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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

ANGELA HOWARD; MONIQUE GALLEGOS; PATRICIA RICO; and YVONNE SAZMA, on behalf of themselves and others similarly situated,

Plaintiffs,

vs.

ANTELOPE VALLEY HOSPITAL, INC.; ANTELOPE VALLEY HOSPITAL FOUNDATION; and DOES 1 to 100, inclusive,

Defendants.

Case No.: 22STCV22286

CLASS AND PAGA ACTION

[*Assigned for all purposes to the Hon. Theresa M. Traber, Dept. 1*]

PLAINTIFFS' NOTICE OF MOTION AND MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT; MEMORANDUM OF POINTS AND AUTHORITIES

[*Filed concurrently with the Declarations in Support; and [Proposed] Order*]

Hearing Information:
Date: June 4, 2026
Time: 10:30 a.m.
Dept.: 1

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TO THE HONORABLE COURT, ALL PARTIES, AND TO THEIR RESPECTIVE ATTORNEYS OF RECORD:

NOTICE IS HEREBY GIVEN that on June 4, 2026 at 10:30 a.m., or as soon thereafter as the matter can be heard in Department 1 of the Los Angeles County Superior Court, Spring Street Courthouse, located at 312 North Spring Street, Los Angeles, CA 90012, Plaintiffs ANGELA HOWARD, MONIQUE GALLEGOS, PATRICIA RICO, and YVONNE SAZMA ("Plaintiffs") will move for an order granting preliminary approval of the proposed class action and Private Attorneys General Act of 2004 ("PAGA") settlement on the terms and conditions set forth in the Class Action and PAGA Settlement Agreement and Class Notice ("Settlement") between Plaintiffs and ANTELOPE VALLEY HEALTHCARE DISTRICT ("Defendant"), a copy of which is attached to the Declaration of Monique N. Toby ("Toby Dec.") as **Exhibit 1.** Plaintiffs will further move that the Order specifically encompass the following:

1. Certify a class for settlement purposes only;
2. Appoint the Plaintiffs as Class Representatives for settlement purposes only;
3. Appoint Joseph Lavi, Esq. and Vincent C. Granberry, Esq. of Lavi & Ebrahimian, LLP; Arrash T. Fattahi and Arman A. Salehi of Wilshire Law Firm, PLC; and Paul K. Haines and Sean M. Blakely of Haines Law Group, APC as Class Counsel;
4. Approve the Class Notice in the form attached as **Exhibit A** to the Settlement; and
5. Set a Final Approval and Settlement Fairness Hearing on a date that is approximately 140 days after the Court grants preliminary approval of the Settlement.

Dated: May 6, 2026

Respectfully submitted,
LAVI & EBRAHIMIAN, LLP

By: /s/ *Monique Toby*
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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Plaintiffs ANGELA HOWARD, MONIQUE GALLEGOS, PATRICIA RICO, and YVONNE SAZMA, on behalf of themselves and others similarly situated ("Plaintiffs") respectfully submit this memorandum of points and authorities in support of their motion for preliminary approval of the proposed Class Action and PAGA Settlement Agreement and Class Notice with ANTELOPE VALLEY HEALTHCARE DISTRICT. ("Defendant") (Plaintiffs and Defendant are collectively hereinafter referred to as "the Parties"). Plaintiffs seek entry of an order granting preliminary approval of the class settlement which: (1) preliminarily approves the proposed settlement of both the class and PAGA action; (2) approves the form and method for providing notice and directs that notice be given to members of the settlement class; (3) preliminarily certifies the settlement class for settlement purposes; and (4) schedules a final approval hearing date.

As consideration for this Settlement, Defendant shall pay a sum equal to One Million Seven Hundred Fifty Thousand Dollars and Zero Cents ($1,750,000.00) (the "Gross Settlement Amount") to fund the non-reversionary, no claims made settlement of this class action (Class Action and PAGA Settlement Agreement and Class Notice), ("Settlement") § 3.1. attached as **Exhibit 1** to Declaration of Monique N. Toby ("Toby Dec."). The Gross Settlement Amount is inclusive of settlement payments to participating Class Members, all attorneys' fees and costs, the enhancement payment to Plaintiffs for their services as class representatives, PAGA penalties, and claims administration as provided by this Settlement. (*Id.*)

II. SUMMARY OF LITIGATION

A. The Parties

Plaintiff ANGELA HOWARD worked as an hourly non-exempt employee of Defendant from approximately April 2017, until on or about May 9, 2022. Plaintiff MONIQUE GALLEGOS worked as an hourly non-exempt employee of Defendant from approximately 2006, until on or about December 2022. Plaintiff PATRICIA RICO worked as an hourly non-exempt employee of Defendant from approximately July 2024, until on or about November 2024. Plaintiff YVONEE SAZMA worked as an hourly non-exempt employee of Defendant from approximately January 2011, until on

or about March 2022. (Toby Dec. ¶ 3.)

Plaintiffs seek to represent approximately 2,600 current and former hourly non-exempt employees who are or were employed by Defendant in California at any time during the period from April 1, 2020, through December 31, 2022. (Toby Dec. ¶ 4.)

B. The Complaint and Allegations

On July 11, 2022, Plaintiff Howard commenced an action against Defendant alleging the following causes of action: (1) Failure to Pay Wages for All Hours Worked at Minimum Wage in Violation of Labor Code Sections 1194 and 1197; (2) Failure to Authorize or Permit Meal Periods in Violation of Labor Code Section 512 and 226.7; (3) Failure to Authorize or Permit Rest Periods in Violation of Labor Code Section 226.7; (4) Failure to Indemnify Employees for Employment-Related Losses/Expenditures in Violation of Labor Code Section 2802; (5) Failure to Timely Pay Earned Wages During Employment in Violation of Labor Code Section 204; (6) Failure to Provide Complete and Accurate Wage Statements in Violation of Labor Code Section 226; (7) Failure to Timely Pay All Earned Wages and Final Paychecks Due at Time of Separation of Employment in Violation of Labor Code Sections 201, 202, and 203; and (8) Unfair Business Practices, in Violation of Business and Professions Code Sections 17200, et seq. (the "Howard Action"). (Toby Dec. ¶ 5.)

On December 15, 2022, Plaintiff Howard filed a representative action for civil penalties pursuant to PAGA, Case No. 22STCV39100 in the Superior Court of California, County of Los Angeles (the "Howard PAGA Action"). (Toby Dec. ¶ 6.)

On October 31, 2023, Plaintiff Sazma served a PAGA Notice to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd. (a)., LWDA Case No. LWDA-CM-997393-23. (Toby Dec. ¶ 7.)

On December 1, 2023, Plaintiff Gallegos served a PAGA Notice to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd. (a)., LWDA Case No. LWDA-CM-997393-23. Further, on December 1, 2023, Plaintiff Gallegos filed a separate class action complaint and a separate PAGA complaint, Case Nos. 23STCV29503 and 24AVCV00144, in the Superior Court of California, County of Los Angeles, alleging causes of action against Defendant for failure to pay minimum and straight time wages, failure to pay overtime wages, failure to provide meal periods,

failure to authorize and permit rest periods, failure to timely pay final wages at termination, failure to provide accurate itemized wage statements, failure to indemnify employees for expenditures, and unfair business practices. (the "Gallegos Action"). (Toby Dec. ¶ 8.)

On August 15, 2024, after Plaintiffs' Actions had commenced, the California Supreme Court decided the case entitled *Stone v. Alameda Health System*, holding that Wage Order No. 5, subd. 1(c) expressly excludes public employers from most of the wage and hours obligations placed on private employers. (*Stone v. Alameda Health Sys*. (2024) 16 Cal.5th 1040, 1057 [324 Cal.Rptr.3d 220, 553 P.3d 783]). The court further held "[T]he Legislature intended to exempt public employers such as the hospital authority from Labor Code provisions governing meal and rest breaks [citations] and related statutes governing the full and timely payment of wages [citation]." (*Id*. at 1049–1050.) This decision neutered Plaintiffs' claims for failure to: Authorize or Permit Meal Periods; Authorize or Permit Rest Periods; Timely Pay Earned Wages During Employment; Provide Complete and Accurate Wage Statements; and Timely Pay All Earned Wages and Final Paychecks Due at Time of Separation of Employment. After *Stone*, the Parties continued to engage in litigation and settlement discussions of the Actions based on Plaintiffs' other claims. (Toby Dec. ¶ 9.)

On March 20, 2026, Plaintiff Howard filed a First Amended Complaint in the Howard Action to add: (1) Plaintiffs Gallegos, Rico, and Sazma as named plaintiffs in the above captioned case, (2) claims for failure to pay straight time and overtime wages, and (3) Plaintiffs' claim for civil penalties under PAGA. (Toby Dec. ¶ 10.)

Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in the Operative Complaint and denies any and all liability for the causes of action alleged. Defendant's defenses to Plaintiffs' claims were as follows: with regard to Plaintiffs' claim for failure to pay for all hours worked at the minimum and/or overtime rate of pay, Defendant argued that employees were properly paid for all time at the appropriate rate of pay. Regarding Plaintiffs' argument that Defendant failed to authorize or permit compliant meal and rest periods, Defendant contended it authorized and permitted employees to take meal and rest periods in accordance with the applicable Industrial Welfare Commission Wage Order, and that any failure to take required meal and/or rest periods was due to the individual decisions of employees. Based on the foregoing,

Defendant concluded, wages were paid to Plaintiffs and Class Members in a timely manner, accurate wage statements were provided to Plaintiffs and Class Members, and that at the time wages were paid out upon separation of employment, Defendant believed, in good faith, that it was properly paying all wages to separating employees. In other words, Defendant concluded, Plaintiffs would not be able to establish the willful elements of their Labor Code sections 226 or 203 claims. For these reasons, Defendant concluded, Plaintiffs would not likely prevail on their claims. Furthermore, Defendant argued that with respect to the PAGA claim, the Court has the discretion to lower penalties given, and that it appears unlikely a court would find that any violations were knowing or intentional. (Toby Dec. ¶ 28.)

C. The Exchange of Detailed Informal Discovery and Legal Analysis by the Parties' Counsel

On July 21, 2025, the Parties participated in a full-day mediation session with the Honorable Lisa Cole (Ret.), a prominent mediator experienced in resolving wage and hour class and representative actions. Prior to mediation, the parties engaged in extensive formal and informal discovery exchange. Ultimately, Plaintiffs' Counsel and Plaintiffs' Counsel's expert reviewed and analyzed the following: (1) a sampling of electronic time and pay data; (2) the total number of current and former putative class members and aggrieved employees who worked during the relevant time periods; (3) the total number of workweeks at issue during the relevant time periods; (4) the total number of pay periods at issue during the relevant time periods; (5) the average hourly rate for the putative class members; and (6) other relevant information, including Defendant's Employee Handbook, Plaintiff's personnel file, wage statements, and time records. Plaintiffs' Counsel and Plaintiffs' Counsel's expert reviewed the data produced by Defendant which included a random sample of timekeeping and payroll data, which spanned from February 25, 2023, through September 18, 2023. (Toby Dec. ¶ 11.)

Counsels for the Parties have investigated the law as applied to the facts discovered regarding the alleged claims of Plaintiffs and potential defenses thereto, and the potential damages claimed by Plaintiffs. (Toby Dec. ¶ 12.)

Plaintiffs and Class Counsel recognize the expense and length of continued proceedings

necessary to litigate their disputes through trial and through any possible appeals. Plaintiffs have also taken into account the uncertainty and risk of the outcome of further litigation, and the difficulties and delays inherent in such litigation. Plaintiffs and Class Counsel are also aware of the burdens of proof necessary to establish liability for the claims asserted in the Action, both generally and in response to Defendant's compelling defenses thereto, and the difficulties in establishing damages for the Class Members. Based on the foregoing, Plaintiffs and Class Counsel have determined that the Settlement is a fair, adequate and reasonable settlement, and is in the best interests of the Class Members. (Toby Dec. ¶ 13.)

Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws as alleged in the Operative Complaint, and denies any and all liability for the causes of action alleged. (*see* Settlement ¶ 6.) Defendant contends that it complied in good faith with wage and hour laws and has dealt legally and fairly with Plaintiffs and putative class members. (Toby Dec. ¶ 28.)

III. THE SETTLEMENT

The Settlement contemplates (i) entry of an Order preliminarily approving the settlement and approving certification of a provisional settlement class, contingent upon final approval of the settlement; and (ii) entry of an Order granting final approval of the settlement and judgment.

Subject to Court approval pursuant to Section 382 of the California Code of Civil Procedure and Rule 3.769 et seq. of the California Rules of Court, the Parties have agreed to settle the Lawsuit by agreement upon the terms and conditions and for the consideration set forth in the Settlement, a copy of which is attached to the Declaration of Monique N. Toby as **Exhibit 1**.

A summary of the key terms of the Settlement is as follows:

A. "Class" means all current and former nonexempt employees employed by Defendant in California during the Class Period. (Settlement, § 1.5.)

B. "Class Period" means the period from April 1, 2020, through December 31, 2022. (Settlement, § 1.12.)

C. "Aggrieved Employee" means all current and former nonexempt employees employed by Defendant in California during the PAGA Period. (Settlement, § 1.4.)

D. "PAGA Period" means the period from April 1, 2020, through December 31, 2022. (Settlement, § 1.32.)

E. "Gross Settlement Amount" means One Million Seven Hundred Fifty Thousand Dollars and Zero Cents ($1,750,000.00) which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 8 [of the Settlement Agreement]. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representatives Service Payments and the Administrator's Expenses Payment. (Settlement, § 1.22.)

F. "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representatives Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments. (Settlement, § 1.29.)

G. To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks. (Settlement, § 3.2.4.)

H. Tax Allocation of Individual Class Payments. 10% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The other 90% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment. (Settlement, § 3.2.4.1.)

I. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendant's share of payroll taxes by transmitting the funds to the Administrator no later than 14 days after the Effective Date. (Settlement, § 4.2.)

J. "Effective Date" means the date by when both of the following have occurred: (1) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (2) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, 61 days after the Court enters Judgment; or (c) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur. (Settlement, § 1.18.)

K. Release by Participating Class Members: All Participating Class Members release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint, including the Released

Class Claims. Except as set forth in Section 5.2 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period. (Settlement, § 5.1.)

L. **Release by Aggrieved Employees:** All Aggrieved Employees are deemed to release the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint and PAGA Notice, including the Released PAGA Claims. (Settlement, § 5.2.)

M. **"Released Class Claims"** means all claims that were alleged in the Complaint, or that reasonably could have been alleged based upon the facts stated in the Complaint, including: (1) failure to pay minimum wages, (2) failure to provide meal periods, (3) failure to provide rest breaks, (4) failure to indemnify employees for work-related expenditures, (5) failure to timely pay earned wages during employment, (6) failure to provide accurate itemized wage statements, (7) failure to timely pay all earned wages at time of separation, and (8) unfair and unlawful competition. The time period governing the Released Class Claims shall be the Class Period. (Settlement, § 1.39.)

N. **"Released PAGA Claims"** means the PAGA claims alleged in the Complaint, or that reasonably could have been based on the facts stated in the Complaint and in the relevant LWDA notice letters, including all PAGA claims seeking civil penalties premised upon: (1) failure to pay minimum wages, (2) failure to provide meal periods, (3) failure to provide rest breaks, (4) failure to indemnify employees for work-related expenditures, (5) failure to timely pay earned wages during employment, (6) failure to provide accurate itemized wage statements, (7) failure to timely pay all earned wage at time of separation, and (8) all other claims for civil penalties recoverable under the Private Attorney's General Act, Labor Code section 2698 et seq. based on the facts or claims alleged in the L WDA notice letters and Complaint. The time period governing the PAGA Released Claims shall be the PAGA Period. The PAGA Released Claims do not release any Aggrieved Employees' claims for wages or statutory penalties. (Settlement, § 1.40.)

O. **"Released Parties"** means: Defendant and its parents, subsidiaries, directors, owners, shareholders, officers, and attorneys, past and present, and each of them acting in concert with the foregoing. (Settlement, § 1.41.)

P. **"Administrator"** means ILYM Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement. (Settlement, § 1.2.)

Q. **To Class Counsel:** A Class Counsel Fees Payment of not more than One Third of the Gross Settlement Amount, which is currently estimated to be Five Hundred Eighty-Three Thousand Three Hundred Thirty Three Dollars and Thirty Three Cents ($583,333.33), and a Class Counsel Litigation Expenses Payment of actual, reasonable costs. Defendant shall not oppose requests for Class Counsel Fees Payment of not more than One-Third of the Gross Settlement Amount and for a Class Counsel Litigation Expenses Payment of actual, reasonable costs. In the event that the escalator clause described in Paragraph 8 herein is

triggered and the Gross Settlement Amount is increased, the amount of Class Counsel Fees Payment will increase in order to remain One-Third of the Gross Settlement Amount. Defendant will not oppose requests for these payments provided that they do not exceed these amounts. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. (Settlement, § 3.2.2.)

R. **To Plaintiffs:** Class Representative Service Payment to the Class Representatives of not more than Nine Thousand Dollars and Zero Cents ($9,000.00) ($36,000.00 total) (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member). Defendant will not oppose Plaintiffs' request for a Class Representative Service Payment that does not exceed this amount. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. (Settlement, § 3.2.1.)

S. **To the LWDA and Aggrieved Employees:** PAGA Penalties in the amount of $100,000.00 to be paid from the Gross Settlement Amount, with 75% ($75,000.00) allocated to the LWDA PAGA Payment and 25% ($25,000.00) allocated to the Individual PAGA Payments. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties $25,000.00 by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms. (Settlement, §§ 3.2.5, 3.2.5.1, 3.2.5.2.)

T. Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than the Response Deadline (plus an additional 14 days for Class Members whose Class Notice is remailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline. (Settlement, § 7.5.1.)

U. **"Response Deadline"** means 45 calendar days after the Administrator mails Notice to Class Members and Aggrieved Employees, and is the last date on which Class Members may (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail Objection(s) to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator will have an additional 14 calendar days beyond the Response Deadline. (Settlement, § 1.43.)

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IV. ANALYSIS

A. Class Action Settlements Are Subject To Review And Approval Under The California Rules of Court

Rule 3.769 of the California Rules of Court requires court approval for class action settlements. "Before final approval, the court must conduct an inquiry into the fairness of the proposed settlement." (Cal. Rules of Court, rule 3.769(g).) Courts act within their discretion in approving settlements which are fair, not collusive, and take into account "all the normal perils of litigation as well as the additional uncertainties inherent in complex class actions." (*In re Beef Industry Antitrust Litigation* (5th Cir. 1979) 607 F.2d 167, 179, *cert. den. sub nom. Iowa Beef Processors, Inc. v. Meat Price Investigators Ass'n* (1981) 452 U.S. 905.)

B. This Settlement Is Fair, Reasonable, And Adequate

The purpose of the preliminary evaluation of class action settlements is to determine only whether the proposed settlement is within the *range of reasonableness* and, therefore, whether notice to the class and the scheduling of a formal fairness hearing are warranted. (*Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 234-35; Newberg on Class Actions (4th Ed.) §11:25.) Courts have broad powers to determine whether a proposed settlement is fair under the circumstances of the case. (*Wershba*, *supra,* 91 Cal.App.4th at 234-35; *Mallick v. Superior Court* (1979) 89 Cal.App.3d 434, 438.) In evaluating preliminary approval, courts must consider several relevant factors, including "the strength of the plaintiff's case, the risk, expense, complexity and likely duration of further litigation, the risk of maintaining class action status through trial, the amount offered in settlement, the extent of discovery completed and the stage of the proceedings, [and] the experience and views of counsel...." (*Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1801.) "The list of factors is not exclusive and the court is free to engage in a balancing and weighing of the factors depending on the circumstances of each case." (*Wershba, supra,* 91 Cal.App.4th at 245.) Furthermore, courts must give "proper deference to the private consensual decision of the parties" because "the court's intrusion upon what is otherwise a private consensual agreement negotiated between the parties to a lawsuit must be limited to the extent necessary to reach a reasoned judgment that the agreement is not the product of fraud or overreaching by, or collusion between, the negotiating

parties, and that the settlement, taken as a whole, is fair, reasonable and adequate to all concerned." (*Hanlon v. Chrysler Corp.* (9th Cir. 1998) 150 F.3d 1011, 1027.)

A proposed class action settlement is presumed fair under the following circumstances: (1) the parties reached settlement after arm's-length negotiations; (2) investigation and discovery were sufficient to allow counsel and the court to act intelligently; (3) counsel is experienced in similar litigation, and (4) the percentage of objections is small. (*Dunk v. Ford Motor Co., supra*, 48 Cal.App.4th at 1802.) The Declaration of Monique Toby demonstrates that the proposed settlement was the product of serious, informed, and non-collusive negotiations and demonstrates counsel's extensive experience in both employment law as well as class action litigation.

1. The Settlement is the result of serious, informed, and non-collusive negotiations

The Settlement was reached as a result of arm's-length negotiations facilitated by a highly regarded and experienced wage and hour mediator, the Honorable Lisa Cole (Ret.), and analysis by Plaintiffs' counsel. (Toby Dec. ¶ 14.) While Plaintiffs believe in the merits of their case, they also recognize the inherent risks of litigation and understand the benefit of the Class receiving settlement funds immediately as opposed to risking an unfavorable decision on class certification, summary judgment, at trial and/or the damages awarded, and on an appeal that can take several more years to litigate. (*Id.*)

2. The extent of the information provided through formal and informal discovery and the stage of the proceedings support the settlement

As described herein, the Parties investigated and evaluated the factual strengths and weaknesses of this case before reaching the proposed Settlement and engaged in sufficient investigation and discovery, as referenced above, to support the Settlement. (Toby Dec. ¶¶ 11-14.) Accordingly, the proposed Settlement was reached following probative factual evaluation of Defendant's relevant policies and procedures and analysis by Plaintiffs' Counsel and Plaintiffs' Counsel's expert of the following: (1) a sampling of electronic time and pay data; (2) the total number of current and former putative class members and aggrieved employees who worked during the relevant time periods; (3) the total number of workweeks at issue during the relevant time periods; (4) the total number of pay periods at issue during

the relevant time periods; (5) the average hourly rate for the putative class members; and (6) other relevant information, including Defendant's Employee Handbook, Plaintiff's personnel file, wage statements, and time records. Plaintiffs' Counsel and Plaintiffs' Counsel's expert reviewed the data produced by Defendant which included a random sample of timekeeping and payroll data, which spanned from February 25, 2023, through September 18, 2023. (*Id*.) Counsel for the Parties have investigated the law as applied to the facts discovered regarding the alleged claims of Plaintiffs and potential defenses thereto, and the potential damages claimed by Plaintiffs. As such, settlement on the terms agreed to are in the best interest of Plaintiffs and the settlement class. (*Id*.)

Thus, the Settlement came only after the case was fully investigated by counsel, as set forth above. This litigation, therefore, has reached the stage where "the Parties certainly have a clear view of the strengths and weaknesses of their cases" sufficient to support the Settlement. (*Boyd v. Bechtel Corp.* (N.D. Cal. 1979) 485 F. Supp. 610, 617.)

3. Plaintiffs' Counsels are experienced in similar litigation

Experienced counsel, operating at arm's-length, have weighed the strengths of the case and examined all of the issues and risks of litigation and endorse the proposed settlement. The view of the attorneys actively conducting the litigation "is entitled to significant weight" in deciding whether to approve the settlement. (*Fisher Bros. v. Cambridge Lee Industries, Inc.* (E.D. Pa. 1985) 630 F.Supp. 482, 488; *Ellis v. Naval Air Rework Facility* (N.D. Cal. 1980) 87 F.R.D. 15, 18, *affd.* 661 F.2d 939 (9th Cir. 1981); *Boyd v. Bechtel Corp., supra,* 485 F.Supp. at 617.)

Both Plaintiffs' and Defendant's Counsel are experienced in employment, wage and hour and class action matters. Lavi & Ebrahimian LLP is a well-regarded firm that handles almost exclusively employment matters. (Toby Dec. ¶¶ 33-35.) Joseph Lavi, of Lavi & Ebrahimian, LLP, has been approved in class counsel in numerous actions and has been named a Southern California Super Lawyer the area of Plaintiff's employment litigation - class action from 2011-2025. (*Id*.) Arrash T. Fattahi and Arman A. Salehi of Wilshire Law Firm, PLC have also been appointed as class counsel in numerous actions, and Wilshire Law Firm, PLC is a highly respected firm that primarily dedicates its practice to employment law matters. (See Declaration of Arrash T. Fattahi in Support of Plaintiffs' Motion for Preliminary Approval of Class and PAGA Settlement ("Fattahi Decl.") ¶¶ 13-21). Paul K.

Haines and Sean M. Blakely of Haines Law Group, APC have also been appointed as class counsel in numerous actions, and Haines Law Group, APC is a highly respected firm that primarily dedicates its practice to employment law matters. (See Declaration of Paul Haines in Support of Plaintiffs' Motion for Preliminary Approval of Class Action Settlement ("Haines Decl.") ¶¶ 6-11.) Defendant's counsel, Goe Forsythe & Hodges LLP is also extremely well-regarded and respected as employment defense counsel. Counsels on both sides share the view – endorsed by an experienced wage and hour class action mediator – that this is a fair and reasonable settlement in light of the complexities of the case, the state of the law and uncertainties of class certification and litigation, and the benefit the settlement confers on the class. (Toby Dec. ¶¶ 12-32.) Given the risks inherent in litigation, in class certification proceedings, and in the defenses asserted, this settlement is fair, adequate, and reasonable and in the best interests of the class. (*Id.*)

4. The settlement is fair and reasonable based on the strengths of Plaintiffs' case and the risks and costs of further litigation

Plaintiffs and their counsels have concluded it was reasonable to enter into the proposed Settlement. The Parties entered into the proposed Settlement based upon evaluation of claims that were not impacted by the *Stone* decision. Defendant has vigorously contested and continues to contest liability for the claims asserted in the action. Although Defendant believes that class certification would be unlikely on such claims, it nevertheless agreed to attempt resolution of the case through extensive informal discovery and mediation to avoid the expense, distraction and uncertainty of protracted litigation.

There are significant legal uncertainties associated with cases such as this as they can be factually complex and require protracted litigation to resolve. A settlement is not judged solely against what might have been recovered had plaintiff prevailed at trial, nor does the settlement have to provide 100% of the damages sought to be fair and reasonable. (*Linney v. Cellular Alaska Partnership* (9th Cir. 1998) 151 F. 3d 1234, 1242; *Wershba*, 91 Cal.App.4th at 246 & 250; *Rebney v. Wells Fargo Bank* (1990) 220 Cal.App. 3d 1117, 1139.) Instead, "[c]ompromise is inherent and necessary in the settlement process...even if the relief afforded by the proposed settlement is substantially narrower than it would be if the suits were to be successfully litigated, this is no bar to a class settlement because

the public interest may indeed be served by a voluntary settlement in which each side gives ground in the interest of avoiding litigation" (*Wershba*, 91 Cal.App.4th at 250.)

5. The proposed settlement is a reasonable compromise of claims.

To evaluate a settlement, the trial court must receive "basic information about the nature and magnitude of the claims in question and the basis for concluding that the consideration being paid for the release of those claims represents a reasonable compromise." (*Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 133.) However, the record need not contain an explicit statement of the maximum theoretical recovery:

> "Greenwell misunderstands *Kullar*, apparently interpreting it to require the record in all cases to contain evidence in the form of an explicit statement of the maximum amount the plaintiff class could recover if it prevailed on all its claims—a number which appears nowhere in the record of this case. But *Kullar* does not, as Greenwell claims, require any such explicit statement of value; it requires a record which allows "an understanding of the amount that is in controversy and the realistic ranges of outcomes of the litigation."

(*Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles* (2010) 186 Cal.App.4th 399, 409.)

While the Court in *Stone* held, "It is evident from the statutes and Wage Order No. 5, as well as relevant legislative history and administrative interpretations, that the Legislature intended to exempt public entities from meal and rest break obligations. It is also clear from the text of Health and Safety Code section 101850 that the Legislature intentionally authorized [a public hospital] to be created as a public entity." (*Stone v. Alameda Health Sys., supra,* 16 Cal.5th at 1068.) The Court further acknowledged that "[T]he Legislature has directed that some, *but not all*, wage and hours laws apply to public entities." (*Id*. at 1056.) Thus, the Parties were able to reach a settlement on the retained claims not neutered by the *Stone* decision.

Based on the information informally produced by Defendant, during the period from April 1, 2020, through December 31, 2022, Defendant employed approximately 2,600 Class Members over the course of approximately 374,400 workweeks. (Toby Dec. ¶ 15.) Based on Class Counsel's and Plaintiffs' expert witness' analysis of the data, the maximum exposure for Plaintiffs' claims were as follows:

With regard to Plaintiffs' Unpaid Wages Claim, Plaintiffs alleged that during the COVID-

affected period, Defendant required Plaintiffs and similarly situated employees to engage in unpaid procedures before being able to perform their duties for Defendant, including but not limited to walking time to get from the designated parking lot to the time clock to clock in; undergoing required COVID-19 temperature checks and medical questionnaires prior to being allowed to clock in; and off-the-clock trainings/meetings. Based on Plaintiffs' expert's analysis, Plaintiffs estimated that there were approximately **$11,306,969.18** in damages. Plaintiffs' estimated there were approximately $3,262,896.00 potential unpaid wages due to training off-the-clock, assuming 10 minutes per workweek and a 75% overtime rate. [calculated as follows: 374,400 workweeks x 0.166… hours (10 minutes) off-the-clock per workweek x $52.50 Overtime Rate [$35.00 avg. hourly rate x 1.5 overtime multiplier] = $3,262,896.00], and approximately $8,044,073.18 potential unpaid wages from off-the-clock work, assuming 10 minutes per shift and 75% at overtime rate. [calculated as follows: 1,085,778 shifts x 0.166… hours (10 minutes) off-the-clock per shift x $44.63 OTC Aggregate Rate ([15% at minimum wage time x $35.00 avg. hourly rate] + [75% at overtime x $35.00 avg. hourly rate x 1.5 overtime multiplier]) = $8,044,073.18]. (Toby Dec. ¶ 16.)

With regard to Plaintiffs' Meal and Rest Break Claim, Plaintiffs do not assign any value to these claims in response to the *Stone* decision. (Toby Dec. ¶ 17.)

With regard to Plaintiffs' Indemnification Claim, Plaintiffs alleged that Defendants required Plaintiffs and other Wage and Hour Class Members to purchase their own tools and/or resources in order to work for Defendants, including but not limited to personal protective equipment like masks and thermometers during the COVID-19 pandemic, without reimbursement. Plaintiffs estimate a cost of roughly $5 per workweek for such items, resulting in a maximum recovery of approximately **$1,872,000**. [Calculated as follows: 374,400 workweeks x $5 per workweek = $1,872,000]. (Toby Dec. ¶ 18.)

With regard to Plaintiffs' Wage Statement claim, Plaintiffs do not assign any value to these claims in response to the *Stone* decision. (Toby Dec. ¶ 19.)

With regard to Plaintiffs' Waiting Time penalties claim, Plaintiffs do not assign any value to these claims in response to the *Stone* decision. (Toby Dec. ¶ 20.)

As such, Plaintiff's maximum potential recovery in this matter, excluding PAGA penalties, would amount to approximately **$13,178,969.18**. The settlement reached in this matter was $1,750,000.00 or approximately 13.3% of estimated exposure. (Toby Dec. ¶ 21.)

Regarding the PAGA penalty exposure analysis, the Court in *Stone* held that a public health system is exempted from subsequent PAGA penalties that derive from the exempted civil claims. (*Stone*, 16 Cal.5th at 1076–1077 ["When liability for [an] underlying violation has not been established, any PAGA claims seeking penalties for the alleged violation must also fail"].) Here, the Parties retained claims for PAGA penalties for the other claims not neutered by the *Stone* decision. Thus, according to the data produced by Defendant in this case and analyzed by Plaintiff's expert, Plaintiff estimates during the relevant PAGA period (from April 1, 2020, through December 31, 2022) there are approximately 184,600 pay periods. (Toby Dec. ¶ 22.)

Regarding the PAGA penalty exposure analysis, as an initial matter, in wage and hour class action cases that settle, which are the overwhelming majority of such cases, very little of the total settlement is paid to PAGA penalties in order to maximize payments to class members. *See*, e.g., *Nordstrom Com. Cases*, 186 Cal. App. 4th 576, 589 (2010) (no abuse of discretion to approve class action settlement allocating $0 to PAGA claims); *Ceja-Corona v. CVS Pharm., Inc.*, 2015 U.S. Dist. LEXIS 5118, 2015 WL 222500, at *2-3 (E.D. Cal. Jan. 14, 2015) (preliminarily approving $10,000 in PAGA penalties out of a total settlement amount of $900,000), report and recommendation adopted, 2015 U.S. Dist. LEXIS 25730, 2015 WL 925598 (E.D. Cal. Mar. 3, 2015); *Nen Thio v. Genji*, LLC, 14 F. Supp. 3d 1324, 1330 (N.D. Cal. 2014) (preliminarily approving $10,000 in PAGA penalties out of a total settlement amount of $1,250,000); *Franco v. Ruiz Food Prods.*, 2012 U.S. Dist. LEXIS 169057, 2012 WL 5941801, at *14 (E.D. Cal. Nov. 27, 2012) (granting final approval of $10,000 in PAGA penalties out of a total settlement amount of $2,500,000); *Garcia v. Gordon Trucking, Inc.*, 2012 U.S. Dist. LEXIS 160052, 2012 WL 5364575, at *3 (E.D. Cal. Oct. 31, 2012) (granting final approval of $10,000 in PAGA penalties out of a total settlement amount of $3,700,000); *Chu v. Wells Fargo Invs.*, LLC, 2011 U.S. Dist. LEXIS 15821, 2011 WL 672645, at *1 al. Feb. 16, 2011) (granting final approval of $10,000 in PAGA penalties out of a total settlement amount of $6,900,000). In these settlements, the parties generally maximize statutory penalties and

minimize PAGA penalties. *See*, e.g., *Franco*, 2012 U.S. Dist. LEXIS 169057, 2012 WL 5941801, at *2, *14 (approving a $10,000 PAGA award out of a total settlement amount of $2,500,000).

Plaintiffs recognize that PAGA claims generally settle for a mere fraction of multiple "stacked" PAGA penalties as is described above, but more typically resolve for a reasonable fraction of the unstacked PAGA exposure. Here, since the claims for unpaid wages and reimbursement violations are all premised at least partially on the same factual basis (i.e., that class members were frequently required to work off the clock) stacking these penalties could arguably be overly punitive. Instead, seeking only penalties for the unpaid wages and reimbursement violations results in far more reasonable and less punitive penalties that eliminate the "stacked" penalties for each Labor Code section violated as a result of the same conduct. As a result, Defendant could argue Plaintiffs and the aggrieved employees may only be able to recover penalties under unpaid wages and reimbursement violations. Thus, if Defendant is correct on the "stacking" issue, the maximum theoretical penalties would be substantially less under Defendant's view of the law. And if the Court decided that Defendant's conduct only warrants the initial violation penalty rate for the aforementioned claims, the maximum theoretical exposure would be further reduced. (Toby Dec. ¶ 23.)

Second, Plaintiffs' calculation also assumes that Plaintiffs' PAGA claims could be tried in a manageable manner that comports with due process, which Defendant vigorously disputes. (Toby Dec. ¶ 24.)

Third, the Court has discretion under PAGA to reduce the amount of any penalties awarded for equitable reasons. (Toby Dec. ¶ 25.)

Finally, Defendant would argue that PAGA penalties would be limited in any event. As discussed in detail above, Defendant denies any liability. Moreover, Defendant would argue that even if Plaintiffs prevailed, the recoverable penalties under PAGA are minimal. Indeed, courts considering the issue have refused to "stack" PAGA penalties. *See Carrington v. Starbucks Corporation* (Cal. Ct. App. Nov. 27, 2018) No. D072392 (published Dec. 19, 2018) (approving PAGA penalty reduction to $5 per pay period); *accord Atempa v. Pedrazzani* (2018) 27 Cal.App.5th 809. Moreover, Defendant would argue that Plaintiffs are not entitled to recover PAGA penalties at the subsequent violation rate of $200 per pay period. California's appellate courts have held that "[u]ntil the employer has been

notified that it is violating a Labor Code provision (whether or not the commissioner or court chooses to impose penalties), the employer cannot be presumed to be aware [of the violation]" and therefore, until a Court or the Commissioner issues a finding of a violation, the initial $100 violation rate applies for each pay period in which the alleged violation occurred. *Amaral v. Cintas Corp. No. 2* (2008) 163 Cal.App.4th 1157, 1209; *accord Amalgamated Transit Union Local 1309 v. Laidlaw Transit Service, Inc.* (S.D. Cal. Aug. 10, 2009) 2009 WL 2448430, at *9 ("[u]nder California law, courts have held that employers are not subject to heightened penalties for subsequent violations unless and until a court or commissioner notifies the employer that it is in violation of the Labor Code"). Thus, Defendant would argue in accord with the logic in *Amaral*, that even if Plaintiffs established any violation of the Labor Code, the PAGA penalties assessed for these violations should be computed at the $100 rate, unstacked, versus the $200 per pay period rate at maximum (*i.e.*, at $100 per pay period x 184,600 pay periods at issue), therefore it is likely Defendant's maximum exposure is actually only $18,460,000. But if Defendant prevailed on its contentions that it showed good faith in attempting to comply with the Labor Code, then Defendant likely would have argued that this Court would use the Carrington valuation as a ceiling for assessing PAGA penalties and that the amount of $923,000 (*i.e.*, $5 x 184,600 pay periods) was its true "worst case scenario" exposure. (Toby Dec. ¶ 26.)

In sum, the settlement in the instant case provides for a Gross Settlement Value of $1,750,000.00 with a PAGA allocation of $100,000 with 75% ($75,000) payable to the LWDA and 25% ($25,000) distributed to the Aggrieved Employees and falls squarely within the range of reasonableness for PAGA allocations outlined in the case law above. (Toby Dec. ¶ 27.)

As explained above, however, defenses to Plaintiffs' claims were as follows: with regard to Plaintiffs' claim for failure to pay for all hours worked at the minimum and/or overtime rate of pay, Defendant argued that employees were properly paid for all time at the appropriate rate of pay. Regarding Plaintiffs' argument that Defendant failed to authorize or permit compliant meal and rest periods, Defendant contended it authorized and permitted employees to take meal and rest periods in accordance with the applicable Industrial Welfare Commission Wage Order, and that any failure to take required meal and/or rest periods was due to the individual decisions of employees. Based on the foregoing, Defendant concluded, wages were paid to Plaintiffs and Class Members in a timely

manner, accurate wage statements were provided to Plaintiffs and Class Members, and that at the time wages were paid out upon separation of employment, Defendant believed, in good faith, that it was properly paying all wages to separating employees. In other words, Defendant concluded, Plaintiffs would not be able to establish the willful elements of their Labor Code sections 226 or 203 claims. For these reasons, Defendant concluded, Plaintiffs would not likely prevail on their claims. Furthermore, Defendant argued that with respect to the PAGA claim, the Court has the discretion to lower penalties given, and that it appears unlikely a court would find that any violations were knowing or intentional. (Toby Dec. ¶ 28.)

If the Plaintiffs continued litigating this matter, the class members could potentially receive **nothing** if the court agreed with Defendant's position or if Defendant were able to defeat certification based on the individual inquiries that would be required regarding Plaintiffs' minimum wage, overtime wage, and indemnification claims. Furthermore, even if the Court agreed with Plaintiffs, Plaintiffs still would have to prove Defendant acted intentionally and *willfully* in order to receive the additional penalties under Labor Code Section 203. As such, Plaintiffs' decision to settle this matter was in the best interest of the Class Members. (Toby Dec. ¶ 29.)

This is a fair and reasonable result. Other substantial benefits also include that it is a non-reversionary, non-claims made settlement, which distributes the Net Settlement Amount to each Settlement Class Member. Settlement Payments to Settlement Class Members will be calculated as follows: an Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks. (*See* Settlement, § 3.2.4). The Workweeks shall be calculated using Defendant's payroll and timekeeping records. Since PAGA Members cannot opt out of the PAGA claims, each PAGA Member, whether or not a Participating Class Member, shall also receive his or her share of the PAGA Penalties ("Individual PAGA Payment") calculated as follows: (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties $25,000.00 by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the results by each Aggrieved Employee's PAGA Pay Periods. If the Court approves PAGA Penalties of less than the amount

requested, the remainder will be allocated to the Net Settlement Amount. (*See* Settlement, § 3.2.5.) In addition, in the event any Individual Class Payment and/or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds to the California State Controller's Office, Unclaimed Property Division in the name of the Participating Class Member who failed to cash their check. (Settlement, § 4.3.3.) (Toby Dec. ¶ 30.)

The Gross Settlement Amount is reasonable in light of the risks involved in this case—including the prospect of a potential adverse summary judgment ruling, class certification issues as well as the uncertainty of class certification, defenses to the case, potential appeal, the elements of willfulness and/or injury required for certain penalties. (Toby Dec. ¶ 31.)

Plaintiffs' Counsel is convinced that the proposed Settlement is in the best interest of the class based on the negotiations and a detailed knowledge of the issues present in this action. The affirmative defenses asserted by Defendant, the prospect of a potential adverse summary judgment ruling, preemption issues, class certification issues as well as the uncertainty of class certification, the difficulties of complex litigation, the lengthy process of establishing specific damages and various possible delays and appeals, were also carefully considered by Class Counsel in agreeing to the proposed Settlement. In light of the above, the proposed Settlement is well within the "ballpark" of reasonableness and should be granted preliminary approval. (Toby Dec. ¶ 32.)

V. THE COURT SHOULD CERTIFY THE CLASS FOR SETTLEMENT PURPOSES

The court may make an order approving certification of a provisional settlement class after the preliminary settlement hearing. (California Rules of Court, Rule 3.769(d).) For settlement purposes, courts use a less stringent standard for certification of classes. (*Global Minerals & Metals Corp. v. Superior Court* (2003) 113 Cal.App.4th 836, 859.) "The reason for this is that no trial is anticipated in a settlement class case, so the case management issues inherent in the ascertainable class determination need not be confronted." (*Id.;* see also *7-Eleven Owners for Fair Franchising v. Southland Corp.* (2000) 85 Cal. App. 4th 1135, 1161-1162 [affirming certification of class action for settlement purposes only].) Accordingly, this Court has discretion to certify Plaintiffs' class for settlement purposes only.

The requirements under California Code of Civil Procedure Section 382 are all met for the

purposes of certifying this case for settlement purposes:

- Numerosity: The settlement class consists of approximately 2,600 Class Members. Thus, the requirement of numerosity is easily met because joinder of 2,600 individual plaintiffs into a single case is otherwise impracticable in light of the circumstances of this case.
- Typicality: The claims of the class representatives are typical of the claims of the class members as a whole. Plaintiffs suffered the same alleged violations (e.g., failure to pay wages for all hours worked at minimum and straight time wages; failure to pay overtime wages; failure to authorize or permit meal periods; failure to authorize or permit rest periods; failure to indemnify for business-related expenses; failure to timely pay earned wages during employment; failure to provide accurate wage statements; failure to timely pay all earned wages and final paychecks due at time of separation of employment; and unfair business practices as the class as a whole did and, thus, the claims of the named Plaintiffs fairly represents the claims of the class as a whole.
- Ascertainability: The proposed "Class" is easily ascertainable based on Defendant's own payroll records.
- Adequacy: Plaintiffs have proven to be adequate class representatives. They have conducted themselves diligently and responsibly in representing the class in this litigation, they understand their fiduciary obligations, and they have actively participated in the prosecution of this case. Plaintiffs have spent hours in meetings and conferences with counsel to get a better understanding of their work environment and requirements. Plaintiffs were readily available during the multiple full-day mediations of the matter and have continued to be actively engaged in the ongoing settlement negotiations following the mediations that were ultimately required to finalize the settlement. Further, Plaintiffs do not have any interest that is averse to the interests of the other class members. (*See* Declarations of Angela Howard ("Howard Dec." ¶¶ 4-7), Monique Gallegos ("Gallegos Dec." ¶¶ 6-18), Patricia Rico ("Rico Dec." ¶¶ 5-16), Yvonne Sazma ("Sazma Dec." ¶¶ 4-7)). Moreover, proposed Class Counsels are adequate to represent the class for settlement purposes and have been appointed as Class Counsel before by this Court as well as both State and Federal Courts. (Toby Dec. ¶¶ 33-35.) (Fattahi Dec. ¶¶ 13-21) (Haines Dec. ¶¶ 6-11).

- Commonality: Many common issues of law and fact unite the class. The common questions of law and fact include, but are not limited to:

    1) Whether Defendant failed to pay the Class Members wages for all time worked, including minimum, straight time, and overtime wages;
    2) Whether Defendant failed to provide meal periods and meal period premium wages for the Class Members;
    3) Whether Defendant failed to provide rest breaks and rest break premium wages for the Class Members;
    4) Whether Defendant failed indemnify Class Members for losses and expenditures incurred as part of their employment;
    5) Whether Defendant failed to timely pay Class Members for all earned wages;
    6) Whether Defendant failed to provide the Class Members accurate wage statements;
    7) Whether Defendant failed to timely pay Class Members all earned wages and final paychecks due at time of separation of employment;
    8) Whether, with respect to Class Members, Defendant violated Business and Professions Code section 17200, et seq.

- Superiority: A class action is superior to other available means for the fair and efficient adjudication of this controversy. Joinder of all members of the proposed class is impractical. Class treatment will permit a large number of similarly situated persons to prosecute their common claims in a single forum simultaneously for settlement purposes without the unnecessary duplication of effort and expense that numerous individual actions would engender.

VI. THE PROPOSED CLASS NOTICE OF SETTLEMENT SHOULD BE APPROVED

The proposed class notice, attached to the Settlement as **Exhibit A**, should be approved for dissemination to the Class Members. These documents inform the Class of the terms of the Settlement, of their right to receive their proportional share of the Settlement and the manner in which to do so, an estimate of the Class Members' shares, of their right to request exclusion or to comment upon or object to the Settlement, and of their right to appear in person or by counsel at the final approval hearing and to be heard regarding approval of the Settlement. Adequate periods of time are provided by each of these procedures. Furthermore, the date and time of the Final Approval hearing will be inserted in the class notice and the Administrator will calculate the Class Member's estimated

settlement payments and PAGA payments as well as insert the Administrator's contact information in the necessary locations amongst the notice documents.

VII. THE PROPOSED ATTORNEYS' FEES AND COSTS ARE REASONABLE

Plaintiffs' Counsel seeks attorneys' fees and costs award of One-Third of the Gross Settlement Amount or Five Hundred Eighty-Three Thousand Three Hundred Thirty Three Dollars and Thirty Three Cents ($583,333.33) and Class Counsel's actual, reasonable costs for the time spent litigating this matter as well as expenses incurred in the prosecution of this Lawsuit thus far. Defendant will not object to an award of attorneys' fees and costs in these amounts. The requested fees fall well within the historical range of attorneys' fee awards under the common fund theory, which is generally from 20% to 50%. The requested fee is fair compensation for undertaking complex, risky, expensive, and time-consuming litigation on a contingent fee basis, especially in light of the substantial benefits achieved by Plaintiffs' counsel for the Settlement Class Members. Plaintiffs' counsel diligently litigated and investigated this case.

California courts have recognized that an appropriate method for awarding attorney's fees in class actions is to award a percentage of the "common fund" created as a result of the settlement. (*City & County of San Francisco v. Sweet* (1995) 12 Cal. 4th 105, 110-11; *Quinn v. State* (1975) 15 Cal. 3d 162, 168; *see also Apple Computer, Inc. v. Superior Court* (2005) 126 Cal. App. 4th 1253, 1270; *Lealao v. Beneficial California, Inc.* (2000) 82 Cal. App. 4th 19, 26.) The basis of the common fund is fairness to the successful litigant, who might otherwise receive no benefit because his recovery might be consumed by the expenses; correlative prevention of an unfair advantage to others who are entitled to share in the fund and who should bear their share of the burden of its recovery; encouragement of the attorney for the successful litigant, who will be more willing to undertake and diligently prosecute proper litigation for the protection or recovery of the fund if he is assured that he will be properly and directly compensated should his efforts be successful. (*City & County of San Francisco v. Sweet*, *supra,* 12 Cal. 4th at 111.) In *Quinn*, the California Supreme Court stated: "[O]ne who expends attorneys' fees in winning a suit which creates a fund from which others derive benefits may require those passive beneficiaries to bear a fair share of the litigation costs." (*Quinn v. State, supra,* 15 Cal. 3d at 167.) Similarly, in *Sweet*, the California Supreme Court recognized that the

common fund doctrine has been applied "consistently in California when an action brought by one party creates a fund in which other persons are entitled to share." (*City & County of San Francisco v. Sweet, supra,* 12 Cal. 4th at 110.)

Several courts have expressed frustration with the alternative "lodestar" approach for deciding fee awards, which usually involves wading through voluminous and often indecipherable time records. (*Lealao*, *supra,* 82 Cal. App. 4th at 31 n.5 [citing *In re Activision Sec. Litig.* (N.D. Cal 1989)] 723 F. Supp. 1373, 1375].) The percentage approach is preferable to the lodestar because: (1) it aligns the interests of class counsel and absent class members; (2) it encourages efficient resolution of the litigation by providing an incentive for early, yet reasonable, settlement; and (3) it reduces the demands on judicial resources. (*In re Activision Sec. Litig.*, 723 F. Supp. at 1378-79.) The Ninth Circuit now routinely uses the percentage of the common fund approach to determine the award of attorney's fees. (*Lealao*, 82 Cal. App. 4th at 30-31; *see e.g., In re Pacific Enters. Sec. Litig.* (9th Cir. 1995) 47 F.3d 373, 378-79 [approving attorney's fee of 33%].)

Plaintiffs' counsel's request for fees equal to One-Third of the Gross Settlement Amount is within the range of reasonableness. Historically, courts have awarded percentage fees in the range of 20% to 50%, depending on the circumstances of the case. (*See In re Activision Sec. Litig.*, *supra,* 723 F. Supp. at 1378.) According to Professor Newberg: "No general rule can be articulated on what is a reasonable percentage of a common fund…Usually 50 percent of the fund is the upper limit on a reasonable fee award from a common fund, in order to assure that fees do not consume a disproportionate part of the recovery obtained for the class, though somewhat larger percentages are not unprecedented." (Newberg, *supra*, §14.6.)

Class Counsel have borne, and continues to bear, the entire risk and cost of litigation associated with this class action on a pure contingency basis. The factual and legal issues posed in this case were highly disputed, and there were also risks as to whether or not a class would be certified, leaving a large number of putative class members unlikely to receive any recovery.

Based on Class Counsels' past experience in class action wage and hour litigation, it is safe to state that Class Counsel is very likely to be called upon, after the class notice has been sent, to expend substantial amounts of additional time to help Class Members understand the terms of the

proposed Settlement and to assist Class Members in the preparation and documentation of their response to the class notice, if any. It is also likely that, even after final approval of the Settlement has been granted, Class Counsel will be called upon to expend additional amounts of time in the presentation and resolution of contests and disputes relating to Class Members' allocation under the terms of the proposed Settlement, as to the amounts of individual claims and perhaps other individual issues.

The Court should preliminarily approve the requested attorney's fees and costs, which are justified by the results achieved, the complexity of the issues, the difficulty of the case, and the great risk undertaken by Class Counsel. The requested attorneys' fees and costs will not be opposed by Defendant and are well within established guidelines. The Class Members will also be notified of the requested amount and have an opportunity to object to the requested fees.

VIII. THE REQUESTED ENHANCEMENT AWARD IS REASONABLE

The named Plaintiffs are entitled to enhancement awards for their service and the risks associated with their role as the Class Representatives and named Plaintiffs in this Lawsuit. Plaintiffs understood and continue to understand their role as the Class Representatives, they have protected the interests of Class Members during the pendency of this matter and will continue to do so. (Toby Dec. ¶ 39.) (*See* Declarations of Angela Howard ("Howard Dec." ¶¶ 4-7), Monique Gallegos ("Gallegos Dec." ¶¶ 6-18), Patricia Rico ("Rico Dec." ¶¶ 5-16), Yvonne Sazma ("Sazma Dec." ¶¶ 4-7)). Plaintiffs have spent hours in meetings and conferences with counsel to get a better understanding of their work environment and requirements and Plaintiffs were readily available during the multiple full day mediations in this matter. (*Id*.) Even after the mediations, Plaintiffs continued to be engaged with counsel for the months of the continued negotiations that it took to ultimately finalize a settlement as well as understanding and discussing the settlement agreement with their attorneys. (*Id*.) Further, Plaintiffs do not have any interests that are averse to the interests of the other class members. (*Id*.) Defendant will not oppose the application for an enhancement of $36,000 ($9,000 each) to be paid from the Gross Settlement Amount to Plaintiffs for their services to the Class in this Lawsuit. Class Counsel can attest that Plaintiffs devoted a proportionate amount of time and work assisting counsel in the case, communicating with counsel frequently, providing

documents and information regarding their employer and employment, which led to an increase in the value and ultimate success of the Settlement. (Toby Dec. ¶ 39.) (Fattahi Decl., ¶¶ 3-7.)

IX. PROPOSED SCHEDULE OF SETTLEMENT PROCEEDINGS

The Parties propose the following schedule for the fairness hearing and final proceedings:

1. Not later than 15 days after the Court grants Preliminary Approval of the Settlement, Defendant will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data. (Settlement, § 4.1.)

2. Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice substantially in the form attached to this Agreement as Exhibit A. The Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database. (Settlement, § 7.4.2.)

3. Each Class Member will have until the Response Deadline (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or PAGA Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or PAGA Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination the challenges. (Settlement, § 7.6.)

4. Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than the Response Deadline (plus an additional 14 days for Class Members whose Class Notice is remailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline. The Administrator cannot reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator will accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of validity and/or authenticity will be final and not appealable or otherwise susceptible to challenge. Each Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the releases under Paragraphs 5.1 and 5.2 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement. Each Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PA GA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 5.2 of this Agreement and are eligible for an Individual PAGA Payment (Settlement, §§ 7.5.1-7.5.4.)

5. Plaintiff will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (1), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiff shall provide drafts of these documents to Defense Counsel not later than 7 days prior to filing the Motion for Final Approval. The Parties, by and through their respective Counsel, will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval. (Settlement, § 9.)

6. The Final Fairness and Approval Hearing date will be determined by Court. The parties request that the Final Fairness and Approval Hearing be set approximately one hundred forty (140) days following the Court's granting of preliminary approval of the proposed Class Action Settlement. The Parties' respective counsel will bring their calendars to the preliminary approval hearing for purposes of scheduling the Final Fairness and Approval Hearing.

X. CONCLUSION

The proposed class action settlement is fair, adequate, and reasonable. It will result in fair and immediate payment to Class Members; it is non-collusive; and it was achieved as the result of informed, extensive, and arms' length negotiations conducted by counsel for respective parties who are experienced in wage and hour class action litigation. For the foregoing reasons, the parties respectfully request that the Court grant preliminary approval of the proposed Settlement, sign the proposed Order, approve and authorize mailing of the proposed class notice and set a date for a final approval hearing.

Dated: May 6, 2026

Respectfully submitted,
LAVI & EBRAHIMIAN, LLP

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