ‘confusion and lack of predictability.’” (*Id.* [quoting Third Circuit Task
19 Force, *Court Awarded Attorney Fees* (1985) 108 F.R.D. 237, 246–49].)

20 Although California courts support the common fund doctrine, the lodestar method can be
21 used to cross-check fee awards. “It may be appropriate in some cases, assuming the class benefit
22 can be monetized with a reasonable degree of certainty, to ‘cross-check’ or adjust the lodestar in
23 comparison to a percentage of the common fund to ensure that the fee awarded is reasonable and
24 within the range of fees freely negotiated in the legal marketplace in comparable litigation.” (*In re*
25 *Consumer Privacy Cases* (2009) 175 Cal.App.4th 545, 557 [quoting *Lealao, supra*, 82 Cal.App.4th
26 at pp. 49–50].)

27 Applying the lodestar method is a two-step process. The first step is to multiply the number
28 of hours reasonably expended by a reasonable hourly rate, and the second step is to apply a

1 multiplier to the lodestar to account for various factors. (*Id.* at p. 556.) “The purpose of such
2 adjustment is to fix a fee at the fair market value for the particular action. In effect, the court
3 determines, retrospectively, whether the litigation involved a contingent risk or required
4 extraordinary legal skill justifying augmentation of the unadorned lodestar in order to approximate
5 the fair market rate for such services.” (*Id.*) “Under certain circumstances, a lodestar calculation
6 may be enhanced on the basis of a percentage-of-the-benefit analysis.” (*Id.* at pp. 556–57.) Further,
7 “California case law permits fee awards in the absence of detailed time sheets.” (*Wershba v. Apple*
8 *Computer, Inc.* (2001) 91 Cal.App.4th 224, 255.)

9 Under California law, lodestar multipliers can range from 2 to 4 or even higher. *See, e.g.,*
10 *Chavez v. Netflix* (2008) 162 Cal.App.4th 43, 49-50 (approving multiplier of about 2.5); *Coalition*
11 *for L.A. County Planning etc. Interest v. Bd. of Supervisors* (1977) 76 Cal.App.3d 241, 251
12 (approving multiplier of about 12.8). In representative actions such as this one, where the value of
13 the benefit conferred to the representative group “can be monetized with a reasonable degree of
14 certainty,” the court may “adjust the lodestar in comparison to a percentage of the common fund to
15 ensure that the fee awarded is reasonable and within the range of fees freely negotiated in the legal
16 marketplace in comparable litigation.” *Consumer Privacy Cases* (2009) 175 Cal.App.4th 545, 557.

17 Moreover, the use of a multiplier is permitted in a PAGA action. PAGA provides that “[a]ny
18 employee who prevails in any action shall be entitled to an award of reasonable attorney’s fees and
19 costs.” (Lab. Code § 2699(g)(1).) Although PAGA does not provide a specific standard for
20 evaluating attorneys’ fees in connection with a settlement of PAGA claims, California Courts have
21 employed a lodestar analysis and use of multipliers for this purpose. “Where a settlement produces
22 a common fund for the benefit of the entire class, courts have discretion to employ either the
23 lodestar method or the percentage-of-recovery method. . . To guard against an unreasonable result,
24 the Ninth Circuit encourages district courts to “cross-check[] their calculations against a second
25 method. . . . Accordingly, the Court calculates attorneys’ fees in the instant case using the
26 percentage-of-recovery method and then cross-checks its calculations against the lodestar method.”
27 (*Hermosillo v. Davey Tree Surgery Co.* (N.D. Cal. July 7, 2021, No. 18-CV-00393-LHK) 2021 WL
28 2826697, at *1 [quoting *In re Bluetooth Headset Prods. Liab. Litig.* (9th Cir. 2011) 654 F.3d 935,

942, 944–45].) The court in *Hermosillo* granted, in part, a plaintiff’s counsel’s unopposed motion for attorneys’ fees and costs in a PAGA-only settlement, wherein 33.33% of the gross settlement fund was requested for fees. (*Hermosillo*, at *1–3.)

Here, Plaintiff’s counsel’s current lodestar is **\$110,335.00** for **145.5 hours**, broken down as:

Name	Laffey Matrix Fee	Actual Billing Rate	Hours Billed	Lodestar
William C. Sung (15 th Year Attorney)	\$948	\$900	86.6	\$77,940.00
Tiffany L. Luu (6 th Year Attorney)	\$581	\$550	58.90	\$32,395.00

(Sung Decl., ¶¶ 32-34, **Exh. 6** – Time and Task Logs for William Sung and Tiffany Luu.) Plaintiff’s counsel’s requested fee award represents a **2.06** lodestar multiplier. (Sung Decl., ¶ 32.)

Additionally, Plaintiff’s counsel estimate they will devote no less than 10 hours, although likely more time, to additional tasks, which are hours not included in the foregoing lodestar total. (Sung Decl., ¶ 35.) These additional hours will include time spent to obtain and monitor approval of the Settlement and requested awards, oversee the settlement administration process and distribution of funds, respond to inquiries, and communicate with Plaintiff regarding the case. (*Id.*)

Plaintiff’s counsel also bear the risk of taking whatever actions are necessary if Defendants fails to pay. The amount of fees requested under the Settlement is warranted based on the contingent risk that Counsel incurred, the difficulty of the questions involved, the substantial benefit conferred on the Aggrieved Employees and State of California as a result of the Settlement, and the skill displayed by Plaintiff’s counsel. Thus, the request for attorneys’ fees satisfies a lodestar check. Accordingly, the Court should find that the circumstances of the present case justify an award of 30% of the Gross Settlement Amount for attorneys’ fees.

6. Plaintiff’s Counsels’ Costs Are Reasonable and Actually Incurred

Plaintiff’s counsel are entitled to recover the out-of-pocket costs and expenses they reasonably incurred in investigating, prosecuting, and settling a case. (*Staton v. Boeing Co.* (9th Cir. 2003) 327 F.3d 938, 974; Lab. Code § 2699(g)(1).) Under the proposed Settlement, Plaintiff’s counsel may request reimbursement of costs up to \$25,000.00. (Agreement, § III.4.a.) Plaintiff’s

1 litigation costs are approximately \$15,175.53, including estimated future costs in filing this Motion
2 and supporting papers (\$77.97), supplemental filings for this Motion (\$16.17), and filing of the
3 Settlement Administrator’s declaration of compliance re settlement administration (\$16.17). (Sung
4 Decl., ¶ 18; **Exh. 5**.) Plaintiff’s mediation and expert invoices are included in Exhibit 5. These
5 expenses were reasonably necessary to the litigation and were actually incurred. Moreover, these
6 expenses are below the maximum amount allowed in the Settlement, and the remainder will be
7 allocated to the Net Settlement Amount. Therefore, costs should be reimbursed in full, up to the
8 maximum amount allowed in the Settlement.

9 **D. THE COURT SHOULD APPROVE THE REQUESTED PLAINTIFF’S**
10 **SERVICE AWARD.**

11 Courts routinely approve enhancement payments to compensate named plaintiffs for the
12 services they provide and the risks they incur during class action litigation. (*See, e.g., Bell v.*
13 *Farmers Ins. Exchange* (2004) 115 Cal.App.4th 715, 726 [upholding “service payments” to named
14 plaintiffs for their efforts in bringing the case]; *Van Vranken v. Atlantic Richfield Co.* (N.D. Cal.
15 1995) 901 F. Supp. 294 [approving \$50,000 service payment].) Indeed, “[i]ncentive awards are
16 fairly typical in class action cases.” (*Rodriguez v. West Publ’g Corp.* (9th Cir. 2009) 563 F.3d 948,
17 958.) The Court may award incentive payments to compensate Plaintiff for work done on behalf of
18 the class, to make up for financial or reputational risk undertaken in bringing the action. (*Id.* at 958-
19 59.)

20 Here, Plaintiff seeks a service award of \$5,000.00 and Plaintiff and Plaintiff’s counsel
21 submit that this request is reasonable given Plaintiff’s efforts in this case and the risks Plaintiff
22 undertook on behalf of the State and Aggrieved Employees. (Luu Decl., ¶¶ 4-5; Sung Decl., ¶ 36.)
23 Plaintiff expended substantial time and effort on behalf of the State and Aggrieved Employees,
24 including providing factual information and documents to counsel, attending meetings with counsel
25 to discuss the claims and theories at issue in the litigation, and otherwise actively participating in
26 the prosecution of her claims. (Luu Decl., ¶ 4.) As a result of Plaintiff’s efforts, she has helped the
27 State recover over \$374,943.35 in civil penalties and 1,316 Aggrieved Employees recover on
28 average \$94.97 in civil penalties per person. (Sung Decl., ¶ 36.)

1 **E. THE COURT SHOULD APPROVE THE SETTLEMENT**
2 **ADMINISTRATION FEES**

3 Pursuant to the terms of the Settlement, the fees and costs of the Settlement Administrator,
4 are to be paid out of the common fund. (Agreement, § III.4.B.) The settlement administration fees
5 are based on a flat-sum amount of \$10,500.00. (*Id.*; Admin. Decl., ¶ 22, Exh. B.) The Settlement
6 Administrator’s duties include, but are not limited to, receiving and analyzing the Aggrieved
7 Employee list, processing Aggrieved Employees’ names and addresses against the National Change
8 of Address database (“NCOA”) prior to mailing, setting up and managing a Qualified Settlement
9 Fund (“QSF”) Escrow Account, calculating Individual PAGA Payments to Aggrieved Employees,
10 disbursing settlement payments to Aggrieved Employees, the State of California, and Plaintiff’s
11 counsel including necessary tax forms (i.e., 1099 Forms) and PAGA settlement explanatory letter,
12 tendering funds from uncashed checks to the Unclaimed Property Fund to be held in the name of the
13 Aggrieved Employee, and submitting final accounting to the Court. (Admin Decl., ¶ 22, Exh. B;
14 Agreement, §§ IV.1-7.) All of these duties are included in the agreed-upon flat fee of \$10,500.00.
15 Thus, the Administrator’s fees should be approved.

16 **F. PROOF OF SERVICE OF SETTLEMENT AND ALL MOVING PAPERS ON**
17 **THE LWDA**

18 On September 16, 2026, Plaintiff’s counsel served the LWDA via filing through its online
19 portal at <https://dir.govfa.net/432> (Proposed Settlement of PAGA Case) with a copy of the fully
20 executed Agreement, Motion for Approval of PAGA Settlement, the Declarations of William C.
21 Sung, Jodey Lawrence, and Lan Thanh Luu, and the Proposed Judgment and Order. (Sung Decl., ¶
22 37, **Exh. 7** – LWDA Filing Confirmation.)

23 **IV. CONCLUSION**

24 For the foregoing reasons, Plaintiff respectfully request that the Court grant approval of the
25 proposed Settlement, sign the (Proposed) Judgment and Order submitted herewith, and set a
26 Compliance Hearing Re: Status of Distribution for on or after January 31, 2028.

27 ///

28 ///

1 DATED: September 16, 2026

Respectfully submitted,

2 **JUSTICE FOR WORKERS, P.C.**

3
4 By: 

5 William C. Sung

6 Tiffany L. Luu

7 Joseph C. Ramli

8 Attorneys for Plaintiff LAN THANH LUU
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