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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SANTA CLARA**

LEWIS HERNANDEZ, individually, and on
behalf of other aggrieved employees pursuant
to the California Private Attorneys General
Act;

Plaintiff,

vs.

SPECIALIZED BICYCLE COMPONENTS,
INC., a Delaware corporation; SPECIALIZED
RETAIL STORES, LLC, a California limited
liability company; and DOES 1 through 100,
inclusive,

Defendants.

Case No.: 24CV428710

Honorable Vincent I. Parrett
Department 16

**PLAINTIFF'S NOTICE OF MOTION
AND MOTION FOR APPROVAL OF
PRIVATE ATTORNEYS GENERAL ACT
(CAL. LABOR CODE § 2698, *ET SEQ.*)
SETTLEMENT AGREEMENT AND
AWARD OF ATTORNEYS' FEES AND
COSTS, INDIVIDUAL RELEASE FEE,
AND SETTLEMENT ADMINISTRATION
COSTS; MEMORANDUM OF POINTS
AND AUTHORITIES**

[Declaration of Plaintiff's Counsel
(Ryan Slinger); Declaration of Plaintiff (Lewis
Hernandez); and [Proposed] Order and Judgment
filed concurrently herewith]

Date: March 26, 2027
Time: 9:00 a.m.
Department: 16

Complaint Filed: January 4, 2024
Trial Date: None Set

PLEASE TAKE NOTICE that on March 26, 2027, at 9:00 a.m. or as soon thereafter as the matter may be heard before the Honorable Vincent I. Parrett in Department 16 of the Superior Court of the State of California, for the County of Santa Clara, located at 191 North First Street, San Jose, California 95113, Plaintiff Lewis Hernandez (“Plaintiff”) will and hereby does move for entry of the following orders:

1. Granting approval, pursuant to California Labor Code section 2699(l)(2), of the settlement between Plaintiff and Defendants Specialized Bicycle Components, Inc. and Specialized Retail Stores, LLC (“Defendants”) of the claims brought pursuant to the Private Attorneys General Act of 2004 (“PAGA”), as set forth in the Private Attorneys General Act Settlement Agreement and Release (“Settlement,” “Agreement,” or “Settlement Agreement”), attached as “**EXHIBIT 1**” to the Declaration of Ryan Slinger, including and not limited to, the plan of allocation and distribution of the Total Settlement Amount for payment of the LWDA Payment to the California Labor and Workforce Development Agency (“LWDA”), Individual Settlement Shares to the Aggrieved Employees, Attorneys' Fees and Costs to Plaintiff's Counsel, Settlement Administration Costs to the PAGA Settlement Administrator, and Individual Release Fee to Plaintiff;
2. Approving the Net Settlement Amount, estimated to be no less than \$354,896.58 which will be distributed to the LWDA and the Aggrieved Employees, pursuant to California Labor Code section 2699(i), of which 75% will be paid to the LWDA (“LWDA Payment”) and 25% will be paid to the Aggrieved Employees (“Employees' Portion”);
3. Appointing Simpluris, Inc. (“Simpluris”) as the PAGA Settlement Administrator, to handle the administration of the Settlement;
4. Directing Defendants to fund the Total Settlement Amount, and directing the PAGA Settlement Administrator to distribute payments in accordance with the Settlement Agreement;
5. Directing the mailing of Individual Settlement Share checks to the Aggrieved Employees along with the Cover Letter, which is substantially similar in content and form to that attached as “**EXHIBIT A**” to the [Proposed] Order and Judgment Granting Approval of

Private Attorneys General Act (Cal. Labor Code § 2698, *Et Seq.*) Settlement Agreement and Award of Attorneys' Fees and Costs, Individual Release Fee, and Settlement Administration Costs (“[Proposed] Order and Judgment”) filed concurrently herewith;

6. Awarding \$10,000.00, to Plaintiff Lewis Hernandez as his Individual Release Fee;
7. Awarding up to \$10,000.00 to the PAGA Settlement Administrator as Settlement Administration Costs; and
8. Awarding to Lawyers for Justice, PC (“Plaintiff’s Counsel”) the amount of \$208,250.00 as compensation for reasonable attorneys’ fees and the amount of \$11,853.42 for reimbursement of litigation costs and expenses (together, “Attorneys’ Fees and Costs”), pursuant to California Labor Code section 2699(g)(1).

Unless otherwise specified, all citations and references to the Private Attorneys General Act of 2004, California Labor Code sections 2698, *et seq.* are to the version of statute prior to the recent amendment effective July 1, 2024; the amended statute does not apply to the above-captioned action and the Settlement pursuant to California Labor Code section 2699(v)(1), as amended, because the above-captioned action was filed prior to June 19, 2024.

The Settlement Agreement and moving and supporting papers for this motion are being concurrently submitted to the California Labor and Workforce Development Agency in conformity with California Labor Code section 2699(l)(2).

This motion is made pursuant to California Labor Code section 2699(l)(2), which provides for review and approval by the Court of the settlement of a civil action filed pursuant to PAGA, and Rule 3.1113(e) of the California Rules of Court, which permits the Court to extend the page limit for memoranda.

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1 This motion will be based upon the following Memorandum of Points and Authorities, the
2 Settlement Agreement, the Declarations of Plaintiff's Counsel (Ryan Slinger) and Plaintiff Lewis
3 Hernandez in support thereof, as well as the pleadings and other records on file with the Court in this
4 matter, and such evidence and oral argument as may be presented at the hearing on this motion.

5 Dated: June 15, 2026

LAWYERS for JUSTICE, PC

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8 By:



9 Harris Koepenick

10 *Attorneys for Plaintiff*
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MEMORANDUM OF POINTS AND AUTHORITIES

I. SUMMARY OF MOTION

Plaintiff Lewis Hernandez (“Plaintiff”) seeks approval of the Private Attorneys General Act Settlement Agreement and Release (“Settlement,” “Agreement,” or “Settlement Agreement”) entered into between Plaintiff, individually and on behalf of the State of California with respect to Aggrieved Employees, and Defendants Specialized Bicycle Components, Inc. and Specialized Retail Stores, LLC (“Defendants”), pursuant to California Labor Code section 2699(1)(2).¹ Plaintiff and Defendants (together, the “Parties”) have agreed to resolve the above-captioned action, brought pursuant to the Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq.* (“PAGA”), for a Total Settlement Amount of \$595,000.00.²

The Settlement is fair, adequate, and reasonable, as it represents a reasoned compromise of a disputed claim that has been reached through arm’s-length negotiations, in light of the risks, complexity, and expense of further litigation, and the strengths of the PAGA claim. The Settlement meets the requirements for Court approval based upon the relevant fairness factors. The Court is respectfully requested to approve the Settlement, award the Attorneys’ Fees and Costs, Settlement Administration Costs, and Individual Release Fee and approve the LWDA Payment.

The Settlement Agreement and moving and supporting papers for this motion are being concurrently submitted to the LWDA and Plaintiff now moves for an order granting approval of the Settlement, in conformity with California Labor Code section 2699(1)(2).³ In order to efficiently present the Court with adequate information, Plaintiff also moves for an order permitting the filing of this memorandum, although it exceeds the page limit set forth in California Rules of Court, Rule 3.1113(d).

II. FACTUAL BACKGROUND AND RELEVANT PROCEDURAL HISTORY

For a discussion of relevant procedural history and facts regarding this case, please see the Declaration of Ryan Slinger at paragraphs 8 to 11.

¹ The Private Attorneys General Act Settlement Agreement and Release (“Settlement Agreement”) is attached as “**EXHIBIT 1**” to the Declaration of Ryan Slinger.

² Settlement Agreement, § 3(a). The Total Settlement Amount is subject to possible increase pursuant to Section 3(b) of the Settlement Agreement.

³ The Court is referred to the concurrently-filed Proof of Service, which confirms submission of the papers to the LWDA.

III. SUMMARY OF THE SETTLEMENT TERMS

A. Scope of the Settlement

If the Court grants approval of the Settlement, Plaintiff and the State of California with respect to Aggrieved Employees⁴ will release the Released Parties⁵ from the Released Claims⁶.

B. Funding and Distribution of the Total Settlement Amount

Under the terms of the Settlement Agreement, Defendants will pay a Total Settlement Amount of \$595,000.00⁷, which is inclusive of the following: (1) Attorneys' Fees and Costs to be paid to Lawyers for Justice, PC ("Plaintiff's Counsel"), (2) Individual Release Fee to Plaintiff, (3) Settlement Administration Costs to be paid to the PAGA Settlement Administrator, and (4) Net Settlement Amount to be paid to the California Labor and Workforce Development Agency ("LWDA") and Aggrieved Employees. The Net Settlement Amount will be the Total Settlement Amount less the Court-approved Attorneys' Fees and Costs, Settlement Administration Costs, and Individual Release Fee; the Net Settlement Amount is currently estimated to be no less than \$354,896.58.⁸ The Net Settlement Amount will be distributed as follows: 75% of the Net Settlement Amount (or approximately \$266,172.44) will be distributed to the LWDA ("LWDA Payment") and 25% of the Net Settlement Amount (or approximately \$88,724.14) ("Employees' Portion") will be distributed to the Aggrieved Employees on a *pro rata* basis, based on their Compensable Pay Periods.⁹

Within 30 calendar days after Defendants are served with the Court's order granting approval of this Settlement Agreement, Defendant will transmit the Total Settlement Amount to a qualified settlement account established by the PAGA Settlement Administrator for administration of the Settlement.¹⁰ No later than 15 business days after the Court's order granting approval of the Settlement, Defendant will provide the PAGA Settlement Administrator with the Aggrieved Employees List, containing the following information for each Aggrieved Employee: (i) last known first and last name, (ii) last known

⁴ Settlement Agreement, § 3(a)(1)-(5), and Slinger Decl., ¶ 14. "PAGA Period" is defined as the period of October 30, 2022 through the date of Court Approval. *Id.*, § 3(a)(5).

⁵ The definition of the "Released Parties" is set forth in the Settlement Agreement, § 8(a).

⁶ The definition of the "Released Claims" is set forth in the Settlement Agreement, § 8(a).

⁷ Settlement Agreement, § 3(a), Slinger Decl., ¶ 14, and see footnote 2.

⁸ *Id.*, § 3(a)(4), and Slinger Decl., ¶ 14.

⁹ Settlement Agreement, § 7(b).

¹⁰ Settlement Agreement, § 7(a).

address, (iii) last known telephone number, (iv) Social Security number, and (v) dates of employment as an hourly-paid or non-exempt employee in California during the PAGA Period, and (vi) such other information as is necessary for the PAGA Settlement Administrator to calculate Compensable Pay Periods.¹¹

No later than 14 calendar days after the PAGA Settlement Administrator receives the Aggrieved Employee List and Total Settlement Amount, the PAGA Settlement Administrator will calculate payments and mail the agreed-upon Cover Letter¹² and Individual Settlement Share¹³ checks (together, the “PAGA Settlement Package(s)”) to all Aggrieved Employees by first-class United States mail.¹⁴ For each PAGA Settlement Package that is returned as undeliverable within 30 calendar days of the initial mailing, the PAGA Settlement Administrator will promptly attempt to locate an alternate, updated address for the Aggrieved Employee at issue, by using a skip-trace search and shall attempt one (1) re-mailing of the PAGA Settlement Package.¹⁵

The Individual Settlement Share checks issued to Aggrieved Employees will remain valid for 90 calendar days, and thereafter, will be canceled.¹⁶ Funds associated with canceled checks will be transmitted to the State Controller’s Office Unclaimed Property Division in the name of the Aggrieved Employee(s) at issue and in the amount of his or her respective Individual Settlement Share(s).¹⁷

C. Standards for Approval of PAGA Settlement

The PAGA allows an “aggrieved employee” to bring a civil action on behalf of the State of California to recover civil penalties that normally the LWDA can pursue on behalf of employees against an employer without employees’ involvement or approval. Unnamed employees need not be given

¹¹ Settlement Agreement, § 7(c)(1).

¹² The Parties have prepared a simple Cover Letter for transmission to the Aggrieved Employees along with their Individual Settlement Share checks, substantially in the form attached as “EXHIBIT A” to the [Proposed] Order and Judgment and as “EXHIBIT A” to the Settlement Agreement. The Cover Letter informs the Aggrieved Employees about the Action and the Settlement.

¹³ Each Aggrieved Employee’s share of the Employees’ Portion (“Individual Settlement Share”), will be calculated by the PAGA Settlement Administrator based on their Compensable Pay Periods. *Id.*, § 7(b). The payments to Aggrieved Employees for their Individual Settlement Share are considered 100% penalties to be reported on IRS Form 1099, if required. *Id.*, §§ 3(b) & 7(b)(1).

¹⁴ *Id.*, § 7(c)(3).

¹⁵ *Ibid.*

¹⁶ *Id.*, § 7(c)(4).

¹⁷ *Ibid.*

notice of the PAGA claim, nor do they have the ability to opt-out of the representative PAGA claim.¹⁸ Before bringing a civil action under PAGA, an employee must comply with California Labor Code section 2699.3. *See* Cal. Lab. Code § 2699(a). Plaintiff has complied.

The settlement of a PAGA action requires court approval. *See* Cal. Lab. Code § 2699(l)(2). However, a PAGA claim asserted on a non-class representative basis is not a class action but a law enforcement action.¹⁹ A court's review of a PAGA settlement involves consideration of unique factors that render the approval process distinct from, and simpler than the two-step court approval process for a class action settlement. A court reviewing a PAGA settlement need only "ensur[e] that a negotiated resolution is fair to those affected." *Williams v. Superior Court* (2017) 3 Cal.5th 531, 549 (citing Cal. Lab. Code § 2699(l)(2)). Although California Labor Code section 2699(l) does not set forth the criteria on which a PAGA settlement is to be judged, courts have approved settlements of PAGA claims.²⁰

In a PAGA case, the court's focus is not the monetary amount which aggrieved employees or the State stand to receive, but instead, whether the total settlement amount achieves the PAGA's objectives. The purpose of the PAGA is "to incentivize private parties to recover civil penalties for the government that otherwise may not have been assessed and collected by overburdened state enforcement agencies." *See Ochoa-Hernandez, supra*, 2010 WL 1340777, at *4 (citing *Arias, supra*, 46 Cal.4th at 986). Penalties recovered under the PAGA are, in part, to "be distributed to the [LWDA] for enforcement of

¹⁸ *Robinson v. Southern Counties Oil Co.* (2020) 53 Cal.App.5th 476 (aggrieved employee cannot opt out of a PAGA settlement); *Williams v. Superior Court* (2017) 3 Cal.5th 531, 546-548 ("[A] PAGA action is a statutory action for penalties brought as a proxy for the State," "whatever personal claims the absent employees might have for relief are not at stake[.]" as such, "there is no need to protect absent employees' due process rights" and they "will be bound by the outcome of any PAGA action[.]"); *Ochoa-Hernandez v. CJADERS Foods, Inc.* (N.D. Cal. Apr. 2, 2010), 2010 WL 1340777, at *5 (Unnamed employees need not be given notice); *Arias v. Superior Court* (2009) 46 Cal.4th 969, 984-86 (Same).

I. ¹⁹ *Casida v. Sears Holdings Corp.* (E.D. Cal. Jan. 26, 2012) 2012 WL 253217, at *3; *Thomas v. Aetna Health of Cal., Inc.* (E.D. Cal. June 2, 2011) 2011 WL 2173715, at *11; *Arias, supra*, 46 Cal.4th at 980-88 (affirming lower court's holding that "plaintiff need not satisfy class action requirements" to assert a PAGA claim); *Pedroza v. PetSmart, Inc.* (C.D. Cal. Jan. 28, 2013) 2013 WL 1490667, at *15; *Amalgamated Transit Union, Local 1756, AFL-CIO v. Superior Court* (2009), 46 Cal.4th 993, 1003; *see also Iskanian v. CLS Transportation Los Angeles, LLC* (2014) 58 Cal.4th 348, 381.

²⁰ *Slinger Decl.*, ¶ 7. *See, e.g., Resendez v. Bridgestone Retail Operations, LLC*, Los Angeles Superior Court, Case No. BC596892 (June 2016), *DCH Auto Wage and Hour Cases*, Los Angeles Superior Court, Case No. JCCP4833 (May 2017); *Garcia v. Gordon Trucking* (E.D. Cal. Oct. 31, 2012) 2012 WL 5364575, at *3; *Schiller v. David's Bridal, Inc.* (E.D. Cal. June 11, 2012) 2012 WL 2117001, at *14; *Chu v. Wells Fargo Invs., LLC* (N.D. Cal. Feb. 16, 2011) 2011 WL 672645, at *1; *Franco v. Ruiz Food Prods.* (E.D. Cal. Nov. 27, 2012) 2012 WL 5941801, at *14; *Nordstrom Commissions Case* (2010) 186 Cal.App.4th 576, 589.

labor laws . . . and for education of employers and employees about their rights and responsibilities under this code, to be continuously appropriated to supplement and not supplant the funding to the agency for those purposes.” See Cal. Lab. Code § 2699(j).

IV. THE SETTLEMENT IS FAIR AND SHOULD BE APPROVED

The Settlement resulted from hard-fought negotiations, fulfills the objectives of the PAGA statute, is fair, adequate, and reasonable, and meets all of the criteria for approval for the reasons discussed below.

A. The Factors Giving Rise to a Presumption of Fairness Exist

The Parties reached the Settlement after conducting extensive, arm’s-length settlement negotiations and the involvement of a neutral mediator Michael Ludwig, Esq.²¹ A settlement that is “the product of extensive and hard-fought adversarial negotiations between the parties” is entitled to a presumption of fairness. *Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 245.

As discussed in the Declaration of Ryan Slinger, the Settlement is presumptively fair because: (1) it is the product of adversarial non-collusive, and arm’s-length negotiations with the assistance of an independent mediator knowledgeable in complex labor and employment matters; (2) it was negotiated by counsel with significant experience in similar complex labor and employment matters; and (3) it occurred after counsel for the Parties engaged in significant investigation to evaluate the strength and potential value of the PAGA claim, and risks and expenses of litigating this claim through trial.²²

Based on all of the information available to the Parties, the Parties agree that this matter is well-suited for settlement given the strengths and weaknesses of the PAGA claim and the facts and circumstances of the case.²³ Plaintiff’s Counsel has extensive experience handling representative and class action wage-and-hour litigation and used that experience to achieve a settlement recovery for Plaintiff, the State of California, and the Aggrieved Employees.²⁴ Therefore, the Court should give considerable weight to the competency, experience, and opinion of counsel and the involvement of a neutral mediator in assuring that the settlement is a product of arm’s length bargaining.²⁵

²¹ Slinger Decl., ¶ 16.

²² *Id.*, ¶¶ 2-6, 15-30.

²³ *Id.*, ¶ 30.

²⁴ *Id.*, ¶¶ 2-6.

²⁵ See *Kirkorian v. Borelli* (N.D. Cal. 1988) 695 F.Supp. 446, 451 (opinion of experienced counsel is entitled to

(Footnote continued)

B. The Relative Strengths and Weaknesses of the PAGA Claim and the Range of Possible Outcomes Strongly Favor Approval of the Settlement

For a discussion of the relative strengths and weaknesses of the PAGA claim and the range of possible outcomes in the litigation, see the Declaration of Ryan Slinger at paragraphs 20-30.

C. The Settlement Avoids Risky, Complex, and Lengthy Further Litigation

Courts favor voluntary conciliation and settlement of complex litigation. *Class Plaintiffs v. City of Seattle* (9th Cir. 1992) 955 F.2d 1268, 1276. Generally, unless the settlement is clearly inadequate, its acceptance and approval are preferable to lengthy and expensive litigation with uncertain results. *Nat'l Rural Telecomms. Coop. v. DIRECTV, Inc.* (C.D. Cal. Jan. 5, 2004) 221 F.R.D. 523, 526.

Prior to reaching the Settlement, the Parties investigated the veracity, strength, and scope of the PAGA claim and allegations and considered thousands of pages of information, documents, and data relevant to Plaintiff's claim and Defendants' defenses thereto.²⁶ The Parties thoroughly and sufficiently evaluated the PAGA claim and related allegations, including, and not limited to, calculating the potential monetary recovery under PAGA.²⁷ Plaintiff's Counsel performed other work as well, which is discussed in the Declaration of Ryan Slinger.²⁸

Had the case not settled, the Parties would have conducted extensive additional formal discovery, including propounding additional written discovery requests as well as multiple depositions of party and percipient witnesses all over the State of California, to prepare the case for trial. From the inception of this litigation, Defendants indicated that they would aggressively litigate this case.²⁹ Even if Defendants failed on their defenses, litigating a complex PAGA action is inherently expensive, and the litigation could continue beyond entry of judgment if either party were to appeal adverse rulings.³⁰ Additionally, there is a real possibility that Plaintiff could recover nothing, either for himself or on behalf of the State of California or other Aggrieved Employees after years of costly and labor-intensive litigation. Avoiding

considerable weight); *Boyd v. Bechtel Corp.* (N.D. Cal. 1979) 485 F.Supp. 610, 616-17, 622 (recommendations of plaintiffs' counsel should be given a presumption of reasonableness); see also *Satchell v. Fed. Express Corp.* (N.D. Cal. Apr. 13, 2007) 2007 WL 1114010, at *4 (stating that the "assistance of an experienced mediator in the settlement process confirms that the settlement is non-collusive").

²⁶ Slinger Decl., ¶ 17.

²⁷ *Ibid.*

²⁸ *Id.*, ¶ 31-38.

²⁹ *Id.*, ¶¶ 21-25.

³⁰ *Id.*, ¶¶ 18, 29-30, & 42.

these risks and the likelihood of future contentious litigation, which would involve significant costs, favors settlement.

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D. The Settlement Is Fair, Adequate, and Reasonable

The Settlement provides significant benefits to the State of California and the Aggrieved Employees and falls well-within the range of acceptable settlements under the circumstances. “[T]he very essence of a settlement is compromise, ‘a yielding of absolutes and an abandoning of highest hopes.’” *Officers for Justice v. Civil Service Comm’n* (9th Cir. 1981) 688 F.2d 615, 624. “The proposed settlement is not to be judged against a hypothetical or speculative measure of what might have been achieved by the negotiators.” *Id.* at 625.

The Settlement is a compromise of highly disputed claims. Plaintiff and his counsel recognize the expense and length of continued proceedings necessary to pursue the matter through trial and any possible appeals.³¹ Plaintiff and his counsel have also taken into account the uncertainty and risk of the outcome of further litigation, and the difficulties and delays inherent in such litigation.³² Plaintiff and his counsel are also aware of the burdens of proof necessary to establish liability, both generally and in response to Defendants’ defenses thereto, and the difficulties in establishing Defendants’ liability for, and the right to recover, penalties on behalf of Plaintiff, the State of California, and other Aggrieved Employees.³³ Plaintiff and his counsel have also taken into account Defendants’ agreement to enter into a settlement that confers significant relief upon the Aggrieved Employees and the State of California.³⁴

Considering all of the facts in this case, Plaintiff and his counsel have determined that the Settlement represents a fair, adequate, and reasonable resolution of the PAGA claim, and that it is in the best interests of the Aggrieved Employees and the State of California.³⁵

The result achieved in this case, and the monetary recovery provided by this settlement, are well-within the range of an acceptable settlement under the circumstances, especially when compared to trial court penalties assessments in contested cases and the settlement of PAGA claims in other cases. Here,

³¹ Slinger Decl., ¶¶ 18, 29-30, & 42.

³² *Ibid.*

³³ *Id.*, ¶¶ 20-28.

³⁴ *Id.*, ¶ 14.

³⁵ *Id.*, ¶ 44.

the value obtained for settlement of the PAGA claim is significant, and it will be distributed in accordance with and in fulfillment of the objectives of the PAGA statute.

E. The Experience and Views of Plaintiff's Counsel Favor Approval of the Settlement

Plaintiff's Counsel is highly experienced in complex representative and class action wage-and-hour litigation.³⁶ In the view of Plaintiff's Counsel, the benefits conferred by the settlement are eminently fair and reasonable, and in the best interests of the State of California and the Aggrieved Employees in light of the risk, delay, and uncertainty of continued litigation and the substantial monetary benefits provided for by the Settlement.³⁷ Furthermore, courts have acknowledged that "the interests of plaintiff, counsel and other potentially aggrieved employees are largely aligned. All stand to gain from proving as convincingly as possible as many Labor Code violations as the evidence will sustain[.]" *Williams, supra*, 548 (citing Cal. Lab. Code § 2699(g)(1)(i)).

V. THE REQUESTED ATTORNEYS' FEES AWARD SHOULD BE APPROVED

A. A Fee Award of a Percentage of the Entire Fund Is Appropriate

The Settlement provides for attorneys' fees in an amount of up to 35% of the Total Settlement Amount, which is \$208,250.00 (assuming the Total Settlement Amount remains \$595,000.00)³⁸, subject to approval and award by the Court.³⁹ The requested attorneys' fees award is commensurate with: (1) the risk that Plaintiff's Counsel took in bringing and litigating the case, (2) the time, effort, and expense dedicated to the case, (3) the skill and determination that Plaintiff's Counsel has shown, (4) the results that Plaintiff's Counsel has achieved in the case, (5) the value that Plaintiff's Counsel has achieved in the case, and (6) the other cases that Plaintiff's Counsel has turned down in order to work on this matter.

Plaintiff's Counsel is entitled to recover reasonable attorneys' fees and costs as a matter of right under PAGA. *See* Cal. Lab. Code § 2699(g)(1) ("Any employee who prevails in any [PAGA] action shall be entitled to an award of reasonable attorney's fees and costs"). Plaintiff's Counsel is also entitled to fees and costs under California Code of Civil Procedure section 1021.5, as the instant PAGA action is by definition "for the benefit" of others and secures monetary recovery for a large number of allegedly

³⁶ Slinger Decl., ¶¶ 2-6.

³⁷ *Id.*, ¶¶ 18, 29-30, 42, & 44.

³⁸ *See* note 2.

³⁹ Settlement Agreement, § 3(a)(1).

1 aggrieved employees, as well as the State of California.⁴⁰ The settlement will also provide funds to the
2 state labor agency, to enhance enforcement of labor laws and education of “employers and employees
3 about their rights and responsibilities under [the California Labor Code].” Cal. Lab. Code § 2699(i).

4 Courts may calculate and award attorneys’ fees as a percentage of a monetary fund that has, by
5 litigation, been preserved or recovered for the benefit of others. *Laffitte v. Robert Half Int’l, Inc.* (2016) 1
6 Cal.5th 480 at 486 & 506. Trial courts “retain the discretion to forgo a lodestar cross-check and [may]
7 use other means to evaluate the reasonableness of a requested percentage fee.” *Id.* (internal quotes
8 omitted); see also *Wershba, supra*, 91 Cal.App.4th at 253.

9 Courts award fees as an economic incentive for lawyers to pursue litigation that will enhance and
10 facilitate access to the judicial system for meritorious claims, deter wrongdoing, and address multiple
11 similar alleged wrongs that would not be economically feasible to pursue individually, such as here. See
12 A. Conte, *Attorney Fee Awards* (2d ed. 1993) 104, at 6.

13 VI. The percentage method is particularly appropriate where a monetary settlement has been recovered
14 and “the benefit [recovered can be] easily quantified.” *In re Bluetooth Headset Prods. Liab. Litig.* (9th
15 Cir. 2011) 654 F.3d 935, 942. Where the amount of a settlement is a “certain easily calculable sum of
16 money,” California courts may calculate attorneys’ fees as a reasonable percentage of the settlement
17 created. Weil and Brown, California Practice Guide, *Civil Procedure Before Trial*, Chapter 14, section
18 14:145; *Dunk v. Ford Motor Co.* (1996) 48 Cal. App. 4th 1794, 1808.

19 The percentage fee method is preferred in representative actions because “it better approximates
20 the workings of the marketplace than the lodestar approach.” *Lealao v. Beneficial Cal., Inc.* (2000) 82
21 Cal.App.4th 19, 49. California law provides that the award for attorneys’ fees should be equivalent to
22 fees freely negotiated in the legal marketplace and paid in comparable litigation based on the result
23 achieved and risk incurred. See *Lealao, supra*, 82 Cal.App.4th at 47-50; *Laffitte, supra*, 1 Cal.5th 480 at
24 503. In cases where the settlement agreement provides that the defendant will pay the plaintiff’s attorneys
25 a percentage of the fund created by the settlement, use of that percentage method is appropriate. *Lealao,*
supra, 82 Cal.App.4th at 32. Fee awards that are too small will “chill the private enforcement essential to

26 ⁴⁰ See *Estrada v. FedEx Ground Package Sys. Inc.* (2007) 154 Cal.App.4th 1, 16-17 (recognizing that recovery
27 obtained on behalf of 209 individuals satisfies the “significant benefit,” “public interest,” and “large class of
28 persons” requirements of Code of Civil Procedure section 1021.5, regardless of plaintiff’s personal motivation).

the vindication of many legal rights and obstruct the representative actions that often relieve the courts of the need to separately adjudicate numerous claims.” *Id.* at 53. Therefore, fees in representative actions should approximate the probable terms of a contingent fee contract negotiated by a sophisticated attorney and client in comparable litigation. *Id.* at 48. “The ultimate goal . . . is the award of a ‘reasonable’ fee to compensate counsel for their efforts, irrespective of the method of calculation.” *Consumer Privacy Cases* (2009) 175 Cal.App.4th 545, 557-58 (quoting *Apple Computer, Inc. v. Superior Court* (2005) 126 Cal.App.4th, 1253, 1270).

Plaintiff's Counsel's application for attorneys' fees in light of the facts and circumstances surrounding the case is well-within the range of reasonableness. Courts have awarded fees as high as 50% of the settlement in complex actions, depending on the circumstances of the case.⁴¹

Plaintiff's Counsel has performed significant work in this matter, as discussed in the Declaration of Ryan Slinger with the very real possibility of an unsuccessful outcome and no fee recovery of any kind.⁴² In the present case, Plaintiff's Counsel has borne all of the risks and costs of litigation and will not receive any compensation until recovery is obtained.⁴³ Plaintiff's Counsel is experienced in complex wage-and-hour litigation and used that experience to obtain a significant settlement recovery for Plaintiff, the Aggrieved Employees, and the State of California.⁴⁴ Considering the amount of fees requested, work performed, risks incurred, results obtained, and experience of Plaintiff's Counsel in handling similar matters, Plaintiff maintains that the requested attorneys' fees are reasonable and should be awarded.

B. The Requested Fee Award is Reasonable Based on the Factors Considered in Determination of Fee Awards

The factors which courts consider in determining whether fee awards are reasonable, all of which support the fee award requested by Plaintiff's Counsel, are: the time and labor required; the novelty and difficulty of the questions involved; the skill requisite to perform the legal services properly; the

⁴¹ See *In re Ampicillin Antitrust Litig.* (D.D.C. 1981) 526 F.Supp. 494 (awarding attorneys' fees in the amount of 45% of the \$7.3 million total settlement amount); *Beech Cinema, Inc. v. Twentieth-Century Fox Film Corp.* (S.D.N.Y. 1979) 480 F.Supp. 1195 (awarding approximately 53% of the settlement as attorneys' fees). California courts routinely approve attorneys' fees awards “average[ing] around one-third of the recovery.” *Chavez v. Netflix, Inc.* (2008) 162 Cal.App.4th 43, 66 n.11 (lower court found the range of contingency fees in marketplace to be 20%-40% and determined such a percentage fee was appropriate).

⁴² Slinger Decl., ¶¶ 39-40.

⁴³ *Id.*, ¶ 42.

⁴⁴ *Id.*, ¶¶ 2-6.

preclusion of other employment by the attorney due to the acceptance of the case; the customary fee; whether the fee is fixed or contingent; the time limitation imposed by the client or the circumstances; the amount involved and results obtained; the experience, reputation, and ability of the attorney; the undesirability of the case; the nature and length of the professional relationship with the client; and awards in similar cases. *Camden I Condominium Association, Inc. v. Dunkel* (11th Cir. 1991) 946 F.2d 768, 772. Some of the most relevant factors to this Court's fee determination will be addressed below.

It should be highlighted that the percentage award sought is commensurate with the time, effort, and expense dedicated to the case, the contingent nature of Plaintiff's Counsel's representation and the risks taken in commencing the case, the skill and determination required, the results that Plaintiff's Counsel has achieved, and the value of the settlement that Plaintiff's Counsel has obtained on behalf of Plaintiff, the Aggrieved Employees, and the State of California. For the reasons discussed herein, an award of attorneys' fees in the amount of 35% of the Total Settlement Amount is reasonable.

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1. Time & Labor

Plaintiff's Counsel has used its experience and skills in litigating complex wage-and-hour actions to bring this matter to a successful conclusion. Prior to commencing this lawsuit, Plaintiff's Counsel conducted a significant amount of investigation into the factual and legal issues, Defendants' business, and its operations and employment policies, practices, and procedures.⁴⁵ During the litigation of the case, Plaintiff's Counsel interviewed and obtained information from Plaintiff, Defendants, and other sources, conducted legal research, reviewed and analyzed thousands of pages of documents and data, prepared for and participated in mediation and robust settlement discussions, evaluated the PAGA claim, and calculated the potential monetary recovery under PAGA.⁴⁶ Plaintiff's Counsel also met and conferred with Defendants' counsel regarding the pleadings, case management, discovery, mediation, and settlement negotiations, among other issues.⁴⁷ Plaintiff's Counsel performed other work including, *inter alia*, case strategy and analysis; and engaging in extensive settlement negotiations.⁴⁸

⁴⁵ Slinger Decl., ¶¶ 8 & 17.

⁴⁶ Slinger Decl., ¶ 17.

⁴⁷ *Ibid.*

⁴⁸ *Ibid.*

Plaintiff's Counsel dedicated the full extent of staffing and monetary resources necessary to prosecute the case with maximum efficiency and has fully and actively participated in the litigation process. The Attorney Task and Time Chart, which is attached as "EXHIBIT 3" to the accompanying Declaration of Ryan Slinger, sets forth in detail the hours that Plaintiff's Counsel has spent performing tasks in this matter. Attorneys at Lawyers for Justice, PC have spent **180.30 hours** to obtain a recovery on behalf of Plaintiff, the Aggrieved Employees, and the State of California. These hours were required to bring the case to its successful conclusion.

In light of the value of time expended and the carrying of costs involved in this litigation, the requested attorneys' fees award is fair, adequate, and reasonable.

2. The Skill Required to Perform Legal Services Properly

The skill required to properly litigate this case is evident not only in the results achieved, but in the steps necessary to reach the same. Defendants retained highly-respected counsel to represent their defenses. Plaintiff's Counsel's effort and skill were used to, among other things, investigate the allegations and gather facts, research the legal issues, analyze data, documents, and information obtained from Defendants, Plaintiff, and through other sources, to evaluate the PAGA claim and negotiate the settlement. Despite all of the obstacles that had to be overcome, Plaintiff's Counsel used its extensive experience and skill in the handling of complex wage-and-hour matters to advocate for and obtain a recovery now, with maximum efficiency, as opposed to the possibility of recovery in the future, after significant expense and time.⁴⁹

3. Whether the Fee Is Fixed or Contingent

Plaintiff's Counsel has provided representation on a contingency basis, has borne all of the risks and costs of litigation, and will not receive any compensation until recovery is obtained.⁵⁰ Plaintiff's Counsel has invested **180.30 hours** performing work in this matter. Plaintiff's Counsel is also requesting reimbursement of litigation costs and expenses of \$11,853.42.⁵¹ If Plaintiff's Counsel had not been successful, the time that they have devoted to litigating the case would have been for naught and would not have produced any fee or any reimbursement of costs or expenses. Plaintiff's Counsel is well-

⁴⁹ Slinger Decl., ¶¶ 15-30.

⁵⁰ *Id.*, ¶¶ 39 & 42.

⁵¹ *Id.*, ¶¶ 40-41, & Exh. 4.

experienced in complex wage-and-hour litigation and used that experience to obtain a great result in this matter.⁵² The skill and determination that Plaintiff's Counsel has shown throughout the prosecution of the case justifies the requested attorneys' fees and costs. Considering the amounts requested, work performed, and risks incurred, the requested fees and costs are reasonable and should be awarded.

4. *The Amount Involved and the Results Achieved*

The Settlement represents an excellent resolution of this lawsuit, given the uncertainty and risks of further litigation.⁵³ Had the case not settled, Defendants would have vigorously defended the case, and would have challenged manageability and liability, and also sought a reduction in the amount assessed as civil penalties. Defendants, however, faced risks too, including and not limited to, the risk of trial and the risk of having the Court assess civil penalties. Additionally, preparing for trial would have been extraordinarily expensive for the Parties. At this stage, the settlement is preferred over continued litigation because such resolution saves time and money that would otherwise go to litigation. The risks and expenses of further litigation outweighed any benefit that might have been gained otherwise. The Settlement provides an immediate recovery and avoids an uncertain result in the future and additional risk, expense, and delay (e.g., prolonged expert discovery, trial preparation, and appellate review of those proceedings).

The results achieved, in light of the difficulties inherent in similar cases and the specific difficulties faced in this case, are considerable. Plaintiff's Counsel obtained a settlement that provides for a Total Settlement Amount of \$595,000.00, and it is currently estimated that the Net Settlement Amount available for distribution to the Aggrieved Employees and the State of California, is approximately \$354,896.58.⁵⁴

5. *The Reputation and Ability of the Attorneys*

Plaintiff's Counsel is a recognized class action and complex litigation law firm, and its attorneys employed their knowledge, skill, and experience to bring the case to a successful conclusion. Plaintiff's Counsel has years of wage-and-hour class action and complex litigation experience, has recovered

⁵² See Slinger Decl., ¶¶ 2-6.

⁵³ *Id.*, ¶¶ 15, 18, 19, 30 & 44.

⁵⁴ Settlement Agreement, § 3(a) and see footnote 2.

millions of dollars on behalf of thousands of individuals in California, and has successfully handled numerous significant wage-and-hour class action and representative action cases.⁵⁵

C. The Lodestar Methodology Also Justifies Approval of the Requested Fees.

While the percentage-of-the-benefit approach is endorsed as the better approximation of the workings of the marketplace than the lodestar approach, courts may also use the lodestar method to “cross-check” the results of the other.⁵⁶ The lodestar is calculated based on reasonable hours at reasonable prevailing hourly rates for the attorneys, and counsel is entitled to compensation for every hour reasonably spent on the matter. *Ketchum v. Moses* (2001) 24 Cal.4th 1122, 1131-33.

The reasonableness of hours is assessed by “the entire course of the litigation, including pretrial matters, settlement negotiations, discovery, litigation tactics, and the trial itself[.]” *Vo v. Las Virgenes Municipal Water Dist.* (2000) 79 Cal.App.4th 440, 447. As set forth above in Part V.B.1 *infra*, and also discussed in the Declaration of Ryan Slinger, Plaintiff’s Counsel performed significant work in this matter. The Attorney Task and Time Chart sets forth in detail the numerous tasks that Plaintiff’s Counsel performed in this case, and the time required for completing those tasks.⁵⁷ The chart demonstrates that Lawyers for Justice, PC has spent a total of **180.30 hours** on this matter, which is reasonable.

Both California and federal courts recognize that attorneys should be compensated for providing representation on a contingency basis and for taking on the risks associated with said representation, and be provided with financial incentives to enforce important rights and protections like those at issue here. *See Ketchum, supra*, 24 Cal.4th at 1132-33. In awarding attorneys’ fees, the aim is to mirror “the established practice in the private legal market of rewarding attorneys for taking the risk of nonpayment by paying them a premium over their normal hourly rates for winning contingency cases.” *See id.*

Plaintiff’s Counsel has been actively involved in the prosecution of this case and their work on this matter has precluded other employment. Here, Plaintiff’s Counsel bore the risk that, despite all of

⁵⁵ Slinger Decl., ¶¶ 2-6.

⁵⁶ *Laffitte, supra*, 1 Cal.5th at 505 (explaining that “[a] lodestar cross-check is simply a quantitative method for bringing a measure of the time spent by counsel into the trial court’s reasonableness determination” and “the lodestar calculation . . . does not override the trial court’s primary determination of the fee as a percentage” and “does not impose an absolute maximum or minimum on the potential fee award.”); *see also, e.g., Vizcaino*, 290 F.3d at 1050 (“[W]hile the primary basis of the fee award remains the percentage method, the lodestar may provide a useful perspective on the reasonableness of a given percentage award.”).

⁵⁷ Slinger Decl., Exh. 3.

1 their efforts and skills employed, there may be no recovery. Ultimately, Plaintiff's Counsel was
2 successful in reaching a settlement of \$595,000.00.⁵⁸

3 As set forth in the Declaration of Ryan Slinger, the professional backgrounds and experience of
4 Plaintiff's Counsel support a reasonable blended hourly rate of compensation of at least \$850 per hour for
5 services provided by Plaintiff's Counsel.⁵⁹ Lawyers for Justice, PC has been awarded attorneys' fees,
6 compensating the firm at the rate of at least \$850 for legal services performed, by courts of this state.⁶⁰
7 While the circumstance of every case is unique, the fact remains that the work performed and efforts
8 undertaken by Plaintiff's Counsel in this matter justify the requested attorneys' fees award. Applying the
9 rate of \$850 per hour to **180.30** hours worked by Plaintiffs' Counsel, would place a base lodestar value of
10 \$153,255.00 on the services provided by Plaintiffs' Counsel.

11 It also bears noting that a court may apply a multiplier in consideration for risk, efficiency, and/or
12 obtaining a substantial result, to enhance the lodestar for purpose of cross-check. See *Ketchum*, 24
13 Cal.4th at 1133-34 (holding that a risk multiplier may be applied to compensate contingency fee attorneys
14 at a fair market rate). Such an enhancement "mirrors the established practice in the private legal market
15 of rewarding attorneys for taking the risk of nonpayment by paying them a premium over their normal
16 hourly rates for winning contingency cases." *Vizcaino*, 290 F.3d at 1051; accord *Ketchum*, *supra*, 24
17 Cal.4th 1122, 1132-34. A risk multiplier also serves to bring the financial incentives for enforcing
18 important rights "into line with incentives [attorneys] have to undertake claims for which they are paid on
a fee-for-services basis." *Ketchum*, 24 Cal.4th at 1132.⁶¹

19 The risks involved, skill required, complexity of the matter, and results obtained warrant upward
20 enhancement of the lodestar.⁶² In determining whether or not to enhance the lodestar, California courts

21 ⁵⁸ See footnote 2.

22 ⁵⁹ Slinger Decl., ¶ 41.

23 ⁶⁰ *Ibid*.

24 ⁶¹ Courts have approved fee awards with multipliers of 2 and even higher. See, e.g., *City of Oakland v. Oakland Raiders* (1988) 203 Cal.App.3d 78 (affirming a 2.34 multiplier without remand); *Wershba*, *supra*, 91 Cal.App.4th at 255 ("Multipliers can range from 2 to 4 or even higher."); *Sutter Health Uninsured Pricing Cases* (2009) 171 Cal.App.4th 495, 512 (applying a 2.52 multiplier on a lodestar cross-check); *Chavez v. Netflix, Inc.* (2008) 162 Cal.App.4th 43, 66 (applying a 2.5 multiplier in a consumer class action).

25 ⁶² Even when courts have opted to award fees in settlement fund cases based on time reasonably expended on the action, courts have generally awarded these fees based on the actual time expended (the lodestar) in conjunction with a multiplier of between 2 and 4. *Kerr v. Screen Extras Guild, Inc.* (9th Cir. 1975) 526 F.2d 67. Adjustment of the base lodestar figure to compute an award of attorneys' fees for a claim under the California Labor Code is

(Footnote continued)

1 take into account multiple factors, many of which were specifically addressed above in §§ V.B-C, *infra*.
2 See, *Cates* at 822-23. Multiple factors warrant enhancement of the lodestar in this case, including the
3 following: the time and labor required; the skill requisite to perform the legal services properly; the
4 preclusion of other employment by the attorney due to the acceptance of the case; the contingent nature of
5 the fee; the amount involved and results obtained; the experience, reputation, and ability of the attorney;
6 and awards in similar cases. *Ketchum* at 1134. Therefore, a multiplier of 1.36 should be applied.

7 The lodestar method as a cross-check to the percentage figure sought strongly supports the
8 reasonableness of the requested attorneys' fees. Accordingly, Plaintiff respectfully requests that the
9 Court approve and grant an attorneys' fees award in the amount of \$208,250.00 to Plaintiff's Counsel,
10 which is reasonable and justified on a percentage-basis, and also based on a lodestar cross-check.

11 **VI. REIMBURSEMENT OF PLAINTIFF'S COUNSEL LITIGATION COSTS AND**
12 **EXPENSES SHOULD BE APPROVED**

13 The Settlement provides for reimbursement of litigation costs and expenses of up to \$25,000.00.
14 As set forth in the Declaration of Ryan Slinger, Plaintiff's Counsel seeks reimbursement of \$11,853.42 in
15 litigation costs and expenses.⁶³ These expenses were reasonable and necessary in the prosecution of this
16 matter and to obtain the Settlement, and is less than the maximum amount allocated under the Settlement
17 Agreement.⁶⁴ The cost savings of \$13,146.58 will be part of the Net Settlement Amount.⁶⁵ Accordingly,
18 the Court is requested to award reimbursement of litigation costs and expenses to Plaintiff's Counsel in
19 the amount of \$11,853.42.

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22 appropriate. See *Id.*, at 1135-36; *Serrano v. Priest* (1977) 20 Cal.3d 25, 48-49. Courts frequently apply multipliers
23 to enhance the lodestar to reflect the risks involved, the complexity of the litigation, and the other relevant facts.
24 *Vizcaino*, 290 F.3d at 1051; *Graham v. DaimlerChrysler Corp.* (2004) 34 Cal.4th 553, 579 ("One of the most
25 common fee enhancers [...] is for contingency risk."). Such an enhancement "mirrors the established practice in the
26 private legal market of rewarding attorneys for taking the risk of nonpayment by paying them a premium over their
27 normal hourly rates for winning contingency cases." *Vizcaino*, 290 F.3d at 1051; *accord Ketchum*, 24 Cal.4th at
28 1132-33. A risk multiplier also serves to bring the financial incentives for enforcing important rights "into line with
incentives [attorneys] have to undertake claims for which they are paid on a fee-for-services basis." *Ketchum*, 24
Cal. 4th at 1132.

⁶³ Slinger Decl., ¶ 41.

⁶⁴ *Ibid.*

⁶⁵ *Ibid.*

VII. THE SETTLEMENT ADMINISTRATION COSTS SHOULD BE APPROVED

As set forth in the Settlement Agreement, the Parties have agreed to retain, subject to approval by the Court, Simpluris, Inc. to handle the administration of the Settlement. The fees and expenses of the PAGA Settlement Administrator are estimated not to exceed \$10,000.00. These costs include, but are not limited to, expenses for preparing, printing, and mailing the Cover Letter and Individual Settlement Shares checks to the Aggrieved Employees (i.e., PAGA Settlement Packages); performing skip-trace searches; re-mailing the returned PAGA Settlement Packages; and handling inquiries from Aggrieved Employees regarding the Settlement, among other things. Accordingly, the Court should grant approval of the Settlement Administration Costs in the amount of up to \$10,000.00 to Simpluris, Inc., a necessary third-party for handling the settlement process.

VIII. THE INDIVIDUAL RELEASE FEE SHOULD BE APPROVED

The Settlement provides for a Individual Release Fee to be paid to Plaintiff in the amount of \$10,000.00 for his broader individual waiver and release of claims with a California Civil Code Section 1542 waiver (set forth in Section 8(b) of the Settlement Agreement).⁶⁶ It is reasonable and just for Plaintiff to receive this payment. Plaintiff contributed considerable time and effort to the litigation of this case in order to enforce the California Labor Code on behalf of the State of California and for the benefit of other Aggrieved Employees. Plaintiff discussed his employment with his counsel, gathered and produced relevant documents and information, and provided the facts and evidence necessary to attempt to prove the allegations.⁶⁷ Plaintiff was available whenever his counsel needed him and tried to obtain and provide documents and information that would aid in the litigation of the PAGA claim and pursuit of recovery on behalf of the State of California and Aggrieved Employees.⁶⁸

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⁶⁶ Settlement Agreement, §§ 3(a)(2) & 8(b). The PAGA statute recognizes that a plaintiff employee may pursue or recover other remedies and relief available to the plaintiff employee under state or federal law through an action under PAGA. See, Cal. Lab. Code § 2699(k)(1) (formerly Cal. Lab. Code § 2699(g)(1)). As such, it is appropriate for Plaintiff to receive a payment for his broader individual release of claims.

⁶⁷ Slinger Decl., ¶ 43; Declaration of Lewis Hernandez ("Hernandez Decl."), ¶¶ 3 & 4.

⁶⁸ Slinger Decl., ¶ 43; Hernandez Decl., ¶¶ 3 & 4.

IX. CONCLUSION

For the reasons discussed above and in the accompanying declarations, the Court is respectfully requested to approve the Settlement, including the plan of allocation and distribution of the Total Settlement Amount, and permit the filing of a memorandum that exceeds the page limit.

Dated: June 15 2026

LAWYERS for JUSTICE, PC

By:



Harris Koepenick
Attorneys for Plaintiff