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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF KERN

ROBERT HERNANDEZ MENDOZA, individually, and on behalf of all others similarly situated, Plaintiff, vs. MERIT LOGISTICS, LLC, a limited liability company; and DOES 1 through 10, inclusive, Defendants.	Case No.: BCV-23-102723 CLASS AND REPRESENTATIVE ACTION **DECLARATION OF KANE MOON IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT** [*Filed with Plaintiff's Notice of Motion and Memorandum of Points and Authorities, the Declaration of Plaintiff, and [Proposed] Preliminary Approval Order*] PRELIMINARY APPROVAL HEARING: Date: February 20, 2026 Time: 8:30 a.m. Dept.: T-2 Judge: T. Mark Smith Action filed: August 16, 2023 Trial date: Not set

DECLARATION OF KANE MOON

I, KANE MOON, declare as follows:

1. I am an attorney at law duly licensed to practice as such before all Courts of the State of California and am one of the attorneys of record for Plaintiff Robert Hernandez Mendoza ("Plaintiff") and the putative Class. I have personal knowledge of the matters set forth herein and if called as a witness, I could and would testify competently to the facts described herein.

CASE BACKGROUND AND PROCEDURAL HISTORY

2. This is a wage-and-hour class and representative action for alleged Labor Code violations and claims for civil penalties pursuant to the California Private Attorneys General Act, Labor Code sections 2698, *et seq.* ("PAGA"). Plaintiff seeks to represent a class of all current and former non-exempt, hourly-paid employees of Defendant Merit Logistics, LLC ("Defendant") (together with Plaintiff, the "Parties") in California employed during the Class Period, as set forth in the Joint Stipulation of Class and Representative Action Settlement Agreement (the "Settlement"). A true and correct copy of the Settlement is attached herein as **Exhibit 1**. The proposed Class Notice is attached to the Settlement as **Exhibit A**.

3. Defendant is a logistics provider that operates throughout California, including a facility in Kern County, that offers supply chain and warehouse support services, including labor management, freight handling, sanitation, and security services for large retail and distribution centers.

4. Plaintiff was employed by Defendant from approximately April 14, 2022 to August 2022 and was classified as non-exempt during the entirety of his employment. Plaintiff contends he and his coworkers were subjected to the same unlawful labor practices, including failure to pay wages for all hours worked.

5. Plaintiff's claim for unpaid minimum and overtime wages stem from allegations that Defendant failed to compensate Plaintiff and others for off-the-clock work and failed to incorporate non-discretionary bonuses into employees' regular rate of pay for purposes of paying overtime, meal break premiums, and sick pay. Plaintiff's meal and rest period claims are based on allegations that due to the nature of their work, Class Members' breaks were often short, late, interrupted, and sometimes missed altogether, and that Defendant did not pay all premium wages for non-compliant breaks. Plaintiff further brings a claim for unreimbursed necessary business expenses based on allegations that Class Members were

required to use their personal cell phone and vehicles for work purposes without reimbursement from Defendant. Finally, Plaintiff also brings derivative claims for waiting time penalties, wage statement violations, unfair business practices, and civil penalties under PAGA.

6. Because of the foregoing alleged violations of various provisions of the Labor Code, Plaintiff filed a class action on August 16, 2023, which alleges Defendant systematically: (1) failed to pay minimum wages, (2) failed to pay overtime compensation, (3) failed to provide meal periods, (4) failed to authorize and permit rest periods, (5) failed to indemnify necessary business expenses, (6) failed to timely pay final wages at termination, (7) failed to provide accurate itemized wage statements, and (8) engaged in unfair business practices.

7. Pursuant to PAGA, on August 15, 2023, Plaintiff gave written notice to the California Labor and Workforce Development Agency (the "LWDA") of the alleged Labor Code violations, with certified mail service on Defendant, and paid the required filing fee. A true and correct copy of Plaintiff's PAGA Notice is attached hereto as **Exhibit 2**. On November 6, 2023, Plaintiff timely filed a First Amended Class and Representative Action Complaint to add a ninth cause of action for civil penalties under PAGA (the "Operative Complaint"). In compliance with Labor Code section 2699(s)(1), Plaintiff subsequently submitted to the LWDA a file-stamped copy of the Operative Complaint containing the Court-assigned case number. To date, the LWDA has not indicated its intent to investigate the alleged violations or intervene in this Action.

8. Defendant ardently opposes the merits of this case and denies Plaintiff's factual allegations. Defendant asserts it complied with all its compensation obligations, including compensating Class Members for any and all off-the-clock work and overtime work, and therefore, Plaintiff and other Class Members were paid all wages owed. Defendant argues it did not fail to incorporate any non-discretionary bonuses into the regular rate of pay for purposes of paying overtime, meal break premiums, or sick pay, and that all bonuses were discretionary. Defendant maintains compliance with all its meal and rest period obligations. Defendant asserts it complied with all its reimbursement obligations, and that Plaintiff and other employees were compensated for any and all business expenses necessarily incurred. To the extent employees received wage statements that were allegedly inaccurate, Defendant asserts employees suffered no actual damage or harm

as a result. (*See, e.g.*, *Angeles v. U.S. Airways, Inc.* (N.D. Cal. Feb. 19, 2013, No. C 12–05860 CRB) 2013 WL 622032, at *10 ["A plaintiff must adequately plead an injury arising from an employer's failure to provide full and accurate wage statements, and the omission of the required information alone is not sufficient."].) With respect to Plaintiff's claim for waiting time penalties, Defendant alleges its good-faith belief that it paid all wages precludes the imposition of waiting time penalties since Plaintiff cannot prove Defendant's alleged failure to pay all final wages at the time of separation was "willful." (*See, e.g.*, *Pedroza v. PetSmart, Inc.* (C.D. Cal. June 14, 2012, No. ED CV 11–298 GHK (DTBx)) 2012 WL 9506073, *5.) For these reasons, Defendant claims it did not engage in any unfair business practices and denies liability under PAGA. Defendant also maintains the claims are improper for class treatment, in part, due to the individualized and testimony-intensive nature of the wage claims that could bar class certification or significantly reduce Defendant's overall liability.

DISCOVERY AND INVESTIGATION

9. The Parties agreed to mediate this action with Lynn Frank, Esq. an experienced class and PAGA mediator. Before mediation, the Parties agreed to an informal protocol for exchanging documents and information. Through this process, Defendant produced a sample of time and pay records for the putative Class, approximately 16% of the estimated pay periods during the Class Period, as well as Plaintiff's personnel file, Plaintiff's time and pay records, and Defendant's written employment policies in effect during the Class Period. Defendant also provided information regarding the estimated number of current and former Class Members, Workweeks, Aggrieved Employees, and PAGA Pay Periods.

10. In preparation for mediation, Plaintiff's Counsel reviewed and analyzed all the information Defendant provided, including the sample records and documents regarding Defendant's wage-and-hour policies. Plaintiff's Counsel retained a statistics expert to analyze the sample records and prepare a damage analysis prior to the mediation. The sample time and pay records analyzed contained 29,869 actual shifts worked (representing roughly 16% of total shifts worked in the Class Period), which allowed Plaintiff's expert to prepare an analysis with a reasonable degree of certainty. In conjunction with their extensive factual investigation, Plaintiff's Counsel also investigated the applicable law regarding the claims and defenses asserted in the litigation. Accordingly, Plaintiff's Counsel was able to evaluate the probability of class

certification, success on the merits, and Defendant's maximum and realistic monetary exposure for all claims. Thus, Plaintiff's and his Counsel's familiarity with the facts of the case and the legal issues raised by the pleadings allowed them to act intelligently in negotiating the Settlement.

11. Other than this instant action, Plaintiffs' Counsel are not aware of any other class, representative or other collective action in any other court in this or any other jurisdiction that asserts claims similar to those asserted in this action on behalf of a class or group of individuals, other than the prior settlement in *Arturo Martinez et al. v. Merit Logistics, LLC*, Case No. RIC2001625, docketed before Riverside County Superior Court ("*Martinez*"), which released claims through July 23, 2022. Accordingly, the Class Period in this matter begins on July 24, 2022, the day after the release period in *Martinez* ended. I have come to this conclusion after a reasonable inquiry and review of the LWDA's PAGA Case Search website, this Court's case search website, and other information reasonably available online. Additionally, Defendant has not indicated there is any other related case pending as of the date of this declaration.

SETTLEMENT NEGOTIATIONS AND NOTICE TO THE LWDA

12. On September 16, 2025, the Parties participated in a full day of private mediation with Lynn Frank, Esq. The negotiations were at arm's length and, although conducted in a professional manner, were adversarial. The Parties went into the mediation willing to explore the potential for a settlement of the dispute, but each side was also prepared to litigate their position through trial and appeal if a settlement had not been reached. After a full discussion regarding the strengths and weaknesses of Plaintiff's claims and Defendant's defenses and with the assistance of the mediator, the Parties reached a resolution, the material terms of which are set out in the Settlement.

13. In compliance with Labor Code section 2699(s)(2), notice of settlement and a copy of the proposed Settlement has been submitted to the LWDA along with a copy of Plaintiff's preliminary approval motion and the hearing date. A true and correct copy of the LWDA's email confirming receipt thereof is attached hereto as **Exhibit 3**. To date, the LWDA has not indicated any objection to the Settlement.

KEY TERMS OF SETTLEMENT

14. GSA and Funding: The Gross Settlement Amount ("GSA") is $867,100.00, subject to potential increase under an Escalator Clause, and is non-reversionary. (Settlement, ¶¶ 3.0, 7.0.) Defendant will

separately pay its employer-side payroll taxes owed on the Wage Portion of Individual Class Payments. (*Id.* at ¶ 3.0.) Defendant shall fund the GSA and its employer payroll taxes owed on the Wage Portions of the Individual Class Payments by transmission of such funds to the Administrator within fourteen (14) calendar days of the Effective Date. (*Id.*)

15. Escalator Clause: It is estimated that there are 8,671 Workweeks during the period from July 24, 2022, to September 16, 2025. (*Id.* at ¶ 7.0.) The Settlement provides that should the number of Class Period Workweeks exceed the estimated count by more than 10%, then Defendant has the option to (a) pay the pro rata percentage increase in excess of 10% to the Gross Settlement Amount to include the additional workweeks, or (b) elect to end the Class Period on the date the total workweeks equals, but does not exceed, 9,538. (*Id.*) Defendant agrees to be prepared to inform the Court of its selection at the Preliminary Approval Hearing. (*Id.*)

16. Class Representative Service Payment: The Settlement includes a payment up to $7,500.00 payable from the GSA, subject to the Court's approval, to Plaintiff as the Class Representative, in addition to the amount he is eligible to receive as a Class Member. (*Id.* at ¶¶ 1.12, 3.1.1.) This award is for initiating and providing services in support of the Action and in recognition for the risks attendant to the role as the named Plaintiff and Class Representative. (*Id.* at ¶ 1.12.) In the event the award finally approved is less, the difference will revert to Participating Class Members. (*Id.* at ¶ 3.1.1.)

17. Class Counsel Fees Payment and Class Expenses Payments: The Settlement permits a fee application of not more than 33 1/3% of the GSA (currently estimated to be $289,033.33) for reasonable attorneys' fees, plus reimbursement for actual litigation costs not to exceed $25,000.00, payable to Class Counsel from the GSA. (*Id.* at ¶ 3.1.2.) In the event the amounts finally approved are less, the difference will revert to Participating Class Members. (*Id.*) To date, my firm has incurred $18,747.98 in actual litigation costs. A true and correct copy of a report showing current costs is attached hereto as **Exhibit 4**.

18. Administration Costs Payment: The Settlement provides an Administration Expenses Payment to the Administrator, payable from the GSA, in an amount not to exceed $8,250.00, except for a showing of good cause and as approved by the Court. (*Id.* at ¶ 3.1.3.) In the event the amount of actual administration costs is less and/or the amount approved by the Court is less than requested, the difference will be allocated

to the Net Settlement Amount. (*Id.*) The Parties jointly selected Phoenix Class Action Administration Solutions ("Phoenix") as the neutral entity to administer this Settlement. (*Id.* at ¶ 1.1.) A true and correct copy of Phoenix's bid for $8,250.00 is attached hereto as **Exhibit 5**.

19. PAGA Penalties; Individual PAGA Payments: The Settlement allocates $20,000.00 from the GSA for settlement of the Released PAGA Claims, which will be distributed 75% ($15,000.00) to the LWDA and 25% ($5,000.00) to Aggrieved Employees pursuant to PAGA law governing Plaintiff's claims.[1] (*Id.* at ¶ 1.32.) Each Aggrieved Employee will be entitled to a pro rata share of the 25% share of the PAGA Penalties directly proportional to their number of PAGA Pay Periods. (*Id.* at ¶ 3.1.5.1.) This results in an average Individual PAGA Payment of roughly **$13.40**[2] for each of the estimated 373 Aggrieved Employees ($5,000.00 / 373), and a PAGA Pay Period value of roughly **$1.11** for each of the 4,508 estimated Pay Periods in the PAGA Period ($5,000.00 / 4,508).

20. Net Settlement Amount: After deducting the Class Representative Service Payment, the Class Counsel Fees Payment, Class Counsel Expenses Payments, the PAGA Penalties, and the Administration Expenses Payment from the GSA, in the amounts specifically approved by the Court, any difference in the amounts requested and the amounts awarded will be allocated to the Net Settlement Amount for distribution to Participating Class Members. (*Id.* at ¶ 1.25.) Accordingly, the Net Settlement Amount will be *no less than* **$517,316.67** for an estimated Class of **378 individuals**.[3]

21. Class Members/Period: The Settlement Class is defined as all current and former hourly-paid, non-exempt employees of Defendant in California employed during the Class Period. (*Id.* at ¶ 1.3.) For

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[1] On July 1, 2024, new legislation was enacted to amend PAGA in several respects, including as to the recovery split for civil penalties. (Stats. 2024, ch. 44 (Assem. Bill No. 2288), § 1, eff. Jul. 1, 2024.) As amended, PAGA now provides for a 65%-LWDA/45%-aggrieved employee split. (Lab. Code § 2699(m).) However, PAGA reform only applies to PAGA actions initiated on or after June 19, 2024. (*Id.* at § 2699(v)(1).)

[2] At this time, the actual amounts to Class Members and/or Aggrieved Employees are unknown and will be calculated by the Administrator following preliminary approval and receipt and processing of the Class Data. (*See* Settlement, ¶ 6.1.) The high and low range of payments will be provided to the Court in a motion for final approval.

[3] The Net Settlement Amount was calculated by deducting the following from the $867,100.00 GSA: $7,500.00 for the Class Representative Service Payment, up to $8,250.00 for the Administration Expenses Payment, $20,000.00 for the PAGA Penalties to the LWDA and Aggrieved Employees, $289,033.33 for the Class Counsel Fees Payment, and up to $25,000.00 for the Class Counsel Expenses Payment. (Settlement, ¶¶ 3.0–3.1.5.)

purposes of Settlement, the "Class Period" is July 24, 2022, through November 15, 2025, or another date pursuant to the Settlement's escalator clause. (Settlement, ¶¶ 1.10, 7.)

22. Individual Class Payments: Each Class Member who does not opt-out will be entitled to a pro rata share of the Net Settlement Amount that is directly proportional to the number of Workweeks worked during the Class Period. (*Id.* at ¶ 3.1.4.) The estimated Net Settlement Amount results in an average Individual Class Payment of roughly **$1,368.56** for each of the estimated 378 Class Members ($517,316.67 / 378), and a Workweek value of roughly **$59.66** for each of the 8,671 estimated Workweeks in the Class Period ($145,000 / 14,500).

23. Tax Allocations: Individual Class Payments will be allocated as 20% as wages and 80% as penalties and interest for tax purposes. (*Id.* at ¶ 3.1.4.1.) Individual PAGA Payments will be allocated as 100% penalties for tax purposes. (*Id.* at ¶ 3.1.5.1.)

24. Disbursement and Uncashed Funds: Disbursement will occur within 14 days of completed funding. (*Id.* at ¶ 4.1.) Class Members will not need to submit any claim form as a condition of receiving individual settlement payments. (*Id.* at ¶ 3.0.) Any funds remaining uncashed after 180 days from issuance will be transmitted to the California State Controller's Office, to be held pursuant to the Unclaimed Property Law in the name of each individual who failed to cash his or her check prior to the void date. (*Id.* at ¶¶ 4.1.1, 4.1.3.).

25. Released Class Claims: The "Released Class Claims" is limited to claims that were alleged or that reasonably could have been alleged based on the facts alleged in the Operative Complaint. (*Id.* at ¶ 5.1.) The Released Class Claims exclude claims not permitted by law and are limited to claims arising during the Class Period. (*Id*. at ¶ 5.1.1.)

26. Released PAGA Claims: The "Released PAGA Claims" is limited to claims for civil penalties under PAGA that were alleged or that reasonably could have been alleged based on the facts asserted in the Operative Complaint or PAGA Notice. (*Id.* at ¶ 5.2.) The Released PAGA Claims are limited to claims arising during the PAGA Period and do not release any Aggrieved Employees' claims for wages or statutory penalties.. (*Id.* at ¶ 5.2.1.)

27. Effective date of claims releases: The release of all claims will be effective only upon entry of the Court's final approval order and Defendant's funding of the GSA and employer-share of payroll taxes. (*Id.* at ¶ 5.)

28. Released Parties: Defendant and all of its present and former owners, members, parent companies, subsidiaries, joint venturers, and licensees, and all of their shareholders, officers, directors, employees, attorneys, independent contractors, predecessors, affiliates, agents, insurers, successors, and assigns. (*Id.* at ¶ 1.39.)

29. Class Notice; Disputes, Requests for Exclusion, Objections: The Class Notice will be mailed in English and Spanish via first-class U.S. mail to the current address of each Class Member. (*Id.* at ¶ 6.3.) The proposed Class Notice sets forth, in plain terms, a statement of case, the terms of the Settlement, the approximate amounts of attorneys' fees, costs, PAGA Penalties, and service award being sought, an explanation of how the individual payments are calculated, the Final Approval Hearing information, the procedure for disputing the number of Workweeks and/or Pay Periods credited to each Class Members, and how Class Members may, should they choose, opt-out or otherwise object to the Settlement. (*Id.* at ¶ 6.12., Ex. A.)

THE PROPOSED SETTLEMENT IS FAIR, REASONABLE, AND ADEQUATE

30. Plaintiff's Counsel have conducted a thorough investigation into the facts of this case. As previously noted, the Settlement at issue was reached through arms'-length negotiations, private mediation, and the assistance of a statistics expert. Based on Defendant's informal class-wide discovery production, on Plaintiff's Counsel independent investigation and evaluation, and on their extensive experience in wage-and-hour litigation, Plaintiff's Counsel are of the opinion that the proposed Settlement is fair, reasonable, and adequate. Furthermore, considering all known facts and circumstances, the risk of significant delay, trial risk, appellate risk, and the defenses Defendant may assert both to certification and on the merits, the Settlement is in the best interest of the Class and LWDA.

31. Based on Plaintiff's Counsel's review of the time, payroll, and additional data provided by Defendant, on Plaintiff's expert's analysis of the sample records provided by Defendant, and on information from Plaintiff, Plaintiff's Counsel evaluated the estimated maximum and risk-adjusted exposure that

Defendant faced. Based on a review of Defendant's records, it is estimated there are approximately 378 Class Members who collectively worked 8,671 Workweeks during the Class Period, and 373 Aggrieved Employees who collectively worked 4,508 PAGA Pay Periods during the PAGA Period. Additionally, it was estimated that there were 250 former employees falling within the three-year statute of limitations ("SOL") period for waiting time penalties, that Class Members' average hourly rate was $17.49, and that the average regular hourly rate was $17.49.

Accordingly, we calculated Defendant's potential exposure as follows:

Claim	**Relevant Time Period**	**Rate**	**Number of Violations**	**Realistic Recovery**
Unpaid Wages (Off the Clock)	8,671 Workweeks	$17.49 average hourly rate	15,129 net unpaid hours (assuming 5 minutes per shift) (65.6% overtime)	**$52,689.71****
Unpaid Wages (Regular Rate)	8,671 Workweeks	$17.49 average regular rate	Determined to have negligible, if any, value	**Determined to have negligible, if any, value**
Meal Period Violations	8,671 Workweeks	$17.49 average hourly rate	16,149 unique meal break violations	**$141,223.01***
Rest Period Violations	8,671 Workweeks	$17.49 average hourly rate	89,461 rest break violations (assuming 50% break violations for at least 3.5 hours)	**$234,700.93****
Unreimbursed Business Expenses Violations	8,671 Workweeks	$30.00 / month	Based on Expert Analysis of Records	**$9,754.88****
Labor Code § 203	Based on approx. 250 terminated employees within the 3-year SOL	$17.49 average hourly rate / 30-day max.	Assumes 8 hours / day	**$428,940.00*****
Labor Code § 226	Based on approx. 373 employees within the 1-year SOL	$50 per initial pay period / $100 per subsequent pay	Based on 4,508 pay periods within the 1-year SOL	**$46,635.00*****

		periods / $4,000 employee max.		
PAGA	Based on 4,508 pay periods within the 1-year SOL	$100 per pay period	Based on 4,508 pay periods within the 1-year SOL	**$45,080.00*** **
Total				**$959,023.53**
* These figures are discounted based on a 50% probability of prevailing at class certification and on the merits. ** These figures are discounted based on a 15% probability of prevailing at class certification and on the merits. *** These figures are discounted based on a 10% probability of prevailing at class certification and on the merits.[4]				

32. Plaintiff's unpaid wages claim is based on allegations that Defendant failed to pay all minimum and overtime wages due to off-the-clock work. Plaintiff alleges that he and other Class Members were required to waive several minutes to enter the premises at the start of their shifts and upon returning from off-premises meal breaks. After entering, they often faced additional delays waiting to clock in due to frequent malfunctions and freezing of the timeclock tablet. Therefore, Plaintiff's Counsel estimated Class Members spent an average 5 minutes off the clock per shift. Accordingly, Plaintiff's Counsel and data expert estimated Defendant failed to pay Class Members for approximately 15,129 hours, 65.5% of which should have been paid at the overtime rate. From this, and in light of the average rates of the Class Members, Defendant's estimated maximum potential liability is $351,264.74. Defendant contends that all time worked was compensated, that the time required to enter the premises and clock in were *de minimis*, that Class Members were not permitted to work off-the-clock, and that this claim is highly individualized and not susceptible to class-wide treatment. I acknowledge that "off-the-clock" claims are difficult to be tried on a class wide basis because there is no apparatus that can be used to prove this claim—there are no records to be used as evidence. In light of these defenses, and for purposes of

[4] It is reasonable to apply discounts to account for risks at certification and trial, in part, because the Judicial Council of California found that only 21.4% of all class actions were certified either as part of a settlement *or* as part of a contested certification motion. (*See* Findings of the Study of California Class Action Litigation, 2000-2006, available at http://www.courts.ca.gov/documents/class-action-lit-study.pdf.) Further, the likelihood that Defendant could assert viable legal defenses would likely further reduce its overall exposure.

settlement, I discounted the maximum potential liability by 85%. **Plaintiff's realistic recovery estimate for the unpaid wages claim due to off-the-clock work is therefore $52,689.71.**

33. The regular rate claim is based on the allegation that Defendant failed to incorporate all nondiscretionary bonuses into Plaintiff's and Class Members' regular rate of pay for purposes of paying overtime, meal break premiums, and sick pay. However, Plaintiff's expert reviewed the sample records ahead of mediation and determined there was an insufficient basis to establish a Labor Code violation on a class-wide basis. Additionally, Defendant also argues that it did not fail to incorporate any bonuses into the regular rate of pay because such bonuses were discretionary. I acknowledge the foregoing presents significant risk with certifying this claim and proof on the merits. Accordingly, the **regular rate claim was determined to have negligible, if any, value**.

34. Plaintiff's meal period claim is based on allegations that Defendant did not provide or maintain sufficient meal period practices, such that Class Members were not always permitted or able to take meal periods and/or were sometimes subjected to late, short and/or interrupted meal periods without compensation in lieu thereof. The sample of time and corresponding payroll records for the putative Class indicated that Defendant either failed to provide a meal period or provided a short and/or untimely meal period 16,149 times throughout the Class Period 16,149, resulting in a 9.7% violation rate. Plaintiff's Counsel and its data expert then calculated that, in light of these violations and the average hourly rate of the putative Class, that Defendant had a potential liability of $282,446.01 (16,149 unique violations x $17.49 avg. hourly rate). Defendant nonetheless contends that many meal breaks were taken and, where a violation appears, it was a result of the Class Member voluntarily choosing to forego a meal period, to take it after the end of the fifth hour, or to stop his or her break early to return to work. Moreover, certification and proof of this claim would require declarations from Class Members and obtaining such declarations potentially would reveal that each Class Member had a different experience with respect to meal periods. In light of these defenses, and for purposes of settlement, Plaintiff's Counsel believe it reasonable to apply a 50% discount to the potential liability. **Plaintiff's realistic recovery estimate for the meal period claim is therefore $141,223.01.**

35. The rest break claim is based on the allegation that Defendant did not provide or maintain sufficient rest break practices, such that Class Members were regularly required to work in excess of four

consecutive hours a day, or a major fraction thereof, without authorization or permission to take a ten-minute, continuous and uninterrupted rest period or without compensation in lieu thereof. The precise number of rest break violations could not be calculated since Defendant neither documented, nor is required to document, when Class Members took their required rest breaks. Therefore, in preparation for mediation, Plaintiff's Counsel assumed a 50% violation rate for shifts greater than or equal to 3.5 hours in length and, based on the average hourly rate of the putative Class, calculated Defendant's potential liability to be $1,564,672.89 (89,461 unique rest break violations x $17.49 per hour). Defendant nonetheless contends rest periods do not have to be recorded, that Class Members voluntarily chose to forego some rest breaks and, significant for purposes of class certification, that this claim is individualized in nature and therefore would require declarations indicating the majority of Class Members experienced issues as to rest breaks. In light of these defenses, and for purposes of settlement, I discounted Defendant's potential liability by 85%. **Plaintiff's realistic recovery estimate for the rest break claim is therefore $234,700.93.**

36. The unreimbursed business expenses claim is based on the allegation that Defendant did not reimburse Class Members for all expenses incurred in direct consequence of the discharge of duties. Based on information provided by Plaintiff, Plaintiff reports that he used his personal cell phone for work related communications regarding attendance, shift coordination, and directions to the job site, including assisting new hires who had difficulty locating the facility. Plaintiff also reports that, on some occasions, he used his personal vehicle to meet and escort new hires to the worksite and purchased steel toe boots and a fan for work use. However, Defendant argues that it reimbursed Plaintiff and Class Members for all necessary business expenses, and to the extent that a reimbursement was not made, it was because reimbursement was not requested. The precise value of all necessary business expenses Class Members incurred could not be calculated. Therefore, in preparation for mediation, Plaintiff's Counsel estimated Defendant owed approximately $30.00 per month per Class Member in the statutory period and that Defendant's potential liability is $65,032.50. Defendant contends it complied with all its reimbursement obligations, and further, that the reimbursement claim would be difficult to certify, given the individualistic nature of this claim. In light of these defenses, and for purposes of settlement, I discounted Defendant's potential liability by 85%. **Plaintiff's realistic recovery estimate for the unreimbursed expenses claim is therefore $9,754.88.**

37. With respect to Plaintiff's derivative claims for statutory and civil penalties, Plaintiff estimates Defendant's maximum potential recovery, prior to risk-adjustment, is $5,206,550.00, which breaks down as follows: **$4,289,400.00** for waiting time penalties for approximately 250 terminated Class Members in the 3-year SOL; a **$466,350.00** penalty for inaccurate wage statements based on approximately 373 Class Members in the 1-year SOL; and **$450,800.00** for PAGA penalties based on 4,508 Pay Periods and the Court assessing a $100 penalty for each pay period containing a violation. However, I believe it would be unrealistic to expect the Court to award the full exposure amount given the discretionary nature of awarding penalties and given Defendant's defenses, including without limitation, that any failure to pay all final wages at the time of separation was not willful or intentional and that to the extent Plaintiff received wage statements that were allegedly inaccurate, Plaintiff suffered no actual resulting damage or harm. Moreover, I understand the individualized and testimony-intensive nature of the wage claims could bar class certification or otherwise significantly reduce Defendant's overall liability for statutory and civil penalties. Furthermore, considering the underlying wage claims are realistically estimated to be $438,368.53, awarding such a disproportional amount in penalties would also raise Due Process concerns. Weighing these factors, I applied a 90% discount to each penalty (resulting in **$428,940.00** for waiting time penalties, **$46,635.00** for inaccurate wage statement penalties, and **$45,080.00** for PAGA penalties) and accordingly arrived at **a realistic recovery estimate of $520,655.00 for statutory and civil penalties**.

38. Using these estimated figures, Plaintiff predicted **the realistic (risk-adjusted) recovery for all claims, including penalties, is $959,023.53**. This means **the $867,100.00 gross settlement figure represents roughly 90% of the total realistic recovery**. This is an excellent result for the Class, particularly because, under the Settlement, Class Members will receive timely and guaranteed relief, avoiding the risk of not being able to recover anything.

39. With regards to the PAGA claims, the Settlement is a fair and reasonable resolution that satisfies PAGA's dual statutory purposes of deterrence and punishment, on the one hand, and providing Aggrieved Employees with genuine and meaningful relief, on the other. (Lab. Code §§ 2698, *et seq.*) As a result of this litigation, Defendant has had to hire legal counsel, engage in informal class-wide discovery, and participate in mediation. Defendant will also have to pay civil penalties to the LWDA under the

Settlement, assuming final settlement approval is granted. (Settlement, ¶ 3.1.5.) Not including its own attorneys' fees and costs as well as the employer's share of payroll taxes, Defendant will pay no less than $867,100.00 to resolve this matter—of which $20,000.00 is allocated toward the PAGA claims and will be distributed, in compliance with Labor Code section 2699 as 75% ($15,000.00) to the LWDA and 25% ($5,000.00) to Aggrieved Employees—and the release obtained under the Settlement does not preclude Aggrieved Employees from pursuing any individual claims they may have against Defendant or the other Released Parties. Moreover, Plaintiff's Counsel are of the opinion that because the issues here are fairly contested, there is a possibility of the Court not awarding the PAGA penalties even if Plaintiff prevailed on the merits due to the largely discretionary nature of awarding PAGA penalties. In other words, were this matter to go to trial, any award granted would be at the discretion of the Court and subject to a substantial reduction.

40. Further, Plaintiff's Counsel took into account the risk of not being able to proceed on a representative basis due to the potential manageability issues and that even if Plaintiff prevailed at trial, penalties would likely be limited due to the largely discretionary nature of awarding PAGA penalties and in light of other defenses available to Defendant. Thus, it is entirely possible that even if Plaintiff would be successful at trial, assuming he is first able to certify the claims and defeat the manageability issues presented at litigation, Plaintiff could be awarded substantially less than what was obtained through the Settlement. In sum, the $20,000.00 PAGA Penalties allocation under the Settlement constitutes genuine and meaningful relief.

41. Here, the Settlement represents a substantial recovery when considered against the risk and uncertainties involved in continued litigation, the burdens of proof necessary to certify the claims and establish liability, and the probability of appeal. While Plaintiff is confident in the merits of his claims, a legitimate controversy exists as to each cause of action. Plaintiff also recognizes that proving the amount owed to each Class Member would be an expensive, time-consuming, and uncertain proposition.

42. The Settlement obviates the significant risk that this Court may deny certification of all or some of Plaintiff's claims. Plaintiff's Counsel took into account the risk of not prevailing at trial due to low or no participation by Class Members. Indeed, the individualized and testimony-intensive nature of the claims

could bar manageability of the representative claims or otherwise significantly reduce any recovery whatsoever. For example, the rest period and unreimbursed expense claims are testimony-driven claims and the rest period claim assumes a 50% violation rate, which would not likely be demonstrated at trial, as it assumes either the participation of a majority of employees (which would be difficult given the reality that many, if not all, employees would be unwilling to participate due to fear of retaliation), or alternatively, the use of surveys or statistical data as a surrogate (which would still require the participation of a majority of employees to establish a sound representation of all non-exempts). Even assuming employees would be willing to participate, obtaining declarations would potentially reveal that each individual employee had a different experience.

43. Furthermore, even if Plaintiff was able to pursue his claims on a class-wide basis and obtain certification of all or some of the claims, continued litigation would be expensive, involving a trial and possible appeals, and would substantially delay and reduce any recovery by the Class. Although the Parties have engaged in a significant amount of investigation, informal discovery, and class-wide data analysis, they have not conducted depositions. Moreover, preparation for class certification and a trial would remain for the Parties as well as the prospect of appeals in the wake of a disputed class certification ruling for Plaintiff and/or any summary judgment ruling. As a result, the Parties would incur considerably more attorneys' fees and costs through trial. In sum, this Settlement avoids the risks, burdens, and the accompanying expense of further litigation.

44. The proposed $867,100.00 Settlement represents a substantial recovery when compared to the reasonably forecasted recovery for the Class. When considering the risks of litigation, the uncertainties involved in continued litigation, the burdens of proof necessary to establish liability, and the probability of appeal, it is clear the Settlement amount is within the "ballpark" of reasonableness, and that preliminary settlement approval is appropriate. (*Kullar v. Foot Locker Retail, Inc*. (2008) 168 Cal.App.4th 116, 133; *see Munoz v. BCI Coca-Cola Bottling Co. of L.A.* (2010) 186 Cal.App.4th 399, 408–09 [holding that *Kullar* does not require "an explicit statement of the maximum amount the plaintiff class could recover if it prevailed on all its claims," but instead, only an "understanding of the amount that is in controversy and the realistic range of outcomes of the litigation"].)

<u>THE CLASS REPRESENTATIVE SERVICE PAYMENT TO PLAINTIFF IS REASONABLE</u>

45. Throughout this litigation, Plaintiff, who was a former employee of Defendant, has cooperated immensely with my office and has taken many actions to protect the interests of the Class. Plaintiff provided valuable information regarding his hours worked, and what duties were performed during those hours. Plaintiff also provided information regarding meal periods taken and missed by Plaintiff and other Class Members. Plaintiff participated in decisions concerning this action, assisted in preparation for the mediation, and provided my office with the names and contact information of potential witnesses in this action. Before we filed this case, Plaintiff worked with my office to determine the viability of his claims. Plaintiff also provided information and documents relating to his employment by Defendant. The information and documentation provided by Plaintiff was instrumental in establishing the wage-and-hour violations alleged in this action, and the recovery provided for in the Settlement would have been impossible to obtain without his participation.

46. At the same time, Plaintiff faced many risks in adding himself as the named Plaintiff in this matter. Plaintiff faced actual risks with his future employment, as putting himself on public record in an employment lawsuit could also very well affect his likelihood for future employment. For example, a search of Plaintiff's name will reveal this action, and as a result, many employers may likely forego hiring Plaintiff in learning he sued a former employer.

47. In turn, Class Members can now participate in a settlement, reimbursing them for wage violations they may have never known about or been willing to pursue on their own. If each Class Member would have tried to pursue legal remedies on their own, that would have resulted in each having to expend a significant amount of their own monetary resources and time, not to mention limited judicial resources, which were obviated by Plaintiff putting himself on the line on behalf of the Class.

48. This class action would not have been possible without the aid of Plaintiff, who put his own time and effort into this litigation and placed himself at risk for the sake of the Class. The requested representative service payment to Plaintiff for his service as the Class Representative is a relatively small amount of money considering the time and effort put into the litigation and compared to enhancements granted in other class actions. The requested representative service payment is therefore reasonable to

compensate Plaintiff for his active participation in this lawsuit, in addition to his general release of claims, both known and unknown, and waiver of section 1542 rights.

MY EXPERIENCE AND QUALIFICATIONS

49. I received a B.A. in History in 1998 from UCLA, and my J.D. from Loyola Marymount Law School in 2006. I became an Active Member of the State Bar of California in June 2007 and have been an Active Member in good standing continuously since then. I have been selected to Super Lawyers each year from 2019 to 2023.

50. I co-founded Moon & Yang, APC—now Moon Law Group, PC—in March 2010. My practice is focused exclusively on advocating for the rights of employees in wage-and-hour litigation, almost entirely in class and/or representative actions.

51. For the past decade, I have built my practice to have an emphasis on employment and related civil litigation cases and have both prosecuted and defended employment-related litigation cases. I have been heavily, successfully, and continuously involved in active litigation and trial work, and have conducted bench and jury trials on behalf of both employees and employers in wage-and-hour cases.

52. My current billing rate is $950.00 per hour, which is my usual hourly rate in wage-and-hour litigations. A $950.00 per hour rate is reasonable considering my years of experience practicing in the highly specialized area of employment and labor law and my Laffey Matrix rate (The Laffey Matrix, http://www.laffeymatrix.com/see.html [last visited Jan. 23, 2025].) The Laffey Matrix is a "well-established objective source for rates that vary by experience" used by the District of Columbia. (*In re HPL Tech., Inc. Sec. Litig.* (N.D. Cal. 2005) 366 F. Supp 2d 912, 921.) A true and correct copy of the Laffey Matrix is attached hereto as **Exhibit 6**. California Courts have adjusted the Laffey Matrix rate upwards based on "locality pay differentials" and the location of counsel's office in California to determine whether counsel's rates are reasonable. (*See, e.g.*, *id.* [applying a 9% upward adjustment to the Laffey Matrix rate based on an approximate difference of 9% between the locality pay differential of the District of Columbia and San Francisco, California, where counsel's office was located].) To determine the locality pay differential, the Court in *In re HPL Technologies, Inc.* utilized the locality pay differentials within the federal courts. (*Id.* at pp. 921–22.) Using the same method here and based on my firm's location in Los

Angeles, California, the locality pay differential of the Los Angeles-Long Beach area is 36.47% and the locality pay differential of the Washington-Baltimore-Arlington area is 33.94%, which results in a difference of approximately 2.53%. (*Compare* Judiciary Salary Plan of Los Angeles-Long Beach, CA, Effective January 12, 2026, *with* Judiciary Salary Plan of Washington-Baltimore-Arlington, Effective January 12, 2026.) True and correct copies of the Los Angeles-Long Beach, CA and Washington-Baltimore-Arlington salary plans are attached hereto as **Exhibit 7** and **Exhibit 8**, respectively. Based on my 19+ years of experience out of law school, my Laffey Matrix rate with a 2.53% adjustment is $971.98 per hour ($948 Laffey Matrix rate + (2.53% x $948)) (Ex. 6). Accordingly, my current billing rate of $950.00 per hour is reasonable.

53. I am experienced in prosecuting and defending employment matters, particularly class actions and PAGA representative actions. My firm has focused a substantial percentage of its practice on wage, hour, and working conditions violations. In addition to the present case, I am also class counsel for other wage-and-hour class action lawsuits pending in various California counties, including in state and federal courts. The following is a list of some of our recent class action settlements that have received preliminary and final approval: *Aparicio v. Lineage Logistics, LLC* (LASC No. BC722764) (class size approx. 155; lead counsel); *Black v. Mission Healthcare Servs., Inc*. (LASC No. 19STCV04602) (class size approx. 1,000; lead counsel); *Campa v. Bloomingdeals, Inc*. (LASC No. BC700366) (class size approx. 1,500; lead counsel); *Garcia v. Comfy U.S.A. Apparel, Inc.* (LASC No. BC709630) (class size approx. 210; lead counsel); *Gomez v. H Mart Cos., Inc.* (LASC No. BC671525) (class size approx. 2,500; co-counsel); *Jones v. Citiguard, Inc.* (LASC No. BC664890) (class size approx. 587; lead counsel); *Jones v. Fitness Alliance, LLC* (Riverside No. PSC1404079) (class size approx. 1,000; lead counsel); *Lagos v. ThyssenKrupp Elevator Corp.* (LASC No. BC682972) ($750,000 for 79 class members; lead counsel); *Mark Brulee et al. v. DAL Global Servs., LLC* (C.D. Cal. Dec. 20, 2018, No. CV 17-6433 JVS(JCGx)) 2018 WL 6616659, at *10 (class size approx. 2,650; lead counsel) (in approving my hourly rate in that case, the Court found: "Class Counsel's declarations show that the attorneys are experienced and successful litigators. Other courts have approved the attorneys' current rates for the Moon & Yang, APC attorneys"); *Martinez v. Bail Hotline Bail Bonds, Inc.* (LASC No. BC700131) (class size approx. 173; lead counsel); *Montoya v. Golden 1 Credit Union* (Sacramento No. 34-

2018-00228252) (class size approx. 1,900; lead counsel); *Onofre v. Caitac Garment Processing, Inc*. (LASC No. BC702283) (class size approx. 750; lead counsel); *Rodriguez v. Rossmoyne, Inc.* (LASC No. BC699137) (class size approx. 220; lead counsel); *Sison v. Cha Hollywood Med. Ctr., L.P.* (LASC No. BC6441 29) (class size approx. 2,100; co-counsel); *Slaughter v. ACA Sec. Stems, LP* (LASC No. BC699137) (class size approx. 300; lead counsel); *Taylor v. Sherman's Delicatessen & Bakery, LLC* (LASC No. BC722765) (class size approx. 515; lead counsel); *Vargas v. AMS Paving, Inc*. (LASC No. BC722767) (case size approx. 260; lead counsel); *Vertti v. Bagcraft Papercon III, LLC* (LASC No. 19STCV12729) (class size approx. 260; lead counsel); and *Wallick v. Campbell Soup Supply Co., LLC* (San Joaquin No. STK-CV-UOE-2021-0000865) (class size 435; lead counsel).

JACQUELYNE VANEMMERIK'S EXPERIENCE AND QUALIFICATIONS

54. Jacquelyne VanEmmerik received a Bachelor of Arts in Law, History, and Culture from the University of Southern California in 2017, and a Juris Doctorate from the University of California, Davis School of Law in 2021. In law school, Ms. VanEmmerik served as a Judicial Extern for the Honorable Todd W. Eddins of the Supreme Court of Hawai'i and Senior Articles Editor of the Environmental Journal of Law and Policy.

55. Ms. VanEmmerik became an Active Member of the State Bar of California in November 2021 and has been an Active Member in good standing continuously since. Ms. VanEmmerik is also a member in good standing with the United States District Court for the Central and Northern Districts and was selected by Super Lawyers as a "Southern California Rising Star" in 2024.

56. Ms. VanEmmerik is an associate attorney at Moon Law Group, P.C. and represents employees in all aspects of employment litigation, including wage-and-hour class and representative actions involving claims related to overtime and minimum wages, meal and rest break violations, improper wage statements, the California Private Attorneys General Act, and unfair business practices.

57. Ms. VanEmmerik's hourly rate is $700.00, which is her usual hourly rate in wage and hour litigations. Based on Ms. VanEmmerik's nearly 5 years of experience out of law school, her Laffey Matrix rate with a 2.53% adjustment is $595.70 per hour ($581 Laffey Matrix rate + (2.53% x $581)) (Ex. 6).

Accordingly, Ms. VanEmmerik's current billing rate of $700.00 per hour is reasonable based on the Laffey Matrix rate and when considering her experience.

58. During her tenure with Moon Law Group, P.C., Ms. VanEmmerik has played a critical role in obtaining outstanding results for employees who have been wronged by their employers. Ms. VanEmmerik's litigation experience includes, but is not limited to:

(a) In March 2023, Ms. VanEmmerik briefed a Motion for Class Certification in the matter of Roland Tolentino v. Gillig, LLC, Case No. RG20073930, Alameda County Superior Court, thereafter, removed to Federal Court;

(b) In May 2023, Ms. VanEmmerik briefed, and prevailed on, an Opposition to Motion for Judgment on the Pleadings in the matter of Rodrigo Gonzalez Guzman v. Wayne Provisions Co., Inc., Case No. 21STCV41124, Los Angeles Superior Court, in which Defendant attempted to invalidate Plaintiff's standing to bring a representative claim under the California Private Attorneys General Act of 2004;

(c) In January 2022, Ms. VanEmmerik briefed, and prevailed on, an Opposition to Demurrer in the matter of Fernando Alquicira, et al. v. Sit N' Sleep, Inc., et al., Case No. 21STCV14594, Los Angeles Superior Court, in which Defendant wrongfully sought an order of abatement or stay of proceedings pending final judgment of an unrelated matter;

(d) In January 2022, Ms. VanEmmerik briefed, and prevailed on, an Opposition to Motion for Bifurcate and Sequence Discovery in the matter of David Flores Valencia v. Wawona Packing Co., LLC, Case No. 21CECG01163, Fresno County Superior Court, in which Defendant sought to subject Plaintiff to a preliminary trial to establish his status as an aggrieved employee before proceeding as a representative in his PAGA action; and

(e) From September 2021 to the present, Ms. VanEmmerik has participated in the litigation and/or resolution of approximately seventy wage-and-hour class and/or representative actions, including through successfully moving the Court for preliminary and final approval of settlements on the first attempt.

NICHELLE CHRISTOPHERSON'S EXPERIENCE AND QUALIFICATIONS

59. Nichelle Christopherson is an associate attorney at Moon Law Group, PC, formerly known as Moon & Yang, APC, and represents employees in all aspects of employment litigation, including wage-and-hour class and representative actions involving claims related to overtime and minimum wages, meal and rest break violations, improper wage statements, the California Private Attorneys General Act, and unfair business practices.

60. Ms. Christopherson received a Bachelor of Arts in Political Science from Arizona State University and a Juris Doctor from Michigan State University College of Law. In law school, Ms. Christopherson served as a Senior Editor on the MSU International Law Review Journal and President of the Lori E. Talsky Center for Human Rights of Women and Children Student Network.

61. Ms. Christopherson became an Active Member of the State Bar of California in May 2023 and has been an Active Member in good standing continuously since. Ms. Christopherson is also admitted to practice before the U.S. District Courts for the Central, Southern, and Eastern Districts of California.

62. Ms. Christopherson's hourly rate is $500.00, which is her usual hourly rate in wage and hour litigations. Based on Ms. Christopherson's nearly 3 years of experience out of law school, her Laffey Matrix rate with a 2.53% adjustment is $484.97 per hour ($473 Laffey Matrix rate + (2.53% x $473)) (Ex. 6). Accordingly, Ms. Christopherson's current billing rate of $500.00 per hour is reasonable based on the Laffey Matrix rate and when considering her experience.

CLASS COUNSEL'S EXPERIENCE AND QUALIFICATIONS

63. As demonstrated by the foregoing, my office is qualified to handle this litigation because we are experienced in litigating Labor Code and Wage Order violations in individual, class, and representative actions. The attorneys at my office have been appointed as lead or co-lead counsel in numerous wage-and-hour class and/or PAGA actions in state and federal courts by way of motion for settlement approval. Including myself, Moon Law Group, PC is comprised of approximately 35 attorneys, all of whom are actively and continuously practicing employment litigation, representing almost entirely employee-

plaintiffs, in both individual and class and/or PAGA actions, in this Superior Court and other Superior Courts throughout the State, in the Courts of Appeal, and in various federal courts. The attorneys at my firm have a high level of skill and knowledge in wage-and-hour class actions, PAGA representative actions, and labor and employment law generally, the substantiative (state and federal) and procedural law of which is frequently evolving.

64. Moon Law Group, PC has been engaged in the practice of employment and labor law for over a decade, and presently focuses exclusively on plaintiffs' employment law. The firm and its lawyers have tried both bench and jury trials (representing both plaintiffs and defendants) relating to employment matters. As noted above, Moon Law Group, PC has been appointed lead or co-lead class counsel in federal and state courts in California. Also, the firm and its lawyers have successfully settled hundreds of cases during that time, including wage-and-hour class and/or PAGA actions.

65. The foregoing experience of myself and other attorneys of Moon Law Group, PC is helpful in assessing the reasonableness of settlements, such as the one at issue here, and from this experience we concluded that this litigation could not have been settled on better terms than provided under the Settlement.

66. I respectfully submit that the attorneys of Moon Law Group, PC, myself included, are well suited to act as Class Counsel in this action, and we have, and will continue to, vigorously represent the interests of the Class. To my knowledge, we do not have any conflicts of interest with Plaintiff, other Class Members, or the proposed Administrator, , and we are not related to Plaintiff. We respectfully request to be appointed as Class Counsel, for settlement purposes.

<u>THE REQUEST FOR ATTORNEYS' FEES AND COSTS IS REASONABLE</u>

67. The Settlement provides for attorneys' fees payable to Class Counsel in an amount up to one-third of the Gross Settlement Amount (i.e., no less than $289,033.33, subject to potential increase under the escalator clause) and litigation costs up to $25,000.00. (Settlement, ¶ 3.1.2.) The proposed award of attorneys' fees can be justified under either the lodestar method or the percentage/common-fund recovery method. however, we base the proposed fees award on the percentage method, as many of the entries in the time records will have to be redacted to preserve attorney-client and attorney work product privileges.

68. I am informed and believe that the fees and costs provision in the Settlement is reasonable. The fee percentage requested is less than that charged by my office for most employment cases. Moreover, my office invested significant time and resources into the case, with payment deferred to the end of the case, and then, of course, contingent on the outcome.

69. It is further estimated that my office will need to expend at least another 50 to 100 hours to monitor the administration process leading up to the final approval, prepare for final approval, and oversee distribution to the Class following final approval. My office also bears the risk of taking whatever actions are necessary should Defendant fail to pay.

70. The risk to my office has been very significant, particularly if we would not be successful in pursuing this class action. In such instance, we would have been left with no compensation for all the time taken in litigating this case due to the contingency fee arrangement. Indeed, I have taken on a number of class action cases that have resulted in thousands of attorney hours being expended and ultimately having the defendant company going bankrupt during litigation. The contingent risk in these types of cases is very real and occurs regularly. Furthermore, we were precluded from focusing on, or taking on, other cases which could have resulted in a larger, and less risky, monetary gain.

71. Because most individuals cannot afford to pay for representation in litigation on an hourly basis, Moon Law Group, PC represents virtually all its employment law clients on a contingency fee basis, including Plaintiff in this matter. Pursuant to this arrangement, we are not compensated for our time unless we prevail at trial or successfully settle our clients' cases. Because Moon Law Group, PC is taking the risk that we will not be reimbursed for our time unless our client settles or wins his or her case, we cannot afford to represent an individual employee on a contingency basis if, at the end of our representation, all we are to receive is our regular hourly rate for services. It is essential that we recover more than our regular hourly rate when we win if we are to remain in practice so as to be able to continue representing other individuals in civil rights employment disputes.

72. As of the drafting of this motion, my office has incurred $18,747.98 in expenses litigating this action, and we anticipate accruing additional costs up to final approval. (Ex. 4) These expenses were reasonably necessary to the litigation and were actually incurred by my office. Moreover, because total

litigation costs are below the maximum amount allowed under the Settlement, the difference will revert to Participating Class Members. (*Id.* at ¶ 3.1.2.) Therefore, our costs should be reimbursed in full.

73. My office invested significant time and resources into the case, with payment deferred to the end of the case, and then, of course, contingent on the outcome. My office's efforts have included, and will include following preliminary and final approval, without limitation, the following:

(a) Numerous interviews with Plaintiff and review of documents provided by him;

(b)

(c) Legal research and investigation regarding Defendant's business and employment practices at numerous points in the litigation;

(d) Preparation and submission of Plaintiff's PAGA notice;

(e) Preparation, finalization, and filing of multiple drafts of the original class action complaint and subsequent first amended complaint;

(f) Extensive "meet and confer" correspondence and discussions with Defense Counsel regarding mediation and to obtain relevant documents and information through informal discovery;

(g) Research and preparation of Plaintiff's mediation brief;

(h) Analysis of the discovery production and preparation of a damages model with the aid of a statistics expert;

(i) Attendance and active participation at a full day of mediation;

(j) Drafting, negotiating, and reviewing multiple drafts of the Settlement and Class Notice;

(k) Preparation of the motion for preliminary approval and the accompanying filings;

(l) Anticipated preparation for and attendance at the preliminary approval hearing;

(m) Anticipated conferring with Defense Counsel, and the Administrator regarding the Class Notice mailing, Class responses, and preliminary and final calculations;

(n) Anticipated preparation, finalization, filing, and service of a motion for final approval and accompanying filings;

(o) Anticipated preparation for and anticipated attendance at the final approval hearing, and then monitoring of the distribution of funds following final approval; and

(p) Anticipated responding to Class Member inquiries and communicating with Plaintiff regarding the case.

74. Through the efforts of my office and Plaintiff in this case, a fair and reasonable joint resolution has been reached that includes a gross, non-reversionary payment by Defendant of *no less than* $867,100.00 to compensate Class Members for the alleged unlawful wage-and-hour practices. I am informed and believe that, without the efforts of my office or Plaintiff, the Labor Code and Wage Order violations alleged in the Operative Complaint would have gone completely unremedied.

I declare under penalty of perjury under the laws of the State of California and the United States that the foregoing is true and correct. Executed on January 23, 2026, at Los Angeles, California.

____

Kane Moon