D.LAW, INC.
David Keledjian (SBN 309135)
d.keledjian@d.law
Enoch J. Kim (SBN 261146)
e.kim@d.law
David Arakelyan (SBN 337076)
d.arakelyan@d.law
Marta Manus (SBN 260132)
m.manus@d.law
250 N Madison Ave, 2nd Floor
Pasadena, CA 91101
Telephone: (818) 962-6465
Facsimile: (818) 962-6469

Attorneys for Plaintiff JOSEPH LUIS MARTIN,
on behalf of himself and all others similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN MATEO

JOSEPH LUIS MARTIN, on behalf of himself and all others similarly situated, and the general public, Plaintiff, vs. SILVER STRAND, INC., a California corporation; WORKYARD, INC., a Delaware corporation; WORKYARD HOLDINGS, INC., a Delaware corporation; and DOES 1 through 50, inclusive, Defendants.	Case No. 23-CIV-04473 Assigned for All Purposes To: Hon. Nicole D. Healy Dept.: 28 **NOTICE OF MOTION AND MOTION FOR APPROVAL OF PAGA SETTLEMENT** [*filed concurrently with Declaration of Enoch J. Kim; Declaration of Kevin Lee; and [Proposed] Order*] Hearing Date: April 22, 2026 Time: 2:00 p.m. Dept.: 28

TO THE COURT AND DEFENDANTS AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on April 22, 2026 at 2:00 p.m. in Department 28 of the above-entitled Court, located at 800 North Humboldt Street, San Mateo, CA, 94401, Plaintiff Joseph Luis Martin ("Plaintiff" or "PAGA Representative"), on behalf of himself, the State of California, and all aggrieved employees (the "Aggrieved Employees"), will and hereby does move this Court pursuant to California Labor Code § 2698 et seq. for an order approving the settlement agreement between Plaintiff and Defendant Silver Strand, Inc. ("Defendant") (Plaintiff and Defendant collectively referred to as the "Parties") which will accomplish the following: approve the representative action settlement embodied in the PAGA Settlement Agreement ("Settlement Agreement"); approve PAGA Counsel's application for attorney's fees and litigation costs; and enter judgment approving the Settlement Agreement.

The grounds for this Motion, as set forth in the attached Memorandum of Points and Authorities and supporting declarations, are that this is a fair and reasonable settlement that benefits the Aggrieved Employees and the State and was the product of informed, non-collusive negotiations by parties who were represented by experienced and able counsel. *See Wershba v. Apple Computer, Inc.*, 91 Cal. App 4th 224, 244-45 (1996); *Dunk v. Ford Motor Co.*, 48 Cal. App. 4th 1794, 1802 (1996); Manual for Complex Litigation, (Second), § 30.44 (1985).

Defendant does not oppose this Motion. Plaintiff bases this Motion on this Notice and the accompanying Memorandum of Points and Authorities, the supporting declarations, the complete pleadings, records and files in the case, and such other further oral and documentary evidence which may be submitted at or before the hearing on this Motion.

DATED: March 30, 2026

D.LAW, INC.

By: ______________________

Enoch J. Kim
Attorneys for Joseph Luis Martin on behalf of himself and Aggrieved Employees

TABLE OF CONTENTS

TABLE OF AUTHORITIES

Cases

<u>STATUTES</u>

MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Through this motion, Plaintiff Joseph Luis Martin ("Plaintiff") requests that the Court grant approval of the PAGA Settlement Agreement ("Settlement" or "Settlement Agreement") reached between the Parties to resolve claims brought exclusively under the Private Attorneys General Act of 2004, Labor Code § 2698, *et seq*. ("PAGA") seeking civil penalties for various violations of the California Labor Code and Industrial Wage Commission's Wage Orders. Pursuant to the Settlement, Silver Strand, Inc. ("Defendant") (Plaintiff and Defendant collectively referred to as the "Parties") will pay the Gross Settlement Amount of $392,500.00. (Declaration of Enoch J. Kim ("Kim Decl."), Exhibit 1, ¶ 3.1.) For purposes of the Settlement, the group of aggrieved employees included in the Settlement is defined as all current and former non-exempt employees of Defendant in California who worked during the PAGA Period, which is the period from September 20, 2022, through July 10, 2024. (Kim Decl., Exhibit 1, ¶¶ 1.4 and 1.19.)

Given the amount Defendant will pay to effectuate the Settlement and the formula for distribution of the Settlement funds, Plaintiff and his counsel believe that the Settlement is fair, reasonable and in the best interests of the State and the Aggrieved Employees. Accordingly, Plaintiff requests that the Court "review and approve" the Settlement pursuant to Labor Code § 2699(*l*)(2). If the Court deems the Settlement fair and acceptable, Plaintiff requests that the Court enter an order approving the Settlement in the form lodged herewith and ordering the parties and Administrator to carry out the terms of the Settlement Agreement and enter a Final Judgment thereon.[1]

II. RELEVANT BACKGROUND AND PROCEDURAL HISTORY

A. Litigation Overview and Procedural History

On September 20, 2023, Plaintiff commenced this Action by filing a Class Action Complaint alleging causes of action on behalf of all similarly situated employees against Defendant for: (1)

///

[1] Plaintiff has submitted the Settlement Agreement and this Motion to the LWDA by uploading it on the LWDA's website concurrently with the filing of this Motion as required by Labor Code § 2699(*l*)(2). (Declaration of Enoch J. Kim ("Kim Decl.") ¶ 34, Exhibit 5.)

Failure to Provide Meal Periods Under Labor Code §§ 204, 223, 226.7, 512, and 1198; (2) Failure to Provide Rest Periods Under Labor Code §§ 204, 223, 226.7, and 1198; (3) Failure to Pay Hourly Wages and Overtime Under Labor Code §§ 223, 510, 1194, 1194.2, 1197, 1997.1, and 1198; (4) Failure to Provide Accurate Written Wage Statements Under Labor Code §§ 226(a); (5) Failure to Timely Pay All Final Wages Under Labor Code §§ 201, 202, and 203; (6) Failure to Indemnify In Violation of Labor Code § 2802; and (7) Violation of Business & Professions Code § 17200 *et seq* ("Complaint"). (Kim Decl., ¶ 4.) Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendant and the LWDA by sending and submitting the PAGA Notice on September 20, 2023 (LWDA-CM-982826-23). (*Id.*) On November 22, 2023, Plaintiff filed a First Amended Class Action Complaint to add a cause of action under PAGA ("Operative Complaint"). (*Id.*)

After initiating the Action, the Parties met and conferred regarding the allegations in the Class Action Complaint and PAGA Notice and the enforceability of an arbitration agreement signed by Plaintiff. (Kim Decl., ¶ 5.) After much consideration, the Parties agreed to try and resolve the matter through mediation. (*Id.*)

B. Mediation and Settlement

Prior to mediation, Plaintiff obtained, through informal discovery, the production of relevant policy, timekeeping, and related documents along with numbers of aggrieved employees and other data to provide the Parties' counsel with sufficient information on their claims and defenses to discuss potential penalty exposure and good faith bases for reduction. (Kim Decl., ¶ 6.)

On July 10, 2024, the Parties participated in an all-day mediation presided over by the Honorable Ronald M. Sabraw (Ret.), which led to an agreement on general settlement terms to resolve the Action. (Kim Decl., ¶ 7.) The Parties continued to work together to finalize and execute the long-form settlement agreement, which is the Agreement now before the Court for approval. (*Id.*)

The Parties believe and agree that the Settlement provides for a fair, adequate, and reasonable resolution of the Action and have arrived at the Settlement after extensive, arm's length negotiations, considering all relevant factors, present and potential. (Kim Decl., ¶ 8.) PAGA Counsel believes that the Settlement confers real benefits upon the Aggrieved Employees and the State and that an independent review of the Settlement by the Court in the approval process will confirm this conclusion. (*Id.*)

III. <u>PAGA ACTIONS AND THE REQUIREMENTS</u>

A. The PAGA Statutory Scheme

PAGA creates a means of "deputizing" citizens as private attorneys general to enforce the Labor Code on behalf of the LWDA. *Brown v. Ralphs Grocery Co*. (2011) 197 Cal. App. 4th 489, 501, *review den.* (Oct. 19, 2011, No. S195850), *cert. denied* 132 S.Ct. 1910 (Apr. 16, 2012). A plaintiff may not — and Plaintiff here does not — bring a PAGA claim simply on his or her own behalf as an individual claim, but "as the proxy or agent of the state's labor law enforcement agencies." *Id*., at 986; *see also Reyes v. Macy's, Inc*. (2011) 202 Cal. App. 4th 1119, 1123-1124; *Iskanian v. CLS Transp. Los Angeles, LLC* (2014) 59 Cal.4th 348, 380. When an aggrieved employee brings a PAGA claim, "the government is always the real party in interest." *Securitas Sec. Servs. USA, Inc. v. Sup. Ct. of San Diego Cnty*. (2015) 234 Cal. App. 4th 1109, 1119; *Montano v. The Wet Seal Retail, Inc*. (2015) 232 Cal. App. 4th 1214, 1222 ("[A] PAGA action is a dispute between an employer and the State agency."). Accordingly, a plaintiff that brings a PAGA claim represents "the same legal right and interest as state labor law enforcement agencies," in that the plaintiff seeks to recover those civil penalties that the LWDA otherwise would assess and collect. *Arias v. Super. Ct*. (2009) 46 Cal.4th 969, 986; Labor Code § 2699(a) & (f); *Securitas, supra*, 234 Cal. App. 4th at 1119; *see also Medina v. Vander Poel* (E.D. Cal. 2015) 523 B.R. 820, 825 (holding "PAGA plaintiffs do not have property rights in their cases."), and *Amalgamated Transit Union, Local 1756, AFL-CIO v. Superior Court* (2009) 46 Cal.4th 993, 1003.

Therefore, when a plaintiff brings a PAGA claim, he or she is properly viewed as a private attorney general prosecuting violations of California's labor laws on behalf of the state. An employee may commence a PAGA action by fulfilling the requirements of California Labor Code § 2699.3(a)(1), which simply states: "The aggrieved employee or representative shall give written notice by certified mail to the Labor and Workforce Development Agency and the employer of the specific provisions of this code alleged to have been violated, including the facts and theories to support the alleged violation." Labor Code § 2699.3(a)(1). As explained above, Plaintiff complied with the notice requirements and properly pled a PAGA claim. (Kim Decl. ¶ 4.)

B. The Court Has Discretion When Awarding the Amount of Penalties.

PAGA provides for penalties in the amount of $100 for each violation per aggrieved employee per pay period for the initial violation and $200 for each violation per aggrieved employee per pay period for each subsequent violation. Labor Code § 2699(f)(2). "PAGA penalties...are mandatory, not discretionary" and must be awarded upon a showing that Defendants violated the Labor Code. *Amaral v. Cintas Corp. No. 2* (2008) 163 Cal.App.4th 1157, 1213. However, PAGA provides the Court with discretion when it finds liability and awards these penalties as part of a judgment. Labor Code § 2699(e)(2) states that "a court may award a lesser amount than the maximum civil penalty amount specified by this part if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory."

C. PAGA Authorizes the Payment of PAGA Counsel's Fees and Costs

PAGA provides for the recovery of reasonable attorneys' fees and costs. Labor Code § 2699(g)(1) ("Any employee who prevails in any action shall be entitled to an award of reasonable attorney's fees and costs, including any filing fee paid…"). The monetary settlement and programmatic relief make Plaintiff a "prevailing party." *Folsom v. Butte County Ass'n of Gov'ts* (1982) 32 Cal. 3d 668,671; *Santisas v. Goodin* (1998) 17 Cal.4th 599, 621. Even if Labor Code § 2699(g)(1) did not authorize fees, Plaintiff would be entitled to fees as a Private Attorney General under Code of Civil Procedure § 1021.5 because Plaintiff brought this action to, and the action does, benefit the public. *Arias,* 46 Cal.4th at 985–986.

IV. THE SETTLEMENT

Pursuant to the Settlement Agreement, Defendant will pay a maximum, non-reversionary settlement amount of $392,500.00 in full and final settlement of all claims alleged in the Action ("Gross Settlement Amount"). (Kim Decl., Exhibit 1, ¶ 3.1.)

Pending Court approval, the Gross Settlement Amount will be allocated as follows: (1) attorneys' fees of one-third (1/3) of the Gross Settlement Amount, which is **$130,833.33** ("PAGA Counsel Fees Payment"); (2) litigation costs incurred in this matter in the amount of **$13,077.46** ("PAGA Counsel Litigation Expenses Payment"); (3) settlement administration costs of up to

$3,500.00 to be paid to the Settlement Administrator, Phoenix Settlement Administrators ("Phoenix" or "Settlement Administrator"), for sending notices and for calculating settlement shares and preparing all checks and mailings ("Administration Expenses Payment"); (4) and PAGA Penalties in the approximate amount of **$245,089.21** with 75% ($183,816.91) allocated to the LWDA (the "LWDA PAGA Payment") and 25% ($61,272.30) allocated to the Aggrieved Employees ("Individual PAGA Payment"). (Kim Decl., ¶ 10.) The Individual PAGA Payment will be divided on a *pro rata* basis among Aggrieved Employees calculated according to the number of pay periods worked during the PAGA Period and distributed by the Settlement Administrator in Individual PAGA Payments, as required by California Labor Code section 2699(i). (Kim Decl., Exhibit 1, ¶ 1.11 and 3.2.3.)

Based on its records, Defendant estimates that there are 110 Aggrieved Employees who worked a total of 7,402 pay periods during the PAGA Period, as of the date of mediation. (Exh. 1, ¶ 4.1.); Kim Decl., ¶ 9.) In the event that the total PAGA Pay Periods exceeds 7,920 (an increase of 7% over 7,402 pay periods), Defendant may either (1) increase the Gross Settlement Amount by a pro-rata amount for every PAGA Pay Period in excess of 7,920 multiplied by the Pay Period value (calculated by dividing the Gross Settlement Amount by 7,920) or (2) Defendant may elect to change the last day of the PAGA Period to the date on which the total PAGA Pay Periods is 7,920 or less to avoid increasing the Gross Settlement Amount. (Kim Decl., Exhibit 1, ¶ 4.1.)

V. <u>ARGUMENT</u>

A. The Court Should Approve the Settlement Agreement.

Pursuant to Labor Code § 2699(*l*), the parties must obtain Court approval of a settlement of a PAGA action on a representative basis. However, as explained in *Arias v. Superior Ct*. (2009) 46 Cal.4th 969, the parties need not follow the class action procedural rules in PAGA cases and therefore need not obtain approval of the PAGA settlement through a motion for preliminary or final approval. Nonetheless, to comply with the requirements of Labor Code section 2699, Plaintiff submits this Motion and the Settlement Agreement for Court approval.

B. The Risks of Moving Forward with Plaintiff's PAGA Claim

To help the Court evaluate the fairness of the Settlement, below is a discussion of the risk evaluation made by Plaintiff and PAGA Counsel. They considered the arguments and defenses asserted by Defendant at mediation, assessed the risks of moving forward to trial and what this Court could do in awarding penalties even if Plaintiff were to prevail at trial.

Plaintiff estimated that the maximum potential exposure on the PAGA claim is $740,200.00, calculated by multiplying the total number of pay periods (7,402) by $100 per violation. (Kim Decl., ¶ 15.) Plaintiff's calculation of the total potential exposure on the PAGA claim was based on one PAGA penalty per pay period (i.e., Plaintiff did not stack the PAGA penalties in his damages calculation). (*Id.*) Case law supports the notion that it is inappropriate to "stack" penalties for multiple violations, particularly when those violations all stem from the same alleged "injury." (*Id.* at ¶ 16.)

C. Trial of Plaintiff's PAGA Claims Would Have Presented Many Hurdles.

Defendant denied and continues to deny all of the claims made by Plaintiff in this Action and contend that they acted at all relevant times in conformance with the law. (Kim Decl., ¶ 13.) Defendant contends that Plaintiff and the Aggrieved Employees were paid for all hours worked, that Defendant prohibited Plaintiff and the Aggrieved Employees from working off-the-clock and beyond their scheduled shifts, that any off-the-clock work was performed without Defendant's knowledge and was de minimis, and that they were paid wages at the proper rates; that Defendant provided lawfully compliant meal and rest periods and that any deviations were at the voluntary election of Plaintiff and/or the Aggrieved Employees and not at the request of Defendant or due to work requirements; that Defendant paid all wages due on a timely basis and using Labor Code compliant instruments; that Defendant's wage statements complied with the law; and that neither Plaintiff nor any Aggrieved Employees incurred reasonable business related expenses for which they were not reimbursed. (*Id.*) Defendant further contends that the above defenses are supported by their written policies applicable to Plaintiff and Aggrieved Employees. (*Id.*) As a result, PAGA Counsel had to appropriately discount the amount recoverable from Defendant in a settlement. (*Id.*)

D. The Court May Have Exercised Its Discretion to Reduce Civil Penalties.

"PAGA penalties…are mandatory, not discretionary" and the Court must award penalties upon a showing that Defendant violated the Labor Code. *Amaral v. Cintas Corp. No. 2* (2008) 163 Cal. App. 4th 1157, 1213; *Moreno v. Autozone, Inc*. (N.D. Cal. June 5, 2007) No. C05-04432 MJJ, 2007 WL 1650942, at *3. However, PAGA does provide the Court with discretion when it awards these penalties. Labor Code § 2699(e)(2) states that "a court may award a lesser amount than the maximum civil penalty amount specified by this part if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory." (*See also Thurman v. Bayshore* (2012) 203 Cal. App. 4th 1112 (reducing PAGA penalties by 30% under this provision).

In departing from the $100/pay period calculation to arrive at the $392,500.00 Gross Settlement Amount in this case, Plaintiff considered what the realistic potential exposure could be and why the Court may reduce any eventual recovery at its discretion, including Defendant's defenses to the claims and the potential manageability issues with PAGA claims at trial. (Kim Decl., at ¶ 17.) Based on those considerations, Plaintiff applied a discount of 40% to the maximum potential exposure (which equates to $60 penalty per pay period) to get a realistic potential exposure of $444,120.00 (7,402 pay periods x $60 penalty per pay period). (*Id.*)

The Gross Settlement Amount of $392,500.00 is 88.3% of the realistic potential exposure of $444,120.00. PAGA Counsel submits that this is an excellent result for the State and Aggrieved Employees in light of the strengths and weaknesses of the case and the risks and delays posed by further litigation.

VI. <u>THE REQUEST FOR ATTORNEYS' FEES AND COSTS</u>

A. The Court Should Approve the Requested Attorneys' Fees and Costs

Pursuant to the Settlement Agreement, PAGA Counsel is requesting an award of attorneys' fees in the amount of **$130,833.33** and an award of litigation costs to PAGA Counsel of **$13,077.46**, which is lower than the requested $15,000.00 "not-to-exceed" amount in the Settlement. (Kim Decl., ¶ 19, Ex. 3 thereto.)PAGA Counsel's litigation expenses include $120.06 in future litigation costs for the filing of the Motion for Approval of PAGA Settlement, the Administrator's Declaration regarding Final Distribution, and the Notice of Entry of Final Order and Judgment. (*Id.*)

Prior to enactment of PAGA, when the State had the resources to seek civil penalties on behalf of the public, it paid its employees (including their attorneys) their salaries and benefits for pursuing such penalties. The Legislature enacted PAGA because the Labor Commissioner and other agencies were hampered in their enforcement of civil penalties by inadequate funding and staffing constraints.

Iskanian, *supra*, 59 Cal.4th at 379. To facilitate broader enforcement, the Legislature enacted PAGA, authorizing "aggrieved employees" to pursue civil penalties on the state's behalf. Labor Code § 2699(a). In creating PAGA, the Legislature expressly provided that the private counsel retained by the Plaintiff to represent the public's interest can recover fees if the Plaintiff is the prevailing party. Labor Code § 2699(g)(1).

1) <u>PAGA Counsel Are Entitled to Fees from the Civil Penalties Recovered</u>

As previously indicated, this is *not* a class action. However, like a class action, it is a representative action where instead of a class, the Plaintiff represents the State and the public. As a matter of law and substance, counsel's client is the public at large and the State of California. The Plaintiff is simply a "proxy" for the State. On August 11, 2016, the California Supreme Court decided *Laffitte v. Robert Half International*, which addressed, in a class action context, the correct methodology for awarding fees in a representative action settlement. *Laffitte v. Robert Half Intern. Inc*. (2016) 205 Cal.Rptr.3d 555, 573. The *Laffitte* Court approved awarding fees as a percentage of the settlement fund.:

> We join the overwhelming majority of federal and state courts in holding that when class action litigation establishes a monetary fund for the benefit of the class members, and the trial court in its equitable powers awards Class Counsel a fee out of that fund, the court may determine the amount of a reasonable fee by choosing an appropriate percentage of the fund created.

Id. at p. 573. Here, the $392,500.00 common fund created for the benefit of the public is, with Plaintiff as a proxy for the State, not unlike the fund created in class action settlements, with the public the equivalent of the class referenced in *Laffitte*.

The Court, in *Laffitte,* pointed out several reasons why the percentage-of-the-fund method is preferred over the alternative lodestar-multiplier approach in California courts:

> The recognized advantages of the percentage method—including relative ease of calculation, alignment of incentives between counsel and the class, a better approximation of market conditions in a contingency case, and the encouragement it provides counsel to seek an early settlement and avoid unnecessarily prolonging the litigation [citations]—convince us the percentage method is a valuable tool that should not be denied our trial courts.

Id. at 573.

An award of one-third of the civil penalties realized in the Settlement is appropriate here under the "substantial benefit" theory. *Dunk v. Ford Motor Co*. (1996) 48 Cal. App. 4th 1794, 1810; *Wershba v. Apple Computer, Inc.* (2001) 91 Cal. App. 4th 224, 254. That theory permits a litigant who has sued in a representative capacity to recover fees from the beneficiaries of that representation. Courts exercise their inherent equitable powers to assess attorneys' fees against the entire fund, thereby spreading the cost of those fees among the public who benefits from PAGA actions. *Serrano v. Priest* (1977) 20 Cal.3d 25, 35 (*Serrano III).* As this approach "better approximates the workings of the marketplace than the lodestar approach," there is "a greater judicial willingness to evaluate a fee award as a percentage of the recovery." *Lealao v. Beneficial Calif., Inc*. (2000) 82 Cal. App. 4th 19, 31, 48.

2) <u>The Attorneys' Fees Request Is Within the Range of Reasonable Fees</u>

PAGA Counsel at D.Law, Inc. are experienced employment attorneys with expertise in wage and hour class and representative actions. (Kim Decl., ¶¶ 27-32.) Throughout this case, PAGA Counsel have borne, and continue to bear, the entire risk and cost of litigation associated with this Action on a purely contingency basis. (Kim Decl., ¶ 21.) As a result, PAGA Counsel have yet to receive any compensation for the amount of time and money invested in the case to date. (*Id*.) Moreover, courts have approved attorneys' fees awards in other PAGA settlements on a common fund basis at higher percentages than the one-third Plaintiff is requesting here. (*Id*. at ¶¶ 23-24.)

For these reasons, PAGA Counsel's requested fee of one-third of the Gross Settlement Amount is well within the range of reasonableness and is fair compensation for undertaking this complex and risky litigation on a contingent basis.

3) <u>PAGA Counsel's Fee Request Is Reasonable Under the Lodestar Crosscheck.</u>

PAGA Counsel's fee request is reasonable when calculated using the lodestar method. Under the lodestar method, a base fee amount is calculated from a compilation of time reasonably spent on the case and the reasonable hourly compensation of the attorney. *Serrano v. Priest* (1977) 20 Cal.3d 25, 48. The court then may enhance this lodestar figure by a "multiplier" to account for a range of factors, such as the novelty and difficulty of the case, its contingent nature, and the degree of success achieved. *Id*. at 49; *see also Ketchum v. Moses* (2001) 24 Cal.4th 1122, 1132-36; *Thayer v. Wells Fargo Bank* (2001) 92 Cal. App. 4th 819, 834, ("[t]here is no…rule limiting the factors that may justify an exercise of judicial discretion to [adjust the] lodestar").

In this case, by the time of the settlement approval hearing, D.Law (PAGA Counsel) will have worked a total of 116.8 hours, with a lodestar of $76,800.50, which includes 6.3 hours of paralegal litigation support. (Kim Decl., ¶ 25.) PAGA Counsel requests a fee of $130,833.33, which requires a modest multiplier of 1.7. (*Id.*)

Senior Attorney Enoch J. Kim's current billing rate is $1,045 (18 years out of law school, Laffey Matrix rate of $948.00), and he spent approximately 28.5 hours in this matter with a lodestar amount of $29,782.50. Associate Attorney David Arakelyan's current billing rate is $585.00 (4 years out of law school, Laffey Matrix rate of $581.00), and he spent approximately 45.8 hours in this matter with a lodestar amount of $26,793.00. Associate Attorney Kevin Burns' billing rate is $475.00, and he spent approximately 2.6 hours in this matter with a lodestar amount of $1,235.00. Associate Attorney Norayr Zakaryan's current billing rate is $475.00 (11 months out of law school, Laffey Matrix rate of $581.00), and he spent approximately 30.9 hours in this matter with a lodestar amount of $14,677.50. Associate Attorney Marta Manus' billing rate is $950.00, and she spent approximately 5.1 hours in this matter with a lodestar amount of $4,845.00. D.Law's litigation paralegal support team spent a total of approximately 6.3 hours in this matter, with an additional $1,747.50 incurred for paralegal support. Thus, the total lodestar for D.Law is $79,080.50 ($77,333.00 for attorneys and $1,747.50 for paralegal support). (*Id.*, Ex. 4 thereto.) PAGA Counsel requests a fee of $130,833.33, which requires a modest multiplier of 1.6. (*Id.*)

Class Multipliers routinely range from 3 to 5, and it is not uncommon that multipliers of between 5 and 10, or higher, are applied. *See, e.g., Wilson v. Bank of Am. Natl. Trust & Savs. Assn.*, No. 643872 (Cal. Sup. Ct., Aug. 16, 1982) (multiplier of 10); *Glendora Comm. Redev. Agency v. Demeter* (1984) 155 Cal.App.3d 456, 465 (affirming multiplier of 12 and expressly rejecting the argument that fee was either exorbitant or unconscionable). In *Ketchum*, the California Supreme Court resoundingly re-affirmed the importance of multipliers in cases where the party seeking fees is not paid on a fee-for-service basis: "The purpose of a fee enhancement, or so-called multiplier, for contingent risk is to bring the financial incentives for attorneys enforcing important constitutional rights . . . into line with incentives they have to undertake claims for which they are paid on a fee-for-services basis." *Ketchum v. Moses* (2001) 24 Cal.4th 1122, 1132. The court recognized that "lawyers generally will not provide legal representation on a contingent basis unless they receive a premium for taking that risk." (*Id*. at p. 1136.) By contrast, the use of enhancements to provide premium compensation for successful contingent cases will counter-balance the risk of loss, ensuring that the rate awarded actually reflects the "market value" of the services. (*Id*. at p.1138 ("The adjustment of the lodestar figure, e.g., to provide a fee enhancement reflecting the risk that the attorney will not receive payment if the suit does not succeed, constitutes earned compensation; unlike a windfall, it is neither expected nor fortuitous."); *Beasley v. Wells Fargo* (1991) 235 Cal.App.3d 1407, 1419 ("The purpose is to compensate for the risk of loss generally in contingency cases as a class.") (italics in original).)

Here, the fee request of $130,833.33 results in a modest multiplier of approximately 1.6 which further evidences the reasonableness of the request. The efficiency with which settlement was reached, the excellent results and quality of the settlement, and the contingent risk support the reasonableness of PAGA Counsel's fee request.

4) <u>The Court Should Approve the Reimbursement of PAGA Counsel's Costs.</u>

The litigation expenses incurred by PAGA Counsel in this Action are also to be reimbursed under the Settlement Agreement. PAGA Counsel seek **$13,077.46** in reimbursement for litigation costs (Kim Decl., ¶ 20.) The lion's share of these costs was incurred in connection with mediation, and the others listed were all reasonably incurred and necessary to the prosecution of this Action. Thus, PAGA Counsel respectfully request the Court approve their request for reimbursement in the amount of **$13,077.46**.

VII. <u>THE COURT SHOULD APPROVE THE COSTS OF ADMINISTRATION</u>

The parties agreed to use Phoenix as the third-party settlement administrator in this case. (Kim Decl., ¶ 33.) Phoenix will be responsible for updating the addresses for the Aggrieved Employees, mailing the Notice of PAGA Settlement and Release of Claims ("Notice of Settlement") and calculating and distributing the settlement checks, among other duties. (*Id*.) Phoenix capped its fees at $3,500.00 for administering the Settlement and based on PAGA Counsel's experience in other class and PAGA settlements, Phoenix's costs for administering this Settlement are fair and reasonable. (*Id*.)

VIII. CONCLUSION

Plaintiff and PAGA Counsel submit that the proposed Settlement as documented in the Settlement Agreement is fair, adequate, reasonable, and in the best interest of the Aggrieved Employees and the State of California. Plaintiff respectfully requests that the Court approve the Settlement and order the Parties to carry out the Settlement according to the terms of the Settlement Agreement and enter the concurrently filed [Proposed] Order Granting Approval and Judgment to that end.

DATED: March 30, 2026

D.LAW, INC

By ______________________________
Enoch J. Kim
Attorneys for Plaintiff Joseph Luis Martin on behalf of himself and Aggrieved Employees