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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

RUDY HERNANDEZ, as an individual and
on behalf of all others similarly situated,

Plaintiff,

vs.

ABLE SHEET METAL, INC. a California
corporation; and DOES 1 through 100,

Defendants.

Case No. 23STCV26056

*[Assigned to the Hon. Laura A. Seigle,
Dept. 17]*

**PLAINTIFF'S NOTICE OF MOTION
AND MOTION FOR APPROVAL OF
SETTLEMENT OF CLAIMS BROUGHT
UNDER THE PRIVATE ATTORNEYS
GENERAL ACT AND REASONABLE
ATTORNEYS' FEES, COSTS, AND
ENHANCEMENT PAYMENT**

Date: May 21, 2025

Time: 9:00 a.m.

Dept.: 17

Complaint filed: October 24, 2023

Trial Date: None Set

1 **TO THE HONORABLE COURT, ALL PARTIES, AND THEIR ATTORNEYS OF**
2 **RECORD:**

3 PLEASE TAKE NOTICE that on May 21, 2025, at 9:00 a.m., or as soon thereafter as the
4 matter may be heard in Department 17 of the above-entitled Court, located at 312 North Spring
5 Street, Los Angeles, California 90012, Plaintiff Rudy Hernandez (“Plaintiff”), individually and
6 on behalf of the State of California and other allegedly Aggrieved Employees, will, and hereby
7 does, move this Court for entry of an Order as follows:

- 8 1. Granting approval, pursuant to California Labor Code § 2699(l), of the proposed
9 settlement of claims brought pursuant to the Private Attorneys General Act of 2004
10 (Cal. Labor Code § 2698, *et seq.*) and as set forth in the Parties’ PAGA Settlement
11 Agreement;
- 12 2. Appointing ILYM Group, Inc. as the Settlement Administrator;
- 13 3. Approving the proposed Notice of PAGA Settlement (“Notice”) as to form and
14 content, and directing that it be distributed to the Aggrieved Employees pursuant to
15 the terms of the Settlement Agreement;
- 16 4. Directing the funding and distribution of the Gross Settlement Amount pursuant to the
17 terms of the PAGA Settlement Agreement;
- 18 5. Approving an award of attorneys’ fees to Plaintiff’s counsel of \$30,000.00 and an
19 award of litigation costs to Plaintiff’s counsel in the amount of \$9,333.01;
- 20 6. Approving an enhancement payment of \$5,000.00 to Plaintiff for his service to the
21 Aggrieved Employees and the State of California;
- 22 7. Approving \$3,750.00 in administration costs to ILYM Group, Inc.;
- 23 8. Approving the payment of \$31,437.74 to the California Labor & Workforce
24 Development Agency (“LWDA”) for its share of PAGA civil penalties; and
- 25 9. Approving the payment of \$10,479.25 to the Aggrieved Employees on a pro rata basis
26 based on number of pay periods worked during the PAGA Period.

27 This Motion is based on this Notice; the attached Memorandum of Points and Authorities;
28 the declaration of Sean M. Blakely and all exhibits attached thereto; the declaration of Paul K.

1 Haines; the declaration of Joel M. Gordon; the declaration of Anthony Rogers of ILYM Group,
2 Inc. and all exhibits attached thereto; the declaration of Plaintiff Rudy Hernandez; the PAGA
3 Settlement Agreement; all other pleadings and papers on file in this action; and on any further
4 oral or documentary evidence or argument presented at the time of hearing.

5
6
7 Dated: April 2, 2025

Respectfully submitted,

HAINES LAW GROUP, APC

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9 By: 
10 Sean M. Blakely
11 Attorneys for Plaintiff
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TABLE OF CONTENTS

I. INTRODUCTION	1
II. SUMMARY OF THE LITIGATION	3
A. Brief Factual Background and Summary of Claims	3
B. Relevant Procedural History	3
III. SUMMARY OF THE AGREEMENT	4
A. “Aggrieved Employees” Defined.....	4
B. Monetary Terms	5
1. Attorneys’ Fees and Costs, Administration Costs, and Plaintiffs’ Enhancement Payment	5
2. Payment to LWDA and Aggrieved Employees	5
3. Funding of the Settlement	6
IV. LEGAL ARGUMENT.....	6
A. Standards for Approval of a PAGA Settlement.....	6
1. Factors in Evaluating a Representative PAGA Settlement.....	8
a. The Strength of Plaintiff’s Case.....	9
b. Risk, Expense, Complexity, and Duration of Further Litigation.....	12
c. Amount Offered in settlement Given Realistic Value of Claims	12
d. Discovery Completed and the Status of Proceedings	13
e. The Experience and Views of Counsel	14
B. The Requested Award of Attorneys’ Fees is Reasonable as a Percentage of The Gross Settlement Amount	14
C. The requested Litigation Costs and Settlement Administration Costs Are fair, reasonable, and Adequate	18
D. The Court Should Approve Plaintiffs’ Requested Enhancement Payment Because It Is Fair, Adequate, and Reasonable in View of Plaintiff’s Efforts and the Risks He Assumed in This Litigation.....	19
V. CONCLUSION	20

TABLE OF AUTHORITIES

Federal Cases

Air Line Stewards, etc., Local 550 v. Am. Airlines, Inc.

455 F.2d 101 (7th Cir. 1972) 9

Harris v. Marhoefer

24 F.3d 16, 19 (9th Cir. 1994) 18

Immune Response Sec. Litig.

497 F.Supp.2d 1166 (S.D. Cal. 2007)..... 19

Linney v. Cellular Alaska Partnership

151 F.3d 1234 (9th Cir. 1998) 13

Officers for Justice v. Civil Service Com.

688 F.2d 615 (9th Cir. 1982) 6

Pac. Enter. Sec. Litig.

47 F.3d 373 (9th Cir. 1995) 14

Rawlings v. Prudential-Bache Properties, Inc.

9 F.3d 513 (6th Cir. 1993) 15

Rite Aid Corp. Sec. Litig.

396 F.3d 294 (3d Cir. 2005)..... 15

Trustees of Const. Industry & Laborers Health and Welfare Trust v. Redland Ins. Co.

460 F.3d 1253 (9th Cir. 2006) 19

Van Vranken v. Atlantic Richfield Co.

901 F. Supp. 294 (N.D. Cal. 1995) 19

State Cases

Amaral v. Cintas Corp. No. 2

163 Cal.App.4th 1157 (2008) 12

1	<i>Arias v. Sup. Ct.</i>	
2	46 Cal. 4th 969 (2009)	8
3	<i>Bell v. Farmers Ins. Exch.</i>	
4	115 Cal.App.4th 715 (2004)	19
5	<i>Brinker Restaurant Corporation v. Superior Court</i>	
6	53 Cal.4th 1004 (2012)	10
7	<i>Carrington v. Starbucks Corp.</i>	
8	30 Cal.App.5th 504 (2018)	11,13
9	<i>Chavez v. Netflix, Inc.</i>	
10	162 Cal.App.4th 43 (2008)	15,16
11	<i>Clark v. Am. Residential Serv. LLC</i>	
12	175 Cal.App.4th 785 (2009)	9
13	<i>Coalition for L.A County Planning etc. Interest v. Bd. of Supervisors,</i>	
14	76 Cal.App.3d 241 (1977)	16
15	<i>Consumer Privacy Cases</i>	
16	175 Cal. App. 4th 545 (2009)	16
17	<i>Dunk v. Ford Motor Co.</i>	
18	48 Cal.App.4th 1794 (1996)	8
19	<i>Gouskos v. Aptos Village Garage, Inc.</i>	
20	94 Cal.App.4th 754 (2001)	14
21	<i>Graciano v. Robinson Ford Sales</i>	
22	144 Cal.App.4th 140 (2006)	14
23	<i>Iskanian v. CLS Transp. Los Angeles, LLC</i>	
24	59 Cal.4th 348 (2014)	7
25	<i>Ketchum v. Moses</i>	
26	24 Cal.4th 1122 (2001)	16
27	<i>Kullar v. Foot Locker Retail, Inc.</i>	
28	168 Cal.App.4th 116, (2008)	9

1	<i>Laffitte v. Robert Half Int’l, Inc.</i>	
2	1 Cal.5th 480 (2016)	15,16
3	<i>Mallick v. Sup. Ct.</i>	
4	89 Cal.App.3d 434 (1979)	8
5	<i>Maria P. v. Riles</i>	
6	43 Cal.3d 1281 (1987)	14
7	<i>Price v. Starbucks Corp.</i>	
8	192 Cal.App.4th 1136 (2011)	11
9	<i>Robinson v. Southern Counties Oil Co.</i>	
10	53 Cal.App.5th 476 (2020)	8
11	<i>Serrano v. Priest</i>	
12	20 Cal.3d 25 (1977)	14,16
13	<i>Serrano v. Unruh</i>	
14	32 Cal.3d 621 (1982)	14
15	<i>Thayer v. Wells Fargo Bank</i>	
16	92 Cal.App.4th 819 (2001)	16
17	<i>Thurman v. Bayshore Transit Mgmt., Inc.</i>	
18	203 Cal.App.4th 1112 (2012)	11,13
19	<i>Westside Comty. for Independent Living, Inc. v. Obledo</i>	
20	33 Cal.3d 348 (1983)	14
21	<i>Wershba v. Apple Computer, Inc.</i>	
22	91 Cal.App.4th 224 (2001)	9
23	<i>ZB, N.A. v. Sup. Ct.</i>	
24	8 Cal.5th 175 (2019)	7
25		
26	<u>Federal Statutes and Rules</u>	
27	Fed. R. Civ. Proc. Rule 23(e).....	8
28		

State Statutes and Rules

Cal. Rule of Court 3.769	8
Labor Code §§ 226(a)	11
Labor Code § 512(a)	10
Labor Code § 2699(l).....	6
Labor Code § 2699(e)(2)	11
Labor Code § 2699(f)(2)	12
Labor Code § 2699(g)(1)	14
Labor Code § 2699.3.....	3
Labor Code § 2699.3(a)(2)(A).....	3
Labor Code § 2699(i).....	5

Unpublished Cases

<i>Aguirre v. DSW, Inc.</i>	
No. DCV-11-01522-GW (SPx), 2012 WL 11875296 (C.D. Cal. Nov. 29, 2012).....	17
<i>Amalgamated Transit Union Local 1309, AFL-CIO v. Laidlaw Transit Services, Inc.</i>	
No. 05cv1199–IEG–CAB, 2009 WL 2448430 (S.D. Cal. 2009)	12
<i>Ashker v. Sayre</i>	
2011 WL 825713 (N.D. Cal. Mar. 7, 2011).....	18
<i>Boyd v. Bank of Am. Corp.</i>	
No. SACV-13-0561-DOC (JPRx), 2014 WL 6473804 at (C.D. Cal. Nov. 18, 2014).....	17
<i>Cabrera v. Advantage Sale & Marketing, LLC,</i>	
No. BC485259, 2013 WL 1182822 (Super. Ct. L.A. County, Mar. 12, 2013).....	2
<i>Casida v. Sears Holdings Corp.</i>	
2012 WL 253217 (E.D. Cal. Jan. 26, 2012)	7
<i>Chavez v. Saticoy Lemon Ass’n</i>	
2015 WL 5561118 (Ventura Cty. Super. Ct., Aug. 29, 2015)	15
<i>Chu v. Wells Fargo Inv., LLC,</i>	

1	2011 WL 672645 (N.D. Cal. Feb. 16, 2011)	17
2	<i>Fleming v. Covidien, Inc.</i>	
3	No. ED-CV-10-1487-RGK, 2011 WL 7563047 (C.D. Cal. Aug. 12, 2011)	11,13
4	<i>Franco v. Ruiz Food Prods.</i>	
5	No. 1:10-cv-02354-SKO, 2012 WL 5941801 (E.D. Cal. Nov. 27, 2012)	17
6	<i>Garcia v. Gordon Trucking, Inc.</i>	
7	No. 1:10-cv-0324-AWI-SKO, 2012 WL 5364575 (E.D. Cal. Oct. 31, 2012)	17
8	<i>In Re TD Ameritrade Account Holder Litig.,</i>	
9	2011 WL 4079226 (N.D. Cal. Sept. 13, 2011)	6
10	<i>Jamil v. Workforce Res., LLC</i>	
11	No. 18-CV-27 JLS (NLS), 2020 WL 6544660) (S.D. Cal. Nov. 5, 2020)	17
12	<i>Mendez v. Tween Brands, Inc.</i>	
13	2010 WL 2650571 (E.D. Cal. Jul. 1, 2010)	7
14	<i>Ochoa-Hernandez v. Cjaders Foods, Inc.</i>	
15	No. C-08-2073-MHP, 2010 WL 1340777 (N.D. Cal. Apr. 2, 2010)	7
16	<i>Penaloza v. PPG Industries Inc.,</i>	
17	No. BC471369, 2013 WL 2917624 (Super. Ct. L.A. County, May 20, 2013)	2
18	<i>Clavel v. Lupe’s Thousand Oaks Mexican Restaurant, Inc.</i>	
19	2016 WL 1601223 (Ventura Cty. Super. Ct., Mar. 25, 2016)	15
20	<i>Trang v. Turbine Engine Components Technologies Corp.</i>	
21	No. CV 12–07658 DDP (RZx), 2012 WL 6618854 (C.D. Cal. Dec. 19, 2012)	12

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 Plaintiff Rudy Hernandez (“Plaintiff”), an “aggrieved employee” under the Private
4 Attorneys General Act of 2004 (“PAGA”), respectfully moves this Court for an Order granting
5 approval of the PAGA Settlement Agreement (“Settlement”) with Defendant Able Sheet Metal,
6 Inc. (“Able Sheet Metal”).¹ This PAGA representative action seeks civil penalties predicated on
7 Able Sheet Metal’s alleged violations of the California Labor Code from October 24, 2022
8 through the date of the Court Order granting approval of the PAGA Settlement (the “PAGA
9 Period”). The proposed Settlement, under which Able Sheet Metal has agreed to pay a non-
10 reversionary Gross Settlement Amount of Ninety Thousand Dollars and Zero Cents (\$90,000.00),
11 will resolve Plaintiff’s representative claims filed on behalf of the State of California and all
12 “Aggrieved Employees,” which includes all current and former non-exempt employees who
13 worked for Able Sheet Metal in California at any time during the PAGA Period.

14 Notably, the relief provided for under the Settlement, and the claims released thereunder,
15 are *solely* for the payment of *civil penalties* under the PAGA, and not for any underlying Labor
16 Code violations. The release also encompasses only PAGA civil penalties based upon the factual
17 allegations and theories alleged by Plaintiff in this Action, and only for claims arising during the
18 PAGA Period.

19 In deciding whether to grant approval of the Settlement, the primary issue is whether the
20 Settlement is fair, reasonable, and adequate. As set forth herein, the proposed Settlement
21 embodies all of the features of a settlement that is fair, reasonable, and adequate, as it: (1) is the
22 product of arm’s-length negotiations; (2) was negotiated by attorneys experienced in wage-and-
23 hour issues and PAGA litigation with the assistance of an experienced, neutral mediator; (3) was
24 negotiated after undertaking sufficient discovery and investigation to evaluate the relative
25

26 ¹ The proposed PAGA Settlement Agreement is attached as **Exhibit 1** to the Declaration of Sean
27 M. Blakely filed herewith. The Proposed Notice of PAGA Settlement is attached as **Exhibit A** to
28 the PAGA Settlement Agreement. All terms in the Motion have the same definitions as used in
the Settlement. The red-lined version of the LASC Model PAGA Settlement Agreement, showing
modifications that were made in drafting the Settlement Agreement is attached to the Declaration
of Sean M. Blakely as **Exhibit 4**.

1 strength and value of Plaintiff's PAGA claim and Able Sheet Metal's defenses thereto; and (4)
2 reflects a reasoned compromise based on the relative strength and value of the PAGA claim, as
3 well as the risks, expenses, complexity and likely duration of further litigation.

4 As noted, the Settlement provides for a non-reversionary Gross Settlement Amount of
5 \$90,000.00. Settlement, §§ 1.10, 3.1. After deducting amounts for requested attorneys' fees
6 (\$30,000.00), litigation costs (\$9,333.01), Plaintiff's Enhancement Payment (\$5,000.00), and
7 settlement administration costs (\$3,750.00), the Settlement provides for distribution of a Net
8 Settlement Amount of approximately \$41,916.99 to be paid to Aggrieved Employees and the
9 California Labor & Workforce Development Agency ("LWDA"). Settlement, §§ 1.15, 3.2; *see*
10 *also* Declaration of Sean M. Blakely ("Blakely Decl."), ¶¶ 12, 21, Exhibit 3; Declaration of
11 Anthony Rogers ("Rogers Decl."), ¶ 7, Exhibit B.

12 The Net Settlement Amount shall be distributed 75% (approximately \$31,437.74) to the
13 LWDA, and 25% (approximately \$10,479.25) to Aggrieved Employees, pursuant to the
14 requirements of the PAGA as codified in Lab. Code § 2699(i). *See* Settlement, § 3.2.4. There are
15 approximately 84 Aggrieved Employees, resulting in average payments of approximately
16 \$124.75 to each Aggrieved Employee. *Id.*, at § 4.1; Blakely Decl., ¶ 12.

17 The Settlement represents a positive result for the State of California and Aggrieved
18 Employees. Further litigation may have resulted in a smaller recovery or even no recovery at all,
19 based on the defenses asserted by Able Sheet Metal and significant ongoing litigation risks.
20 Moreover, the Gross Settlement Amount is greater than other PAGA penalty awards that have
21 been approved as reasonable. *See, e.g., Penaloza v. PPG Industries Inc.*, Case No. BC471369,
22 2013 WL 2917624 at *2 (Super. Ct. L.A. County, May 20, 2013) (approving total PAGA set-
23 aside of \$5,000, or \$7.49 per employee); *Cabrera v. Advantage Sale & Marketing, LLC*, Case No.
24 BC485259, 2013 WL 1182822 (Super. Ct. L.A. County, Mar. 12, 2013) (approving PAGA set-
25 aside of \$10,000, or \$3.33 per employee). The amounts requested for attorneys' fees and costs,
26 Plaintiff's Enhancement Payment, and settlement administration costs are all fair, adequate, and
27 reasonable. Thus, Plaintiff respectfully requests that the Court enter the [Proposed] Judgment and
28 Order submitted concurrently herewith.

II. SUMMARY OF THE LITIGATION

A. Brief Factual Background and Summary of Claims

In business since 1946, Able Sheet Metal manufactures and distributes metal products for the construction industry. Blakely Decl., ¶ 8. Plaintiff began working for Able Sheet Metal on November 29, 2021 as a non-exempt “Warehouse Worker” in the shipping and packaging departments. *See* Declaration of Plaintiff Rudy Hernandez (“Hernandez Decl.”), ¶ 2. Plaintiff, like all Aggrieved Employees, was employed by Able Sheet Metal in California as a non-exempt employee during the PAGA Period and was subject to Able Sheet Metal’s wage and hour policies and practices. *Id.*

Plaintiff’s PAGA claim is predicated primarily on allegations that he and other non-exempt employees were not provided compliant meal and rest periods, were not provided with accurate and compliant wage statements, and did not receive all final wages owed at the time of separation of employment. As explained below, Able Sheet Metal denies Plaintiff’s allegations and asserted several affirmative defenses to his claims.

B. Relevant Procedural History

On October 24, 2023, Plaintiff filed a class action complaint, alleging violations of the California Labor Code for: (1) minimum wage violations; (2) failure to pay all overtime wages; (3) meal period violations; (4) rest period violations; (5) wage statement violations; and (6) unfair competition. Blakely Decl., ¶ 9. That same day, Plaintiff submitted his notification letter to the LWDA and Able Sheet Metal regarding Able Sheet Metal’s alleged Labor Code violations and his intent to pursue a PAGA representative action, as required by Labor Code § 2699.3. *Id.*, Exhibit 2. On December 29, 2023, after exhausting his pre-filing PAGA requirements under Labor Code § 2699.3(a)(2)(A), Plaintiff filed the operative First Amended Class and Representative Action Complaint in this Court to add a cause of action for civil penalties under the PAGA. *Id.* Shortly after Plaintiff’s complaint was filed, Able Sheet Metal produced an arbitration agreement that Plaintiff signed during his employment with Able Sheet Metal. *Id.* In light of this arbitration agreement which contained a class action waiver, Plaintiff requested dismissal of his class claims without prejudice, which the Court granted on February 19, 2025.

1 *Id.*

2 On August 29, 2024, the Parties participated in mediation with Kevin T. Barnes, Esq., a
3 well-respected wage and hour mediator, in an effort to resolve Plaintiff's PAGA claims. Blakely
4 Decl., ¶ 10. Prior to mediation, Able Sheet Metal informally produced information and documents
5 pertaining to Plaintiff and other Aggrieved Employees, including, but not limited to, payroll and
6 timekeeping records for Plaintiff and a representative sample of Aggrieved Employees during the
7 PAGA Period; several data points including the number of Aggrieved Employees and the number
8 of aggregate pay periods worked by Aggrieved Employees during the PAGA Period; and its
9 employee handbook and other written policies in effect during the PAGA Period, in order for
10 Plaintiff's counsel to investigate Plaintiff's allegations and value the claims prior to mediation. *Id.*
11 Plaintiff conducted a comprehensive analysis and extrapolation of the data produced by Able
12 Sheet Metal to calculate Able Sheet Metal's potential PAGA exposure. *Id.*

13 During mediation, the Parties vigorously debated Plaintiff's ability to proceed on a
14 representative basis, the legal basis for Plaintiff's claims and Able Sheet Metal's defenses, the
15 potential amount of penalties, and the Parties' data analyses and conclusions based thereon.
16 Blakely Decl., ¶ 11. With the assistance of Mr. Barnes, the Parties agreed to fully and finally
17 resolve Plaintiff's PAGA claim. *Id.* Over the following months, the Parties negotiated and
18 finalized the Settlement now before the Court. *Id.*

19 **III. SUMMARY OF THE SETTLEMENT**

20 **A. "Aggrieved Employees" Defined**

21 The "Aggrieved Employees" under the Settlement consist of all current and former non-
22 exempt employees who worked for Able Sheet Metal within the state of California at any time
23 during the PAGA Period. *See* Settlement, §§ 1.4, 1.19. The number of Aggrieved Employees,
24 including Plaintiff, is estimated to be approximately 84 individuals. *Id.*, § 4.1. The PAGA Period
25 is defined as the time from October 24, 2022 through the date of the Court Order granting approval
26 of the PAGA Settlement. *Id.*, § 1.4.

27 **B. Monetary Terms**

28 The Settlement provides for Able Sheet Metal's payment of a non-reversionary Gross

Settlement Amount of \$90,000.00. *See* Settlement, §§ 1.10, 3.1. After deducting requested attorneys’ fees, litigation costs, Plaintiff’s Enhancement Payment, and administration costs, the Settlement provides for the Net Settlement Amount to be distributed 75% to the LWDA and 25% to Aggrieved Employees, per Labor Code § 2699(i). Settlement, § 3.2.4. The 25% portion to Aggrieved Employees shall be distributed based on each Aggrieved Employee’s proportional number of pay periods worked for Able Sheet Metal in California during the PAGA Period. *Id.*, § 3.2.4.1.

1. Attorneys’ Fees and Costs, Administration Costs, and Plaintiff’s Enhancement Payment

Plaintiff’s counsel requests one-third of the Gross Settlement Amount (i.e., \$30,000.00) in attorneys’ fees, and \$9,333.01 in litigation costs. *See* Settlement, § 3.2.1.; Blakely Decl., ¶¶ 20-21, Exhibit 3. As discussed in detail below, a fee award of one-third of the Gross Settlement Amount is fair, adequate, and reasonable as a percentage of the settlement fund and is in line with fee awards in other PAGA settlements.

The parties have agreed to engage ILYM Group, Inc. (“ILYM”) as the third-party settlement administrator. *See* Settlement, § 7.1. ILYM will update the Aggrieved Employee addresses using the National Change of Address database, calculate and distribute Individual PAGA Payments, mail payments to all Aggrieved Employees together with the Notice, and perform other duties that are integral to the effectuation of the Settlement. *Id.*, §§ 3.2.4.1, 4.4. Plaintiff requests that the Court approve \$3,750.00 in administration costs to ILYM, which will cover all costs incurred by ILYM in connection with the Settlement. *Id.*, at § 3.2.2.; *see also* Rogers Decl., Exhibit B.

Finally, Plaintiff requests an enhancement payment of \$5,000.00, in recognition of Plaintiff’s contributions to this case and his efforts in bringing this case to successful resolution. *See* Settlement, § 3.2.3.; Hernandez Decl., ¶¶ 4-7.

2. Payment to LWDA and Aggrieved Employees

The Net Settlement Amount will be distributed 75% to the LWDA and 25% to Aggrieved Employees, pursuant to Labor Code § 2699(i); Settlement, § 3.2.4. Based on the above requested

distributions, the Net Settlement Amount is estimated to be \$41,916.99, with \$31,437.74 paid to the LWDA and \$10,479.25 distributed to the Aggrieved Employees. Blakely Decl., ¶ 12. As noted, there are approximately 84 total Aggrieved Employees. *Id.*; Settlement, § 4.1. Thus, it is anticipated that overall, the Aggrieved Employees will receive average Settlement payments of approximately \$124.75. Blakely Decl., ¶ 12.

3. *Funding of the Settlement*

Able Sheet Metal will deposit the Gross Settlement Amount with ILYM, the Settlement Administrator, no later than thirty (30) days after the Effective Date ². *See* Settlement, § 4.3. Within fourteen (14) business days after the Settlement has been fully funded, ILYM will mail the Notice in English and Spanish, and Individual PAGA Payments, to Aggrieved Employees via First-Class U.S. Mail. *See* Settlement, § 4.4; 4.4.1.

Funds from any settlement checks remaining uncashed after the void date (180 days after the date of mailing) will be sent by ILYM to the California State Controller’s Office for deposit in the Unclaimed Property Division in the name of the Aggrieved Employee. *See* Settlement, §§ 4.4.1, 4.4.3.

IV. LEGAL ARGUMENT

A. Standards for Approval of a PAGA Settlement

The settlement of a PAGA claim requires court approval pursuant to the PAGA statute, which states that the “court shall review and approve any settlement of any civil action filed pursuant to this part.” Labor Code § 2699(1). Of course, “[s]ettlement is a compromise, which balances the possible recovery against the risks inherent in litigating further.” *See In re TD Ameritrade Account Holder Litig.*, 2011 WL 4079226 at *9 (N.D. Cal. Sept. 13, 2011). “[T]he very essence of a settlement is... ‘a yielding of absolutes and an abandoning of highest hopes,’” as “it is the very uncertainty of outcome in litigation and avoidance of wasteful and expensive litigation that induce consensual settlements.” *Officers for Justice v. Civil Service Com.*, 688 F.2d 615, 624 (9th Cir. 1982). As such, “the settlement or fairness hearing is not to be turned into a

² “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Approving the PAGA Settlement and (b) the Judgment is final. The Judgment is final as of the day the Court enters Judgment. *See* Settlement, § 1.9.

1 trial or rehearsal for trial on the merits” or “judged against a hypothetical or speculative measure
2 of what might have been achieved by the negotiators.” *Id.*

3 Although the PAGA statute does not set forth the criteria by which a PAGA settlement is
4 to be judged, it is presumed that a reviewing court may utilize some of the factors for review of a
5 class action settlement. However, “a PAGA claim asserted on a non-class representative basis...is
6 not considered a class action but a law enforcement action, and therefore does not have to meet
7 the requirements of [a class action].” *Casida v. Sears Holdings Corp.*, 2012 WL 253217 at *3
8 (E.D. Cal. Jan. 26, 2012); *Mendez v. Tween Brands, Inc.*, 2010 WL 2650571 at *4 (E.D. Cal. Jul.
9 1, 2010) (“PAGA claims are law enforcement actions, not class actions”). A court’s review of a
10 PAGA settlement implicates the following unique features that render the approval process
11 distinct from approval of a class action settlement.

12 First, in evaluating a PAGA settlement, the court is not concerned with amount(s) received
13 by “aggrieved employees,” but rather, must focus on the total settlement amount in achieving
14 PAGA’s objective. “The remedy sought in a PAGA suit consists of civil penalties, not individual
15 or class damages.” *Mendez*, 2010 WL 2650571 at *4. “Unlike class actions, these civil penalties
16 are not meant to compensate unnamed employees because the action is fundamentally a law
17 enforcement action.” *Ochoa-Hernandez v. Cjaders Foods, Inc.*, No. C-08-2073-MHP, 2010 WL
18 1340777 at *4 (N.D. Cal. Apr. 2, 2010). As our Supreme Court confirmed, “PAGA claims are
19 ‘representative’ actions in the sense that they are brought on the state’s behalf. The employee...
20 ‘represents the same legal right and interest as’ those agencies — ‘namely, recovery of civil
21 penalties that otherwise would have been assessed and collected by the [LWDA].” *ZB, N.A. v.*
22 *Sup. Ct.*, 8 Cal.5th 175, 185 (2019) (citing *Iskanian v. CLS Transp. Los Angeles, LLC*, 59 Cal.4th
23 348, 380 (2014)).

24 Moreover, while “[a PAGA] action is ... designed to protect the public and penalize the
25 employer for past illegal conduct” (*Mendez*, 2010 WL 2650571 at *4), a PAGA settlement – like
26 any settlement – involves a compromise that stops short of rendering findings of liability and
27 damages. “Unlike a class action seeking damages or injunctive relief for injured employees, the
28 purpose of 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.” *Ochoa-Hernandez*, 2010 WL 1340777 at *4.

Second, consistent with the fact that unnamed employees have no property interest in a PAGA claim,³ “[u]nnamed employees need not be given notice of the PAGA claim, nor do they have the ability to opt-out of the representative PAGA claim.” *Ochoa-Hernandez*, 2010 WL 1340777 at *5; *see also Robinson v. Southern Counties Oil Co.*, 53 Cal.App.5th 476, 482 (2020) (recognizing that “there is no mechanism for opting out of the judgment entered on the PAGA claim.”). This renders the approval process of a PAGA settlement distinct from a class action settlement, as the Court need not employ the “two-step approval process” required for class action settlements under Fed. R. Civ. Proc. Rule 23(e) and Cal. Rule of Court 3.769.

Finally, unlike a class action settlement under Fed. R. Civ. Proc. Rule 23(e) or Cal. Rule of Court 3.769, the scope of release in a PAGA settlement is limited to *civil penalties*. While “judgment in [a PAGA] action is binding not only on the named employee plaintiff but also on government agencies and any aggrieved employee not a party to the proceeding...the non-party employees, because they were not given notice of the action or afforded any opportunity to be heard, would not be bound by the judgment as to remedies other than civil penalties.” *Arias v. Sup. Ct.*, 46 Cal. 4th 969, 986-87 (2009). Thus, the scope of release in a PAGA settlement is strictly confined to PAGA penalties.

1. Factors in Evaluating a Representative PAGA Settlement

In deciding whether to approve a proposed settlement, a trial court has broad powers to determine if the proposed settlement is fair under the circumstances of the case. *Mallick v. Sup. Ct.*, 89 Cal.App.3d 434, 438 (1979). In exercising these powers, the overriding concern is to ensure that a proposed settlement is “fair, adequate, and reasonable.” *Dunk v. Ford Motor Co.*, 48 Cal.App.4th 1794, 1801 (1996) (internal quotations omitted). Relevant factors for the Court to consider include, but are not limited to:

³ “The [PAGA] does not create property rights or any other substantive rights” as “[i]t is simply a procedural statute allowing an aggrieved employee to recover civil penalties—for Labor Code violations—that otherwise would be sought by state labor law enforcement agencies.” *See Amalgamated Transit Union, Local 1756, AFL-CIO v. Sup. Ct.*, 46 Cal.4th 993, 1003 (2009).

[T]he strength of 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, the experience and views of counsel, the presence of a governmental participant, and the reaction of the class members to the proposed settlement.

Id. These factors require balancing, are non-exhaustive, and trial courts should tailor the factors to each case and give due regard to "what is otherwise a private consensual agreement between the parties." *Id.* In the context of a PAGA settlement, the third and eighth factors (risk of maintaining class action status and reaction of class members to settlement) are inapplicable.

Because settlements inherently involve compromise, even a settlement providing for substantially narrower relief than might be obtained if the suit were successfully litigated can be reasonable 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 v. Apple Computer, Inc.*, 91 Cal.App.4th 224, 250 (2001) (quoting *Air Line Stewards, etc., Local 550 v. Am. Airlines, Inc.*, 455 F.2d 101, 109 (7th Cir. 1972)). In addition, courts review the discovery process and information received through it to aid them in assessing whether the parties sufficiently developed the claims and their supporting factual bases before reaching settlement. *Kullar v. Foot Locker Retail, Inc.*, 168 Cal.App.4th 116, 129-31 (2008). Information is sufficient where it allows the parties and the court to form "an understanding of the amount that is in controversy and the realistic range of outcomes of the litigation." *Clark v. Am. Residential Serv. LLC*, 175 Cal.App.4th 785, 801 (2009). This requirement exists so that the parties can provide the court with "a meaningful and substantiated explanation of the manner in which the factual and legal issues have been evaluated." *Kullar*, 168 Cal.App.4th at 132.

a. The Strength of Plaintiff's Case

Although Plaintiff steadfastly maintains his claims are meritorious, Plaintiff acknowledges that there are substantial risks and uncertainty in proceeding to trial. Blakely Decl., ¶ 13. For example, with respect to Plaintiff's claim that Able Sheet Metal utilized a timekeeping policy/practice that resulted in a systematic underpayment of wages, Able Sheet Metal counters that it ended its rounding policies/practices in approximately September 2022, before the

1 beginning of the PAGA Period. *Id.* Therefore, Able Sheet Metal argues that Plaintiff cannot
2 recover PAGA civil penalties for any alleged rounding as Able Sheet Metal ended its rounding
3 policies/practices prior to the PAGA Period. *Id.*

4 With respect to Plaintiff's meal period claims, Able Sheet Metal counters that it
5 maintained compliant written meal period policies throughout the PAGA Period and provided
6 compliant meal periods in line with those policies. Blakely Decl., ¶ 14. Able Sheet Metal further
7 contends that it has always provided employees with the opportunity to take meal periods and is
8 not required to ensure they are taken. *Id.*; see *Brinker Restaurant Corporation v. Superior Court*,
9 53 Cal.4th 1004, 1034 (2012) (rejecting "ensure" standard). Thus, Able Sheet Metal argues, any
10 non-compliant meal periods are the result of lawful employee choice, rather than any policy
11 and/or practice of Able Sheet Metal. Blakely Decl., ¶ 14. As for second meal periods, Able Sheet
12 Metal asserts many employees choose to waive their second meal periods on shifts over 10.0
13 hours but less than 12.0 hours, as they may do under Labor Code § 512(a), so that they do not
14 need to stay at work for an extra unpaid 30 minutes. *Id.* Finally, Able Sheet Metal maintains
15 Plaintiff's meal period claim is not suited for representative treatment, since individual inquiries
16 would be needed to assess which employees, if any, took non-compliant or missed meal periods,
17 how many meal periods were non-compliant or missed, the reasons why a particular employee
18 did not take a meal period on a particular shift, and (for second meals) whether they waived the
19 meal period. *Id.*

20 With respect to Plaintiff's rest period claims, Able Sheet Metal contends that it has
21 maintained and enforced compliant written rest period policies/practices throughout the PAGA
22 Period and has always authorized and permitted employees a 10-minute rest period for each four
23 (4) hours worked, or major fraction thereof, as required under the Wage Order, and that any failure
24 to take rest periods was a result of employee choice rather than any Able Sheet Metal policy
25 and/or practice. Blakely Decl., ¶ 15. Able Sheet Metal further argues that Plaintiff's rest period
26 claim is not amenable to representative treatment, since individual inquiries would be required to
27 determine which employees failed to take rest periods, how many rest periods they failed to take,
28 and the reasons why each employee failed to take rest period(s) on a particular shift. *Id.* These

manageability concerns are especially present with respect to rest period claims, Able Sheet Metal argues, given that rest periods are not, and need not, be recorded. *Id.*

As a result of Able Sheet Metal’s alleged failure to pay all wages and all meal and rest period premiums, Plaintiff alleges derivative PAGA claims for failure to issue accurate and itemized wage statements and failure to pay all wages owed at separation. *See* Labor Code §§ 226(a), 201-203; Blakely Decl., ¶ 16. In response, Able Sheet Metal argues that Plaintiff underlying claims will fail and, as a result, the derivative claims will also fail. *See Price v. Starbucks Corp.*, 192 Cal.App.4th 1136, 1147 (2011) (“Because the underlying causes of action fail, the derivative UCL and PAGA claims also fail”). Able Sheet Metal also maintains that any “derivative” PAGA claims for violations of Labor Code Sections 226 or 203 would be entirely duplicative and would be unlikely to be awarded in any significant manner by a Court. Blakely Decl., ¶ 16.

Able Sheet Metal further maintains that even if the Court awarded PAGA penalties for any of the alleged violations, it would substantially reduce the penalties based on the discretionary factors in Labor Code § 2699(e)(2) (authorizing reduction in penalties “if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory”). Blakely Decl., ¶ 17. Indeed, Able Sheet Metal argues, many courts have reduced PAGA penalties drastically where, as here, the employer presented good-faith defenses and attempted to comply with the law. *Id.*; *see Thurman v. Bayshore Transit Mgmt., Inc.*, 203 Cal.App.4th 1112, 1135 (2012) (affirming reduction of PAGA penalties because “Defendant took their obligations...seriously and attempted to comply with the law”); *Fleming v. Covidien, Inc.*, No. ED-CV-10-1487-RGK, 2011 WL 7563047 at *4 (C.D. Cal. Aug. 12, 2011) (reducing PAGA penalties by over 82%, in part because employer “not aware” of violations); *Carrington v. Starbucks Corp.*, 30 Cal.App.5th 504, 529 (2018) (affirming PAGA penalty of just \$5 per pay period where employer made “good faith attempts” to comply with the law).

While Plaintiff was prepared to litigate his claims through trial, Plaintiff faced substantial challenges in prevailing in this matter and obtaining a better result than will be provided through the Settlement. Thus, this factor supports approval.

1 **b. Risk, Expense, Complexity, and Duration of Further**
2 **Litigation**

3 Although the Parties engaged in significant informal discovery prior to mediation, the
4 Parties still had much formal discovery to conduct if the case did not settle. Substantive motion
5 work and trial preparation also remained for the Parties, as well as potential appeals. As a result,
6 the Parties would likely incur considerably more attorneys’ fees and costs through trial and
7 possible appeal. The Settlement avoids those risks and the accompanying expense.

8 **c. Amount Offered in Settlement Given Realistic Value of Claims**

9 The proposed Settlement provides a fair and reasonable monetary recovery for the State
10 of California and allegedly Aggrieved Employees in the face of hotly disputed claims. Based on
11 data provided by Able Sheet Metal, there were approximately 2,992 pay periods worked by the
12 Aggrieved Employees during the PAGA Period. Blakely Decl., ¶ 18; Settlement, § 8.

13 Labor Code § 2699(f)(2) provides for PAGA civil penalties in the amount of \$100 for
14 each allegedly Aggrieved Employee per pay period for the initial violation, and \$200 for each
15 allegedly Aggrieved Employee per pay period for each subsequent violation. *See* Labor Code
16 § 2699(f)(2). However, courts have interpreted section 2699(f)(2) to only impose the \$200
17 subsequent penalty after an employer has been notified that its conduct violates the Labor Code.
18 *See, e.g., Amaral v. Cintas Corp. No. 2*, 163 Cal.App.4th 1157, 1207 (2008) (finding “initial”
19 violation rate applies until employer is notified that it is violating a Labor Code provision); *Trang*
20 *v. Turbine Engine Components Technologies Corp.*, No. CV 12–07658 DDP (RZx), 2012 WL
21 6618854, at *5 (C.D. Cal. Dec. 19, 2012) (“courts have held that employers are not subject to
22 heightened penalties for subsequent violations unless and until a court or commissioner notifies
23 the employer that it is in violation of the Labor Code”); *Amalgamated Transit Union Local 1309,*
24 *AFL-CIO v. Laidlaw Transit Services, Inc.*, No. 05cv1199–IEG–CAB, 2009 WL 2448430, at *9
25 (S.D. Cal. 2009) (finding that California law imposes the “subsequent violation penalty” only
26 after an employer has been notified its conduct violates the Labor Code). Therefore, assuming
27 that Plaintiff could prove at least one Labor Code violation in each pay period, Plaintiff calculated
28 Able Sheet Metal’s maximum PAGA exposure at \$299,200.00 (2,992 pay periods * \$100 per

violation). Blakely Decl., ¶ 18.

In light of Able Sheet Metal’s arguments and defenses described above, Plaintiff discounted that figure by 35% for a risk of losing on the merits and/or not recovering a PAGA penalty in each and every pay period, and by an additional 50% for risk of the Court reducing penalties, to arrive at a realistic exposure of approximately \$97,240.00. Blakely Decl., ¶ 18; *see also, e.g., Thurman*, 203 Cal.App.4th at 1136 (affirming reduction of PAGA penalties); *Fleming*, 2011 WL 7563047 at *5 (reducing PAGA penalties by over 82%); *Carrington*, 30 Cal.App.5th at 529 (affirming PAGA civil penalty of just \$5 per pay period).

In the face of Able Sheet Metal’s defenses on the merits and the Court’s discretion to reduce PAGA penalties, Plaintiff felt that the negotiated settlement of \$90,000.00, which represents approximately 92.6% of Plaintiff’s reasonably forecasted total recovery, was clearly in the best interests of the LWDA and the Aggrieved Employees and was well within the range of reasonableness. Blakely Decl., ¶ 18; *See Linney v. Cellular Alaska Partnership*, 151 F.3d 1234, 1242 (9th Cir. 1998) (“The fact that a proposed settlement may only amount to a fraction of the potential recovery does not, in and of itself, mean that the proposed settlement is grossly inadequate and should be disapproved.”) (internal quotations omitted).

Approval of the Settlement is appropriate, as the Settlement will provide tangible monetary relief to Aggrieved Employees and the State of California while avoiding the risks and costs of continued litigation and trial.

d. Discovery Completed and the Status of Proceedings

As noted, the parties engaged in substantial informal discovery to evaluate the value of Plaintiff’s PAGA claim. Able Sheet Metal provided Plaintiff with, *inter alia*, a 25% sampling of timekeeping and payroll records for Aggrieved Employees, additional relevant data points, and its relevant written policies. Blakely Decl., ¶ 10. Only after engaging in mediation and in adversarial discussions about the likelihood of proceeding on a representative basis and prevailing on the merits, did the parties reach the proposed Settlement. Thus, this factor supports settlement approval.

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1 **e. The Experience and Views of Counsel**

2 “Parties represented by competent counsel are better positioned than courts to produce a
3 settlement that fairly reflects each party’s expected outcome in litigation.” *In re Pac. Enter. Sec.*
4 *Litig.*, 47 F.3d 373, 378 (9th Cir. 1995). Plaintiff is represented by experienced wage and hour
5 counsel with decades of combined experience, who believe this Settlement to be fair and adequate
6 for all involved. Blakely Decl., ¶¶ 2-6; Declaration of Paul K. Haines (“Haines Decl.”), ¶¶ 3-9;
7 Declaration of Joel M. Gordon (“Gordon Decl.”), ¶¶ 3-4. This factor strongly supports settlement
8 approval. *Kullar*, 168 Cal.App.4th at 130 (“The court undoubtedly should give considerable
9 weight to the competency and integrity of counsel and the involvement of a neutral mediator in
10 assuring itself that a settlement agreement represents an arm’s length transaction entered without
11 self-dealing or other potential misconduct”).

12 **B. The Requested Award of Attorneys’ Fees is Reasonable as a Percentage of the**
13 **Gross Settlement Amount**

14 Plaintiff is entitled to attorneys’ fees in this PAGA action under Labor Code § 2699(g)(1),
15 which provides that “[a]ny employee who prevails in any [PAGA] action shall be entitled to an
16 award of reasonable attorneys’ fees and costs.” *See also Gouskos v. Aptos Village Garage, Inc.*,
17 94 Cal.App.4th 754, 765 (2001) (holding that attorneys’ fees to prevailing party are mandatory
18 when the statute uses the word “shall”). It is undisputed that by obtaining PAGA penalties for the
19 LWDA and allegedly Aggrieved Employees, Plaintiff has prevailed. *See Graciano v. Robinson*
20 *Ford Sales*, 144 Cal.App.4th 140, 153 (2006) (“[P]laintiffs may be considered ‘prevailing parties’
21 for attorney’s fee purposes if they succeed on any significant issue in the litigation that achieves
22 some of the benefit the parties sought in bringing suit.” (internal citation omitted)).

23 A fee award is justified where the legal action has produced its benefits by way of
24 settlement. *See, e.g., Maria P. v. Riles*, 43 Cal.3d 1281, 1290-91 (1987); *Westside Comty. for*
25 *Independent Living, Inc. v. Obledo*, 33 Cal.3d 348, 352-53 (1983); *Serrano v. Priest*, 20 Cal.3d
26 25, 34 (1977) (“when a number of persons are entitled in common to a specific fund, and an action
27 brought by a plaintiff...for the benefit of all results in the creation or preservation of that fund,
28 such plaintiff...may be awarded attorney’s fees out of the fund.”); *Serrano v. Unruh*, 32 Cal.3d

621, 627 (1982) (in awarding a fee from the common fund obtained for the benefit of all parties, the trial court acts within its equitable power to prevent the other parties’ unjust enrichment); *Rawlings v. Prudential-Bache Properties, Inc.*, 9 F.3d 513, 516 (6th Cir. 1993) (the percentage of the fund method for calculating attorneys’ fees more accurately reflects the results achieved for the putative class than the lodestar method and “establishes reasonable expectations on the part of Plaintiff attorneys as to their expected recovery; and it encourages early settlement, which avoids protracted litigation.”); *In re Rite Aid Corp. Sec. Litig.*, 396 F.3d 294, 300 (3d Cir. 2005) (“The percentage-of-recovery method is generally favored in common fund cases because it allows courts to award fees from the fund ‘in a manner that rewards counsel for success and penalizes it for failure’”).

Fee awards of one-third of the settlement fund are routinely awarded in California courts in class and representative PAGA actions. The California Supreme Court confirmed its approval of the use of the “percentage of fund” method in *Laffitte v. Robert Half Int’l, Inc.*, 1 Cal.5th 480, 506 (2016), where it announced “the percentage of fund method survives in California class action cases...” Specifically, the *Laffitte* Court held:

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

Id., at 503 (internal citation omitted). Indeed, “[F]ee awards in class actions average around one-third of the recovery.” *Chavez v. Netflix, Inc.*, 162 Cal.App.4th 43, 66, fn. 11 (2008); *see also Chavez v. Saticoy Lemon Ass’n*, 2015 WL 5561118 (Ventura Cty. Super. Ct., Aug. 29, 2015) (approving attorneys’ fees of one-third of settlement fund in PAGA settlement); *Clavel v. Lupe’s Thousand Oaks Mexican Restaurant, Inc.*, 2016 WL 1601223 (Ventura Cty. Super. Ct., Mar. 25, 2016) (same). This is also consistent with Plaintiff counsel’s experience in similar wage-and-hour class and PAGA matters.

Here, Plaintiff’s fee request of one-third of the Gross Settlement Amount (estimated to be \$30,000.00) which is the same percentage approved by the California Supreme Court in *Laffitte*, is fair and reasonable based on the percentage of the recovery method, as confirmed by a lodestar

1 cross-check.

2 In *Laffitte*, the California Supreme Court held that trial courts have discretion to assess the
3 reasonableness of fee awards with tools such as the “lodestar cross-check,” whereby the trial court
4 calculates counsel’s lodestar and determines whether the “lodestar multiplier” needed to bring the
5 lodestar on par with the percentage of recovery is reasonable. *Laffitte*, 1 Cal.5th at 503-06. While
6 a trial court may utilize the lodestar cross-check, it need not do so. *Id.* at 506 (“[w]e hold further
7 that trial courts have discretion to conduct a lodestar cross-check on a percentage fee, as the court
8 did here; they also retain the discretion to forgo a lodestar cross-check and use other means to
9 evaluate the reasonableness of a requested percentage fee.”).

10 Under the lodestar method, the court multiplies the number of hours reasonably expended
11 by each attorney or legal staff member by their reasonable hourly rates, then enhances this lodestar
12 figure by a “multiplier” to account for a range of factors, such as the contingent nature of the case
13 and the degree of success achieved. *See Serrano v. Priest*, 20 Cal.3d 25, 48-49 (1977); *Ketchum*
14 *v. Moses*, 24 Cal.4th 1122, 1132-36 (2001); *Thayer v. Wells Fargo Bank*, 92 Cal.App.4th 819,
15 834 (2001) (“There is no hard-and-fast rule limiting the factors that may justify an exercise of
16 judicial discretion to increase or decrease a lodestar calculation”).

17 Under California law, lodestar multipliers can range from 2 to 4 or even higher. *See, e.g.,*
18 *Chavez*, 162 Cal.App.4th at 49-50 (approving multiplier of approximately 2.5); *Coalition for L.A*
19 *County Planning etc. Interest v. Bd. of Supervisors*, 76 Cal.App.3d 241, 251 (1977) (approving
20 multiplier of approximately 12.8). In representative actions such as this one, where Plaintiff’s
21 counsel efficiently protected the rights of the allegedly aggrieved employees and where the value
22 of the benefit conferred to the group “can be monetized with a reasonable degree of certainty,”
23 the Court may “adjust the lodestar in comparison to a percentage of the common fund to ensure
24 that the fee awarded is reasonable and within the range of fees freely negotiated in the legal
25 marketplace in comparable litigation.” *Consumer Privacy Cases*, 175 Cal. App. 4th 545, 557
26 (2009).

27 In this case, Plaintiff’s counsel has a lodestar of approximately \$116,400.00 without the
28 use of any multiplier, resulting in a *negative* multiplier compared to the \$30,000.00 fee request.

Blakely Decl., ¶ 22. Plaintiff’s counsel submits that the billing rates used are reasonable in view of the market rates and the rates at which Plaintiff’s counsel has been approved at in other courts. Blakely Decl., ¶¶ 22-23; Exhibit 5 (*Laffey Matrix*).

Name	Rate	Hours	Pre-Multiplier Lodestar
Paul K. Haines (19th Year Attorney)	\$925	7.1	\$6,567.50
Sean M. Blakely (16th Year Attorney)	\$825	59.2	\$48,840.00
Joel M. Gordon (10th Year Attorney)	\$725	77.9	\$56,477.50
Firm Paralegals	\$175	25.8	\$4,515.00
Total Lodestar			\$116,400.00

Critically, Plaintiff’s recovery for the State of California and the allegedly Aggrieved Employees of approximately \$41,916.99 (Net Settlement Amount) exceeds other PAGA awards approved by California courts. *See, e.g., Aguirre v. DSW, Inc.*, No. DCV-11-01522-GW (SPx), 2012 WL 11875296 at *3 (C.D. Cal. Nov. 29, 2012) (approving \$10,000 PAGA payment); *Jamil v. Workforce Res., LLC*, No. 18-CV-27 JLS (NLS), 2020 WL 6544660) at *6 (S.D. Cal. Nov. 5, 2020) (approving \$10,000 total PAGA payment, finding the amount “fair and adequate in view of the purposes and policies of PAGA”); *Garcia v. Gordon Trucking, Inc.*, No. 1:10-cv-0324-AWI-SKO, 2012 WL 5364575 at *7 (E.D. Cal. Oct. 31, 2012) (“approving \$10,000 total PAGA payment, finding that “[t]his comports with settlement approval of PAGA awards in other cases. [Citations.]”); *Boyd v. Bank of Am. Corp.*, No. SACV-13-0561-DOC (JPRx), 2014 WL 6473804 at *8 (C.D. Cal. Nov. 18, 2014) (approving \$18,750 PAGA payment); *Franco v. Ruiz Food Prods.*, No. 1:10-cv-02354-SKO, 2012 WL 5941801 at *14 (E.D. Cal. Nov. 27, 2012) (approving \$10,000 PAGA payment); *Chu v. Wells Fargo Inv., LLC*, 2011 WL 672645 at *1 (N.D. Cal. Feb. 16, 2011) (\$10,000 PAGA payment).

As discussed above, this case presented significant risks to Plaintiff. Plaintiff’s counsel conducted extensive research regarding the merits of Plaintiff’ claims, his ability to recover PAGA civil penalties, and Able Sheet Metal’s potential defenses. Blakely Decl., ¶¶ 10-17. Since undertaking representation of Plaintiff, Plaintiff’s counsel has dedicated substantial resources to this litigation without receiving any compensation to date. *Id.*, ¶ 21. Plaintiff’s counsel also

performed extensive analysis of data and information produced by Able Sheet Metal, used this analysis to evaluate Plaintiff's claims, and drafted a comprehensive mediation brief. *Id.*, ¶ 10. Plaintiff's counsel attended a full-day mediation, and expended significant effort in preparing settlement documents, this Motion and supporting documents, and will oversee the settlement administration process. *Id.* Given the considerable potential for adverse outcomes in this case, the contingent risk borne by Plaintiff's counsel was great. The quality of Plaintiff's counsel's work, and the efficacy and dedication with which it was performed, should be compensated. Thus, Plaintiff submits the requested fee award is fair, reasonable and adequate and should be approved.

Plaintiff's counsel have over three decades of combined wage-and-hour class and representative action experience and have been certified as class counsel in numerous wage and hour class actions. Blakely Decl., ¶¶ 2-6; Haines Decl., ¶¶ 3-9; Gordon Decl., ¶¶ 3-4. Because it is reasonable to compensate counsel commensurate with their skill, reputation, and experience, a fee award of one-third of the Gross Settlement Amount is reasonable. Other factors show the requested fee is reasonable. This case involved nuanced legal issues, including the legality of Able Sheet Metal's obligations to "provide" meal periods and "authorize and permit" rest periods, as well as the availability and amount of PAGA civil penalties for the alleged Labor Code violations. Blakely Decl., ¶ 20. Able Sheet Metal was also represented by experienced wage-and-hour litigation counsel. Thus, Plaintiff submits the requested fee award is fair, reasonable and adequate and should be approved.

C. The Requested Litigation Costs and Settlement Administration Costs Are Fair, Reasonable, and Adequate

Plaintiff's request for reimbursement of litigation costs of \$9,333.01 is also fair and reasonable. All of Plaintiff's litigation costs are reasonably incurred. *See* Blakely Decl., ¶ 21, Exhibit 3. Moreover, the costs Plaintiff seek are the types of costs routinely approved by courts. *See, e.g., Harris v. Marhoefer*, 24 F.3d 16, 19 (9th Cir. 1994) (counsel should recover "those out-of-pocket expenses that would normally be charged to a fee paying client"); *Ashker v. Sayre*, 2011 WL 825713 at * 3 (N.D. Cal. Mar. 7, 2011) ("costs of reproducing pleadings, motions and exhibits are typically billed by attorneys to their fee-paying clients" and are reimbursable); *Trustees of*

1 *Const. Industry & Laborers Health and Welfare Trust v. Redland Ins. Co.*, 460 F.3d 1253, 1258-
2 59 (9th Cir. 2006) (legal research costs reimbursable); *In re Immune Response Sec. Litig.*, 497
3 F.Supp.2d 1166, 1177-78 (S.D. Cal. 2007) (mediation expenses, consultant and expert fees, legal
4 research, copies, postage, filing fees, messenger and overnight delivery costs are reimbursable).

5 Likewise, the request for administration costs of \$3,750.00 is also fair and reasonable.
6 ILYM was selected because it is an experienced settlement administrator and returned a
7 reasonable bid. Blakely Decl., ¶ 19; *See* Settlement, § 3.2.2.; *See also* Rogers Decl. and Exhibits.
8 Moreover, ILYM will perform several important functions that are integral to the implementation
9 of the Settlement. Blakely Decl., ¶ 19. Its requested modest fee is therefore reasonable.

10 **D. The Court Should Approve Plaintiff's Requested Enhancement Payment**
11 **Because It Is Fair, Adequate, and Reasonable in View of Plaintiff's Efforts**
12 **and the Risks He Assumed in This Litigation.**

13 Courts routinely approve enhancement awards to compensate named plaintiffs for the
14 services they provide and the risks they incur during representative litigation. *See, e.g., Bell v.*
15 *Farmers Ins. Exch.*, 115 Cal.App.4th 715, 726 (2004) (upholding "service payments" to named
16 Plaintiff); *Van Vranken v. Atlantic Richfield Co.*, 901 F. Supp. 294 (N.D. Cal. 1995) (approving
17 \$50,000 incentive payment). Here, Plaintiff seeks an Enhancement Payment of \$5,000.00. *See*
18 Settlement, § 3.2.3. This request is reasonable given Plaintiff's efforts in this case and the risks
19 he undertook on behalf of the Aggrieved Employees. Hernandez Decl., ¶¶ 4-7. Plaintiff provided
20 substantial factual information and documents to counsel, and participated in numerous
21 discussions with Plaintiff's counsel regarding the case. *Id.*; *see also* Blakely Decl., ¶ 24.
22 Accordingly, Plaintiff's requested Enhancement Payment is appropriate and justified as part of
23 the Settlement.

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1 **V. CONCLUSION**

2 For the reasons stated herein, Plaintiff respectfully requests that this Court grant Plaintiff's
3 Motion and adopt the [Proposed] Judgment and Order Granting Settlement Approval submitted
4 concurrently herewith.

5
6 Dated: April 2, 2025

Respectfully submitted,
HAINES LAW GROUP, APC



8 By: _____
9 Sean M. Blakely
Attorneys for Plaintiff