

Brian J. Mankin, Esq. [CSB No. 216228]
brian@lmlfirm.com
Peter J. Carlson, Esq. [CSB No. 295611]
peter@lmlfirm.com
LAUBY, MANKIN & LAUBY LLP
5198 Arlington Avenue, PMB 513
Riverside, CA 92504
Tel: (951) 320-1444 | Fax: (951) 320-1445

Mehrdad Bokhour, Esq. (Cal. Bar No. 285256)
mehrdad@bokhourlaw.com
BOKHOUR LAW GROUP, P.C.
1901 Avenue of the Stars, Suite 450
Los Angeles, California 90067
Tel: (310) 975-1493 | Fax: (310) 675-0861

Attorneys for Plaintiff, on a representative basis and on behalf of all others similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF RIVERSIDE

VICENTE ALVAREZ, individually, on a
representative basis, and on behalf of all
others similarly situated;

Plaintiff,

vs.

SPENUZZA, INC., a California
Corporation; and DOES 1 through 20,
inclusive;

Defendants.

Case No.: CVRI2304283

*[Assigned to Hon. Harold Hopp, Dept 1, for all
purposes]*

**DECLARATION OF MEHRDAD
BOKHOUR IN SUPPORT OF MOTION
FOR PRELIMINARY APPROVAL OF
CLASS ACTION AND PAGA
SETTLEMENT**

Hearing

Date: September 23, 2024

Time: 8:30 a.m.

Dept.: 1

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1 **The Settlement Resulted From Serious, Informed Negotiations**

2 9. The Settlement that has been reached, subject to this Court’s approval, is the
3 product of substantial effort by the parties and their counsel. The settlement was reached after
4 extensive factual and legal investigation and research, numerous discussions, exchanges of
5 documents and information, correspondences, multiple sessions of mediation, expert review of
6 financial documents, review of pleadings, evidence, and rulings in similar actions litigated
7 elsewhere in the state, and a review of similar cases in the same industry elsewhere in the country.
8 The Settlement amount is, of course, a compromise figure. It considered the risks related to
9 liability, damages, and all the defenses asserted by Defendant.

10 10. Plaintiff asserts that the wage and hour claims and the PAGA claims for resulting
11 penalties would be certified. Plaintiff’s counsel reviewed documents produced by Defendant,
12 including but not limited to employee handbooks, time and payroll records for Class Members,
13 etc., and based thereon reasonably believed that Plaintiff would have a significant chance of
14 certifying the Class.

15 11. On the other hand, Defendant argued that Plaintiff cannot meet class certification
16 requirements. Defendant believes that compliant meal and rest periods were provided, and
17 Defendant did not deter employees from taking compliant meal and rest periods, and Defendant’s
18 meal and rest period policies were likewise compliant. Defendant further contended that class
19 certification would not be warranted because individual liability issues predominate Plaintiff’s
20 claims.

21 12. While Plaintiff believes in their chance of success in certifying the claims, Plaintiff
22 recognizes the potential risk, expense, and complexity posed by further litigation. Litigating
23 Plaintiff’s claims in this litigation—claims that involve numerous Class Members during the Class
24 Period—would require substantial additional preparation and discovery and ultimately would
25 involve the deposition and presentation of numerous witnesses (including expert witnesses), as
26 well as the consideration, preparation, and analysis of expert reports. Therefore, should litigation
27 have progressed any further, each side would have incurred significant expenses.

1 13. Plaintiff and Defendant have very strong positions on liability in this case.
2 Defendant strongly denies any liability or wrongdoing associated with the claims alleged in
3 Plaintiff's operative complaint and further denies that, for any purpose other than settling this
4 lawsuit, this action is appropriate for class treatment. Considering the sharply contested legal and
5 factual issues, the risks of continued litigation, and substantial benefits to Class Members under
6 the Settlement, the terms and conditions of this class settlement are fair and reasonable to all
7 sides.

8 14. Class Counsel conducted a thorough investigation into the facts of the case, including,
9 *among other things*, interviews with Plaintiff and multiple Class Members, and diligently investigated
10 the allegations in this lawsuit. Class Counsel reviewed a large volume of pages of documents and data
11 produced by Defendant and obtained through other sources, including and not limited to, Plaintiff and
12 other Class Members, employment records (including, *among other things*, time and payroll data,
13 timecards, earning statements, and personnel records), as well as excerpts of Defendant's employee
14 handbook (such as excerpts pertaining to Defendant's meal and rest break policies), class-wide data,
15 various documents regarding Defendant's wage-and-hour policies, various internal memoranda
16 various agreements, various training and onboarding material, and various forms, among other
17 information and documents.

18 15. The parties exchanged information and documents formally and informally. The
19 parties also met and conferred on numerous occasions over issues relating to the pleadings,
20 jurisdiction, vigorous motion practice, and discovery. The parties reached the Settlement after
21 reviewing all available evidence, arms-length bargaining, and participating in mediation conducted
22 by David Phillips, Esq., a well-respected mediator experienced in handling complex wage-and-hour
23 matters. During the mediation, the parties exchanged information and discussed various aspects of
24 the case, including, and not limited to, Plaintiff's claims, the risks and delays of further litigation and
25 of proceeding with certification and/or representative adjudication, the law relating to rounding
26 theory, meal and rest periods, wage-and-hour enforcement, and PAGA representative claims, the
27 evidence produced and analyzed, and the possibility of appeals, among other things.

1 16. The parties reached the Settlement after reviewing all available evidence, arms-length
2 bargaining, and participating in mediation conducted by a well-respected mediator experienced in
3 handling complex wage-and-hour matters. During the mediation, the parties exchanged information
4 and discussed various aspects of the case, including, and not limited to, Plaintiff's claims, the risks
5 and delays of further litigation and of proceeding with certification and/or representative adjudication,
6 the law relating to regular rate theory, meal and rest periods, wage-and-hour enforcement, and PAGA
7 representative claims, the evidence produced and analyzed, and the possibility of appeals, among
8 other things.

9 17. During all settlement discussions, the parties negotiated at arm's length from an
10 adversarial position. Arriving at a settlement that was acceptable to both parties was not easy. The
11 data and documents produced and obtained in this case enabled Class Counsel to prepare
12 damages/valuation models for the mediation to determine the value and strength of the claims.

13 18. The mediator's evaluations helped the parties agree that the Action was well-suited
14 for settlement given the legal issues relating to the claims and the costs and risks to both sides that
15 would attend further litigation. The Settlement considers the strengths and weaknesses of each side's
16 position and the uncertainty of how the case might have concluded at certification, trial, and/or
17 appeals.

18 19. The Settlement is based on this large volume of facts, evidence, investigation, and the
19 parties' negotiations during the mediation. While the parties disagree over the merits and certifiability
20 of the Plaintiff's claims, Plaintiff and Class Counsel agree that the Settlement is fair, reasonable,
21 adequate, and in the Class's best interest in light of all known facts and circumstances.

22 20. The proposed Class Notice provides the best notice practicable and is adequate
23 because Defendant has the contact information for Class Members. While Class Counsel considered
24 alternative methods such as publication or notice via the web or social media, it ultimately determined
25 that first class mail was the best choice given that the identities of the Class Members are known and
26 readily identifiable from Defendant's records.

27 21. Plaintiff has concurrently submitted the settlement to the LWDA in accordance
28 with Labor Code Section 2699(1)(2).

22. In compliance with California Rules of Professional Conduct, Plaintiff signed a fee split agreement that allocates fees between Class Counsel.

23. Pursuant to California Rules of Court Rule 3.769(b), Plaintiff can provide the Court a copy of the fee split agreement that has been entered into with respect to the payment of attorney's fees for this matter.

I declare under penalty of perjury under the laws of California that the foregoing is true and correct this 21st day of August 2024, in Los Angeles, California.

/s/ Mehrdad Bokhour

Mehrdad Bokhour