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SUPERIOR COURT OF CALIFORNIA

IN AND FOR THE COUNTY OF LOS ANGELES

JOSHUA ROJAS, on behalf of the State of California and all Aggrieved Employees,

Plaintiff,

v.

INTEGRATED DISTRIBUTION SYSTEMS, INC., a California Corporation; DART ENTITIES, INC., a Nevada Corporation; and DOES 1-100, inclusive,

Defendants.

Case No.: 24STCV04611

Assigned for All Purposes to:
Hon. Randolph M. Hammock
Dept. 49

MEMORANDUM OF POINTS & AUTHORITIES IN SUPPORT OF MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT AND REQUEST FOR ATTORNEY'S FEES AND COSTS

Date: February 27, 2026
Time: 8:30 a.m.
Dept.: 49

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I. INTRODUCTION

Plaintiff Joshua Rojas seeks final approval of a non-reversionary class action settlement resolving wage and hour claims on behalf of 263 individuals employed by Defendant Integrated Distribution Systems, Inc. ("IDS" or "Defendant") as current and former non-exempt employees of Defendant who worked in the State of California during the Class Period of November 29, 2022, through May 5, 2025. The proposed $312,500 total settlement provides about $144,345 in cash payments to the Class, with an average award of about $548, plus additional amounts payable under PAGA. The remaining balance will cover a modest service award to Plaintiff, settlement administration costs, civil penalties to the state, and reasonable attorney's fees and costs. The parties and their counsel finalized the settlement after extensive and difficult arms-length negotiations overseen by an experienced and highly-regarded mediator. The Court conditionally certified the Class and preliminarily approved the settlement on September 11, 2025. Since then, the Court-approved notice form was mailed to the Class Members on October 29, 2025, and they have reacted very favorably to the settlement. As of the date of this motion, there are no objections and no class members have opted out.

Further, Class Counsel secured an excellent settlement with IDS after some two years of investigation, litigation, and settlement negotiation and administration, all without any compensation for services rendered or costs expended. The class notice duly informs the class members that Class Counsel would request attorney's fees not to exceed 1/3 of the Gross Settlement Amount, or $104,166.67, along with reimbursement of no more than $20,000 for actual costs incurred litigating this matter. As of the filing of this motion, *not one Class Member objected* to the proposed fee award. Consistent with the Settlement and notice, Plaintiff now respectfully requests the Court award Class Counsel's fees in the amount of $104,166.66 and costs in the amount of $15,738.04, as described in the Declaration of Brandon Brouillette ("Brouillette Decl.") filed herewith. The requested attorney's fees are well within the range of reasonableness, especially considering the complex and risky nature of this litigation, the contingent risk assumed, and the two-plus year delay in payment and, when subjected to a lodestar crosscheck, results in a base lodestar that is larger than the actual fees requested on a percentage basis.

Accordingly, on behalf of himself and the Settlement Class, Plaintiff respectfully requests the Court grant this motion, give full and final approval to the settlement, grant Class Counsel's request for attorney's fees and costs, and enter judgment accordingly.

II. BACKGROUND/LITIGATION HISTORY

IDS provides logistics and fulfillment services. Plaintiff worked for Defendant as a forklift operator for a little over a year, from about September 2022 until October 2023. (Brouillette Decl., ¶ 2.)

Plaintiff submitted his notice letter to the LWDA under PAGA and timely exhausted his administrative remedies with the LWDA and, on February 23, 2024, Plaintiff filed a PAGA-only complaint against Defendant and Dart Entities, Inc. Later, on May 22, 2025, Plaintiff filed a First Amended Complaint asserting class and PAGA claims for various alleged Labor Code violations, including failure to pay wages, including overtime wages, meal and rest break violations, inaccurate wage statements, waiting time penalties, and failure to reimburse expenses. (Brouillette Decl., ¶ 3.)

Once the matter was at issue, the Parties initiated discovery and later, after engaging in meet and confer discussions regarding discovery, potential law and motion, and the merits of the case, ultimately agreed to attempt mediation. They then engaged in significant informal discovery to facilitate an exchange of information necessary to engage in a meaningful mediation. In March 2025, the Parties participated in mediation with Steve Mehta, Esq., a respected wage and hour class action mediator. The Parties also agreed to explore resolution of Plaintiff's claims on a class-wide basis in addition to the pending PAGA claims. The mediation lasted a full day and with the mediator's assistance the Parties reached agreement on all major issues and agreed to resolve the case on both a class and PAGA basis. [Brouillette Decl., ¶¶ 4-5.] As part of that settlement, the Parties agreed to the filing of a Second Amended Complaint alleging class claims. This Court preliminarily approved the settlement on September 11, 2025.

Class notices were mailed to class members on October 29, 2025, with a 60-day window (to December 29, 2025) for class members to opt out of or object to the proposed settlement. [Declaration of Lluvia Islas ("Islas Decl."), ¶¶ 5, 7-8.]

III. TERMS OF THE PROPOSED SETTLEMENT

Under the settlement, IDS will pay $312,500 into a common fund, the Gross Settlement Amount ("GSA"). Attorney's fees of up to $104,166.66 (1/3 of the GSA), litigation costs of up to $20,000 (only $15,738.04 is requested), settlement administration costs of $8,250, a service award to Plaintiff of no more than $10,000, and PAGA civil penalties of $30,000, all will be paid from the GSA. The balance of around $144,345 will be allocated pro rata to the Class Members based on their weeks worked during the Class Period. No portion of the GSA will revert to IDS. [Brouillette Decl., ¶ 6.]

A. Certification of the Settlement Class

The Court conditionally certified a settlement class defined to include all current and former non-exempt employees of Defendant who worked in the State of California during the Class Period of November 29, 2022, through May 5, 2025. The Settlement Administrator ultimately mailed class notices to 263 individuals identified as members of the Class. [Islas Decl., ¶ 5.] Nothing has changed to require reconsideration of the Court's certification of the Settlement Class.

B. The Benefit Conferred on the Settlement Class

As noted, the settlement obligates IDS to pay $312,500 to resolve the Settlement Class's claims, inclusive of attorney's fees and costs. At least $134,345 from the GSA will be distributed to the Participating Class Members. This is a cash settlement that does not require Participating Class Members to submit a claim form to receive their settlement share. Participating Class Members will receive their settlement checks automatically via First Class U.S. Mail. Twenty percent of each settlement share will be allocated to wages and the remaining eighty percent will be allocated to penalties and interest, which allocation is consistent with IDS's potential liability. IDS will pay any and all applicable employer-side payroll taxes separately and in addition to the GSA. Subject to the Court's approval, any amounts not claimed (because a class member does not cash their settlement check) will be forwarded to the State Controller's Unclaimed Property Fund. [Brouillette Decl., ¶ 7.]

Each Participating Class Member will receive a share of the Net Settlement Amount based on his or her total weeks worked in California as a non-exempt employee during the Class Period. Thus, each Class Member's Individual Settlement Payment will be calculated using criteria typically used in determining appropriate amounts of unpaid wages, unpaid premium wages for missed meal and rest breaks, and potential statutory penalties under applicable law. These methods are intended to ensure each Class Member receives a settlement award corresponding to the relative value of their potential claims. The proposed allocation provides a reasonable way to compensate Class Members based on the amount of time they worked for IDS in California and the amount unpaid overtime, the number of missed meal breaks and/or rest breaks, etc. [Brouillette Decl., ¶ 8.]

The average award to the Participating Class Members will be approximately $548 with a maximum award of about $905, while the average PAGA award will be about $28.52. [Islas Decl., ¶¶ 13-14.]

C. <u>Settlement Administration</u>

Phoenix Settlement Administrators, as the Court-approved Settlement Administrator, mailed the Notice Packet to the Class members after making all reasonable effort to ascertain the best mailing address, including running each address through the National Change of Address database and "skip-tracing" any Notice Packets returned as undeliverable. [Islas Decl., ¶¶ 3-6.] The Class Notice, previously approved by the Court, duly informed Class Members of the settlement terms, including the estimated relief each Class Member will receive, the amounts to be requested for attorney's fees and the class representative enhancement awards, and the right to opt out of or object to the settlement. [Islas Decl., ¶ 5; Exh. A.] Phoenix mailed 263 Notice Packets on October 29, 2025. [Islas Decl., ¶ 5.] As of the filing of this motion, zero Notice Packets were deemed undeliverable, for a 100% success rate. [Islas Decl., ¶ 7.] The response window for opting out, objecting to the settlement, or submitting a dispute, expired on December 29, 2025. [Islas Decl., ¶¶ 7-9.] As of the filing of this motion, Phoenix has received zero requests for exclusion, zero objections to the settlement, and no disputes have been submitted regarding the information used to calculate class member settlement shares. [Islas Decl., ¶¶ 7-9.]

D. Release of Claims

Upon final approval, Participating Class Members shall forever release the Released Parties for the Released Claims for the Class Period, including all claims pleaded in the Operative Complaint, and which could reasonably have been alleged, based on the Class Period facts, allegations, and/or claims stated in the Operative Complaint, for work performed during the Class Period, and as specifically detailed in Sections 5.2 of the Agreement. Additionally, the Aggrieved Employees will the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint, and PAGA Notice, and as more specifically detailed in Section 5.3 of the Agreement. [Brouillette Decl., ¶ 9.]

E. PAGA and Notice to the LWDA

As noted, the Parties allocated $30,000 to resolution of Plaintiff's alleged claims under PAGA, and Plaintiff requests the Court approve that amount as fair, reasonable, and adequate, and consistent with PAGA's underlying purposes. Consistent with PAGA, $22,500 of that amount will go to the LWDA for the State's share of the civil penalties, while the remaining $7,500 will be distributed pro rata to the 263 eligible Aggrieved Employees. Prior to filing this motion, Plaintiff provided notice of the proposed settlement of the PAGA claims and the approval hearing to the LWDA. [Brouillette Decl., ¶ 10; Exh. 1.]

IV. ARGUMENT

A. Standards For Approval

The law favors settlement, particularly in class actions where substantial resources can be conserved by avoiding the time, cost, and rigors of formal litigation. H. Newberg & A. Conte, 4 Newberg on Class Actions (4th ed. 2002), § 11.41; Class Plaintiffs v. City of Seattle (9th Cir. 1992) 955 F.2d 1268, 1276, cert. denied, 506 U.S. 953; Van Bronkhorst v. Safeco Corp. (9th Cir. 1976) 529 F.2d 943,950; Potter v. Pacific Coast Lumber Co. (1951) 37

Cal.2d 592, 602. Nevertheless, to make certain the rights of absent parties are not unjustly compromised, the settlement of a class action requires court approval. Cal. Rule of Court 3.769; Dunk v. Ford Motor Co. (1996) 48 Cal.App.4th 1794, 1801; Wershba v. Apple Computer (2001) 91 Cal.App.4th 224, 245. The purpose of that judicial review is to protect against fraud or collusion, and to ensure fairness to absent class members. Dunk, 48 Cal.App.4th at 1800-01; Newberg, at §§ 11.22, *et seq.* Review is accomplished through a two-step process intended to determine whether, under the totality of circumstances, the settlement is fair, reasonable and adequate. Dunk, 48 Cal.App.4th at 1801; Wershba, 91 Cal.App.4th at 245.

On a motion for final approval, the trial court is charged with determining whether, in light of the total circumstances of the action and the response of the class members to the proposed settlement, the settlement is fair, reasonable, and adequate. Dunk, 48 Cal.App.4th at 1801-02; Wershba, 91 Cal.App.4th at 244-45. The court has broad discretion in making that determination and may consider a number of relevant factors, including: the strength of plaintiff's case; the likelihood of potential recovery; the risk, expense and likely duration of further litigation; the amount offered in settlement; the extent of discovery and stage of the proceedings; the experience and opinion of counsel; and the reaction of class members to the settlement. Id. In light of the strong judicial policy favoring the settlement of class actions, courts·generally apply a presumption of fairness to a proposed class action settlement when: (1) the settlement is reached through arm's-length bargaining; (2) investigation and discovery are sufficient to allow counsel and the court to act intelligently; (3) counsel is experienced in similar litigation; and (4) the percentage of objectors is small. Dunk, 48 Cal.App.4th at 1802; Wershba, 91 Cal.App.4th at 245.

B. The Proposed Settlement Merits Final Approval

The proposed settlement of this action warrants final approval under the standards summarized above. The settlement is fair, reasonable and adequate, and represents a favorable resolution of highly disputed claims. Further, the settlement was overwhelmingly approved by the class members as there are no objections and zero class members requested exclusion.

1. The Settlement Is the Product of Arm's-Length, Informed Negotiations

The settlement is not the result of fraud or collusion. Rather, the proposed settlement was reached following arm's-length negotiations presided over by Steve Mehta, Esq., a highly respected and well-known mediator with extensive experience mediating wage and hour class actions. [Brouillette Decl., ¶ 5.] Moreover, Plaintiff and his counsel were well-informed about the facts and the law, and counsel Zachary M. Crosner and Brandon Brouillette have years of litigation experience, including litigating wage and hour class actions. Plaintiff's counsel are well-qualified to evaluate the risks and benefits of pursuing further litigation or settling the matter. [Brouillette Decl., ¶¶ 22-41.] IDS likewise was represented by highly-qualified and experienced defense counsel. Both sides advocated vigorously for their clients and nothing was "left on the table."

2. The Class Reacted Favorably to the Settlement

The settlement was well-received by the class. As of the filing of this motion, no objections have been filed, and no Class Members have requested exclusion out of 263 settlement class members. [Islas Decl., ¶¶ 7-8.] As many courts recognize, class member reaction to the settlement is one of the most important factors to consider in determining if final approval should be granted. Mandujano v. Basic Vegetable Prods., Inc., 541 F.2d 832, 837 (9th Cir. 1976); see also In re: American Bank Note Holographics, 127 F.Supp.2d 418, 425 (S.D.N.Y. 2001) ("It is well-settled that the reaction of the class to the settlement is perhaps the most significant factor to be weighed in considering its adequacy") (internal quotation marks omitted).

C. The Proposed Settlement Meets the Dunk and Kullar Factors and is within the Range of Reasonableness

Prior to mediation, the parties engaged in extensive formal informal discovery to facilitate settlement discussions. As a result, Plaintiffs reviewed documents and information regarding Defendant's payroll practices, pay stubs and time records for a sampling of class members, meal and rest break policies, etc., and information from Defendant regarding class size and breakdown of job positions, work weeks, rates of pay, and other information used to formulate a damages model. This extensive information then was analyzed by a consulting expert to look for meal and rest break violation rates, time spent working off the clock, etc., and other issues relevant to liability and damages. Plaintiff's counsel are confident they obtained sufficient information to enable them to understand the law and facts of this case and make an informed decision regarding the proposed settlement and whether it is in the best interests of the class. [Brouillette Decl., ¶¶ 4, 11.]

Using that data, Plaintiff ran various calculations and estimated Defendant's likely maximum exposure on the class claims at approximately **$1,636,735**. Plaintiff and counsel substantially discounted the value of these claims, however, in light of Defendant's multi-layered defenses on both class certification and on the merits, and the multiple and considerable risks posed by proceeding with the litigation.

First, Plaintiff contends Defendant failed to pay all wages due by IDS because the warehouse workers were subject to Defendant's control when they were waiting to clock in, both at the beginning of their shift and upon returning from break since Defendant did not provide sufficient timeclocks. Plaintiff alleged employees typically had to wait several minutes for their turn at the timeclocks and since they had to be inside the warehouse to clock in, they were effectively "confined . . . to the premises" while they waited, were subject to employee control, and accordingly entitled to compensation for that time. Frlekin v. Apple Inc. (2020) 8 Cal.5th 1038, 1046-47. They did not have the option of arriving later to avoid the lines, because they could be subject to disciplinary action if they failed to clock in before their shift started. As a result, Plaintiff alleges Defendant systematically undercounted employee hours worked, resulting in unpaid off the-clock time. Defendant denies Plaintiff's allegations, contends that employees were paid for all time worked, and contends that employees did not work off-the-clock. Further, Defendant contends that it provided multiple timeclocks such that Plaintiff's claims are meritless. Without taking into consideration any of Defendant's defenses to certification or on the merits, Plaintiff's expert calculated Defendant's maximum exposure for this claim **$45,740** in damages for unpaid wages based on a total of 2,895 uncompensated hours (or 2 minutes per shift). [Brouillette Decl., ¶ 12.]

Plaintiff also contends Defendant failed to authorize and permit all required rest breaks, particularly with respect to third rest breaks on shifts of 10+ hours. Here, Plaintiff alleges that, although Defendant carefully scheduled employee breaks for set times, it also scheduled only two breaks per shift even though shifts frequently exceeded 10 hours. In these cases, per Plaintiff, since Defendant's system did not have those breaks scheduled they simply weren't provided. Defendant denies these allegations, and contends it properly authorized and permitted all rest breaks as required by law and maintained specific staffing levels and schedules sufficient to allow Class Members to take complaint meal and rest breaks. Without taking into consideration any of Defendant's defenses to certification or on the merits, Plaintiff estimates IDS faces around **$43,550** in damages for rest period violations. Additionally, while Plaintiff's complaint alleged meal break violations, our investigation suggested a very low violation rate of around 1-2% for meal violations, and Defendant also provided evidence showing it paid over 1,900 meal premiums during the Class Period. Consequently, Plaintiff did accord any value to this claim since it appears there are few if any potential damages. [Brouillette Decl., ¶ 13.]

Defendant denies Plaintiff's contentions, claiming it made meal and rest breaks available to Class Members in compliance with California law. Defendant contends its meal and rest break policies are lawful and that Class Members were frequently reminded they were required to take all meal and rest breaks. Further, Defendant contends that it posted schedules with shift times and meal/rest periods, and provided specific staffing levels and schedules to all Class Members to take meal and rest breaks. Defendant also contends that time records demonstrate that Class Members took duty-free, timely meal breaks. Defendant also contends its meal and rest break policies and practices comported with the flexibility the *Brinker* court held was integral to California's meal and rest period requirements. Finally, Defendant argues that Plaintiff's meal and rest break claims are not susceptible to common proof, as the claims would require individualized inquiry, including whether there was an unlawful companywide policy, whether employees had the opportunity to take meal and rest periods, whether they voluntarily chose to foregо their meal and rest periods, and whether Defendant ever prevented them from taking meal and rest periods. Accordingly, Defendant contends these claims are vulnerable to a ruling that class treatment is not appropriate. [Brouillette Decl., ¶ 14.]

On the inaccurate wage statement claims under Labor Code section 226, Plaintiff contends IDS's wage statements violate Section 226 on their face by failing to correctly state the total hours worked during each pay period. Here, Defendant's wage statements overstate employee hours worked by including sick time, vacation time, and other non-work hours in the tabulation of "hours worked." Thus, an employee's wage statement might show 40 hours worked even though 8 of those hours were sick pay and the employee actually only worked 32 hours for that week. Beyond that, Plaintiff alleges derivative violations of Section 226 based on the off the clock/unpaid wage claims addressed above, which likewise rendered the wage statements inaccurate. Defendant denies Plaintiff's claims and contends that its wage statements are legally compliant. Plaintiff estimates IDS faces a maximum of **$1,052,000** in wage statement penalties under Labor Code 226. [Brouillette Decl., ¶ 15.]

Finally, Plaintiff alleges Defendant engaged in a pattern and practice of failing to timely pay wages due on separation of employment, in violation of Labor Code sections 201 et seq. Here, Plaintiff argued Defendant paid final wages on the next schedule pay day rather than within the strict deadlines imposed by the Labor Code. Defendant denies these allegations. As a result of the above alleged violations, Plaintiff also derivatively alleges IDS failed to timely pay all wages that were due and owing upon separation of employment. Thus, should the primary claims fail, Plaintiff's derivative claim for waiting time penalties would also fail. Defendant also contends it would not be liable for waiting time penalties at all because a "good faith dispute" exists over the payment of past wages. <u>Amaral v. Cintas Corp. No. 2</u> (2008) 163 Cal.App.4th 1157, 1201. Further, Defendant contends Plaintiff would have to prove Defendant "willfully" failed to pay Class Members appropriate wages due upon separation of employment. Without taking into consideration any of Defendant's defenses to certification or on the merits, Plaintiff calculated Defendant's maximum exposure for waiting time penalties at about **$495,445** based on 95 former employees during the limitations period. [Brouillette Decl., ¶ 16.]

As far as potential PAGA liability, the theoretical civil penalties likely are around $4 million should Plaintiff prevail on all claims and establish violations of the multiple Labor Code sections at issue. [Brouillette Decl., ¶ 17.] As with the class claims, Plaintiff discounted the potential PAGA penalties based on Defendant's various defenses on the merits and also accounted for the Court's wide discretion to reduce such penalties, or to decline to award penalties at all. Labor Code § 2699(e)(2); Carrington v. Starbucks Corp. (2018) 30 Cal.App.5th 504 (trial court awarded penalties of $5 per pay period after a bench trial, which decision was upheld on appeal); In re Taco Bell Wage and Hour Actions (E.D. Cal. Apr. 8, 2016) 2016 U.S. Dist. LEXIS 48557 (PAGA penalties denied after trial). Accordingly, the Parties allocated $30,000 to PAGA penalties.

Plaintiff submits this amount is reasonable under the circumstances and in line with comparable settlements in other wage and hour class actions in California. *E.g.*, Van Kempen v. Matheson Tri-Gas, Inc. (N.D. Cal. Aug. 25, 2017) 2017 U.S. Dist. LEXIS 137182 (granting final approval of $5,000 PAGA penalty from $370,000 settlement, or 1.4 percent of total settlement); Slavkov v. First Water Heater Partners I (N.D. Cal. July 25, 2017) 2017 U.S. Dist. LEXIS 116303 (finding a $7,500 PAGA payment reasonable when measured against the overall settlement of $345,000 and the possible weaknesses in plaintiffs' case, or 2.2 percent of total settlement). Additionally, the LWDA has been informed of the terms of the PAGA portion of the settlement, and will be able to weigh in as necessary. Jennings v. Open Door Mktg. Inc. (N.D. Cal. Oct. 3, 2018) 2018 U.S. Dist. LEXIS 171356, at *27 (approving settlement with PAGA penalties of 0.6% where "[p]laintiffs [have] submitted the settlement agreement to the LWDA, and the LWDA has not objected to the settlement.

Thus, Plaintiff and his counsel discounted the value of the class claims consistent with the risks discussed above, and carefully weighed the likelihood of the class receiving substantially greater benefit if the litigation continued. Plaintiff and counsel concluded – in light of these very real and substantial risks – settlement on the proposed terms and without prolonged and costly litigation was in the best interests of the class. The overall $312,500 recovery represents a significant percentage of Defendant's potential exposure. Given Defendant's multi-layered defenses and all other potential risks of continued litigation, a total recovery for the class of $312,500, which will result in average award of at least $548 per class member, plus additional sums under PAGA, is a significant result well within the range of reasonableness considering all potential outcomes, and it will provide direct monetary awards to all Class Members without further delay. [Brouillette Decl., ¶¶ 18-19.]

Importantly, the mere fact that a settlement does not provide the same recovery as might be achieved at trial is not a proper indicator of whether the settlement is fair, reasonable, and adequate. Wershba, 91 Cal.App.4th at 246, 250 ("Compromise is inherent and necessary in the settlement process…even if the relief afforded by the proposed settlement is substantially narrower than it would be if the suits were to be successfully litigated, this is no bar to a class settlement because the public interest may indeed be served by a voluntary settlement in which each side gives ground in the interest of avoiding litigation"); 7-Eleven Owners for Fair Franchising v. Southland Corp. (2000) 85 Cal.App.4th 1135, 1150 ("The fact that a proposed settlement may amount to only a fraction of the potential recovery does not, in and of itself, mean that the proposed settlement is grossly inadequate and should be disapproved"); White v. Experian Information Solutions, Inc. (C.D. Cal. 2011) 803 F.Supp.2d 1086, 1098 (rejecting contention settlement was not fair and reasonable even though it represented 99% discount off the maximum value of the claims); Lane v. Facebook, Inc. (9th Cir. 2012) 696 F.3d 811, 819 ("[T]he question whether a settlement is fundamentally fair . . . is different from the question whether the settlement is perfect in the estimation of the reviewing court"). Importantly as well, the proposed settlement is non-reversionary and will provide immediate benefits to the Class Members without a claims process. White, 803 F.Supp.2d at 1098; c.f., Federal Judicial Center, Managing Class Action Litigation: A Pocket Guide for Judges (3d ed. 2010) at 20, available at http://www.fjc.gov/sites/default/files/2012/ClassGd3.pdf (reversionary provisions and/or cumbersome claims process may indicate lack of fairness). Plaintiff and his counsel submit the settlement is within the "range of reasonableness," and is fair and adequate for the Class.

V. PLAINTIFF'S ENHANCEMENT AWARD

Pursuant to the terms of the settlement, Plaintiff seeks a modest incentive award of

$10,000 for his service in bringing these claims on behalf of the Class. The request is reasonable given the risks he undertook on behalf of the Class Members. By contacting and retaining counsel to pursue these claims, Plaintiff helped make this settlement possible for the absent Class Members, while shouldering the risk of being liable for Defendant's litigation costs. Plaintiff also exposed himself to unwanted notoriety related to filing a public lawsuit (discoverable even through a simple google search) for the benefit of other employees, placing himself at risk of discrimination by future prospective employers. As set forth in more detail in his declaration submitted at preliminary approval, among taking many other actions assisting in the successful litigation of this case, Plaintiff provided substantial factual information and documents to counsel, attended numerous meetings/phone conferences with counsel to discuss the case, and kept abreast of all significant developments. [Declaration of Joshua Rojas, ¶¶ 2-9 (filed August 4, 2025); Brouillette Decl., ¶ 20.] Finally, there are no class member objections submitted with respect to the amounts Plaintiff proposes to receive. [Islas Decl., ¶ 8.] Accordingly, the requested enhancement payment to Plaintiff is appropriate and justified as part of the settlement. In re Cellphone Fee Termination Cases (2010) 186 Cal. App. 4th 1380, 1393 ("These awards are discretionary…and are intended to compensate class representatives for work done on behalf of the class, to make up for financial or reputational risk undertaken in bringing the action, and, sometimes, to recognize their willingness to act as a private attorney general.");

VI. SETTLEMENT ADMINISTRATION COSTS

The settlement provides for a payment to Phoenix for its services as the Settlement Administrator, and as set forth in the Declaration of Lluvia Islas Phoenix has performed and will continue to perform its required duties through final distribution of the settlement funds, and incurred $8,250.00 in fees and expenses. [Islas Decl., ¶ 16.] Accordingly, Plaintiff requests the Court approve payment of $8,250 to Phoenix from the GSA. [Brouillette Decl., ¶ 21.]

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VII. ATTORNEY'S FEES AND COSTS

A. The Attorney's Fees Requested Are Fair and Reasonable and Should Be Approved

This Court has discretion over the amount of attorneys' fees awarded and court approval is required for Class Counsel's fees. Cal. Rule of Court 3.769; Levy v. Toyota Motor Sales, U.S.A. (1992) 4 Cal.App.4th 807, 813; Lealao v. Beneficial Cal., Inc. (2000) 82 Cal.App.4th 19. In defining a reasonable fee, the Court should attempt to mimic the marketplace for cases involving significant contingent risk, such as this one. Deposit Guaranty Nat'l Bank, Jackson, Miss. v. Roper (1980) 445 U.S. 326, 338, rehg. den. 446 U.S. 947; Lealao, 82 Cal.App.4th at 49-50 (court should attempt "to award the fee that informed private bargaining, if it were truly possible, might have reached" in determining a reasonable fee, and a fee award should approximate a "range of fees freely negotiated in comparable litigation"). Here, Class Counsel's request for attorney's fees and costs is reasonable and justified by the work performed, the benefits obtained, and the contingent risk assumed.

As addressed in detail above, at the time the parties reached the tentative settlement success for Plaintiff and the putative class was far from certain. Plaintiff faced a real risk that some or all the claims would not be certified for class treatment, as IDS had strong arguments that its compensation policies were legal and properly compensated the class members. Even if Plaintiff certified some or all of the claims and ultimately prevailed on the merits, it undoubtedly would have taken several years to realize any recovery while they pursued class certification, trial, and an almost certain appeal. [Brouillette Decl., ¶¶ 12-17.]

Nonetheless, Plaintiff succeeded and expeditiously obtained the relief he set out to obtain, and the settlement provides substantial cash payments to Class Members, with an average award of about $548, and with a maximum award of over $900. Importantly as well, the Class Members have been overwhelmingly supportive of the Settlement – as of the filing of this motion, there are no objections to the settlement and zero individuals have opted out. [Islas Decl., ¶¶ 8-9, 12.]

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B. The Requested Fee Award Is Reasonable and Appropriate

The United States Supreme Court has ruled the parties to a class action properly may negotiate not only the settlement of the action itself but also the payment of attorney's fees. Evans v. Jeff D. (1986) 475 U.S. 717, 734-35, 738, fn. 30.) In Hensley v. Eckerhart (1983) 461 U.S. 424, 437, the Supreme Court explained that negotiated, agreed-upon attorney's fee provisions are the ideal towards which the parties should strive: "A request for attorney's fees should not result in a second major litigation. Ideally, of course, litigants will settle the amount of a fee." The United States Supreme Court has reemphasized this policy and further stressed trial courts have “a responsibility to encourage agreement" on fees. Blum v. Stenson (1984) 465 U.S. 886, 902 n.19.

As part of the Settlement, IDS agreed not to object to an award of no more than 1/3 of the GSA for attorney's fees, or $104,166.66, and up to $20,000 in reimbursement for litigation costs and expenses (although only $15,738.04 is requested). Such a fee is commensurate with what the market would provide for similar services and the Court therefore can most certainly enforce the agreement. As California's Court of Appeal has instructed:

> Given the unique reliance of our legal system on private litigants to enforce substantive provisions of law through class and derivative actions, attorneys providing the essential enforcement services must be provided incentives roughly comparable to those negotiated in the private bargaining that takes place in the legal marketplace, as it will otherwise be economic for defendants to increase injurious behavior.

Lealao, 82 Cal.App.4th at 47.

Here, the parties did not negotiate the inclusion of attorney's fees until after extensive arms-length bargaining regarding relief to the Class was completed. [Brouillette Decl., ¶ 22.] The requested fee and cost award was a product of these arms-length negotiations and fairly reflects the marketplace value of the services rendered by Class Counsel in this case. As a result, the fee agreed to by the parties should be approved.

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C. Class Counsel's Fees are Justified When Calculated as a Percentage of the Common Fund

In approving fee applications, courts typically apply either a percentage-of-recovery method or the lodestar method. Laffitte v. Robert Half Int'l., Inc. (2016) 1 Cal.5th 480, 489; Wershba v. Apple Computer, Inc. (2001) 91 Cal.App.4th 224, 254, disapproved on other grounds, Hernandez v. Restoration Hardware, Inc. (2018) 4 Cal.5th 260. The California Supreme Court recently recognized the advantages and equities of calculating attorney's fees using the percentage-of-the-common-fund method in another wage-and-hour case:

> 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.

Laffitte, 1 Cal.5th at 503 (citations omitted).

Indeed, both California and federal courts have long recognized an appropriate method for determining the award of attorney's fees is based on a percentage of the total value of benefits afforded to class members by the settlement. Serrano v. Priest (1977) 20 Cal.3d 25, 34; Boeing Co. v. Van Gernert (1980) 444 U.S. 472, 478; Vincent v. Hughes Air West, Inc. (9th Cir. 1977) 557 F.2d 759, 769. Awarding a fee based on a percentage of the common fund recovered operates to "spread litigation costs proportionately among all the beneficiaries so that the active beneficiary does not bear the entire burden alone." Vincent, 557 F.2d at 769.

In determining a reasonable common fund fee award, courts should also consider the fact that fees serve as an economic incentive for lawyers to bring class action litigation to achieve increased access to the judicial system for meritorious claims and to enhance deterrents to wrongdoing. Conte, Attorney Fee Awards (2d ed. 1993) § 104. Without prosecution on a contingent basis and use of the class action mechanism, the courthouse door would effectively be closed to most class members due to the relatively small size of their individual claims in relation to the enormous time and cost associated with class action litigation.

Here, Class Counsel seek a fee award for their successful prosecution and resolution of this action of no more than 1/3 of the total amount recovered by the Class via the lawsuit, or $104,66.66. The percentage requested is justified for the reasons set forth further below, and comports with fee awards calculated on a percentage-of-the-benefit basis. Indeed, review of class action settlements shows that courts have historically awarded fees in the range of 20 to 50 percent, depending upon the circumstances of the case. In re Warner Communications Sec. Litig. (S.D.N.Y. 1985) 618 F.Supp. 735, 749-50 (concluding that percentage fees in common fund cases range from 20 to 50 percent); Newberg, Newberg on Class Actions (3d ed.) § 14.03, pp. 13-14 ("Usually 50% of the fund is the upper limit on a reasonable fee award from a common fund in order to assure that the fees do not consume a disproportionate part of the recovery obtained for the class, although somewhat larger percentages are not unprecedented.").

D. A Lodestar Cross-Check Also Supports Class Counsel's Fee Request

To ensure the fairness of an attorney's fee award, courts frequently conduct a lodestar cross check of counsel's fees. "A lodestar cross-check thus provides a mechanism for bringing an objective measure of the work performed into the calculation of a reasonable attorney fee." Laffitte*,* 1 Cal.5th at 504. Here, Class Counsel spent 165.96 hours of time on this matter, resulting in a modest and very reasonable lodestar of $127,469.

As is fully detailed in the Brouillette Declaration, Class Counsel's efforts included: (1) extensive pre-lawsuit investigation of the claims of Plaintiff and the putative class, including legal research, research into similar claims and claims against other employers in the same industry, and attempts to locate and contact other IDS employees; (2) drafting a PAGA notice letter; (3) drafting the initial complaint and related documents; (4) case management, including communications with defense counsel, meeting and conferring/preparing case management statements, etc.; (5) opposing Defendant's motion to compel arbitration; (6) drafting a first amended complaint; (7) propounding initial written discovery, (8) lengthy discussions with defense counsel regarding settlement/mediation and informal discovery needed for meaningful settlement discussions; (9) engaging in substantial informal discovery, including propounding informal discovery "requests" and reviewing documents and other information produced; (10) drafting a mediation brief and accompanying damages model after review and analysis of Defendant's informal discovery production; (11) attending an all-day mediation; (12) negotiating and drafting the settlement agreement and related documents; (13) drafting an amended complaint to effectuate the settlement; (14) drafting the motion for preliminary approval, and attending the hearing; (15) administration of the settlement, including communications with the Settlement Administrator and settlement class members; (16) drafting the motion for final approval and motion for attorney's fees, and attending the final approval hearing; and (17) extensive communications with the Plaintiff regarding case status, case investigation and document review, mediation, and settlement terms. [Brouillette Decl., ¶ 23, Exh. 2.] Additionally, Class Counsel will incur additional time following final approval to, inter alia, respond to class member inquiries, work with the Settlement Administrator on the distribution of settlement funds, and on the compliance hearing.

In pursuing this matter, Class Counsel incurred total attorney's fees of $127,469, based on 165.96 attorney hours. The lodestar is based on an eminently reasonable number of hours worked to litigate this matter to a successful conclusion, and the requested attorney hourly rates are reasonable and comport with hourly rates charged by other attorneys with similar experience in this practice area in California. [Brouillette Decl., ¶¶ 22-41.] On a lodestar basis, the fee request of $104,166.66 is less than the base lodestar and accordingly there is no request for a multiplier. [Brouillette Decl., ¶ 41.]

E. The Award is Supported By 1) the Results Achieved; 2) the Risk, 3) the Skill Required, 4) the Contingent Nature of the Fee and 5) Awards in Similar Cases

What has now emerged in most fee award decisions is the recognition that fee determinations in both common fund and statutory fee situations are incapable of mathematical precision because of the intangible factors that must be resolved in the court's discretion based on the circumstances of each particular case. Conte, § 207, p. 44. In determining an appropriate fee in a common fund case, a Court must decide, based on the unique posture of each case, what percentage of the common fund would most reasonably compensate Class Counsel given the nature of the litigation and the performance of counsel. Paul, Johnson, Alston & Hunt v. Graulty (9th Cir. 1989 886 F.2d 268, 272) (the benchmark percentage fee may be adjusted to account for the circumstances involved in a case).

Courts apply a five-part test in calculating a reasonable percentage fee in common fund cases: (1) the results achieved; (2) the risk of litigation; (3) the skill required and the quality of work; (4) the contingent nature of the fee and the financial burden carried by the plaintiffs; and (5) awards made in similar cases. Laffitte, 1 Cal.5th at 489.

1. The Results Achieved.

Class Counsel obtained an excellent result in this case for the Class Members. The Settlement provides real monetary benefits to the Class Members, and the Settlement is particularly advantageous to the Class Member because the proceeds will be distributed shortly as opposed to waiting additional years for a similar, or possibly, less favorable result. Considering many individual claims would be very modest and would not be cost-effective to pursue successfully, the Settlement provided them with fair compensation for their claims. Moreover, the absence of any objection to either the Settlement or the attorney's fee request bolsters the excellent results. Indeed, the approval of the Class is overwhelming as indicated by the fact that not only one class member opted out. Additionally, the settlement amounts to a substantial percentage of the maximum value of the amount the Class might have obtained if it had tried the case and recovered on all theories seeking recovery of wages and penalties. "It is well-settled law that a cash settlement amounting to only a fraction of the potential recovery does not per se render the settlement inadequate or unfair." In re Omnivision Techs., Inc., 559 (N.D. Cal. 2008) F.Supp.2d 1036, 1042.

2. Class Counsel Bore Considerable Risk.

At the time of filing the complaint, Class Counsel recognized that they would have to expend a substantial amount of time and advance significant costs to prosecute a statewide class action suit with no guarantee of compensation or reimbursement, in the hope of prevailing against a sophisticated company represented by first-rate attorneys. Despite their belief in the validity of Plaintiff's claims, they also knew they faced substantial risks of class certification and the ability to prove class-wide and individual damages. In light of the highly uncertain nature of this suit, Class Counsel also bore the risk that IDS would dig in and attempt to bury their small firm in work. Given the small size of Class Counsel's firm, not receiving any compensation for several years while simultaneously advancing litigation costs posed considerable risk and difficulty. [Brouillette Decl., ¶¶ 42-43.]

3. The Skill Required and the Quality of Work.

Practice in the narrow area of wage and hour litigation requires skill, knowledge and experience. The issues presented in this case required more than just a general appreciation of wage and hour law and class action procedure. This Settlement was possible only because counsel persuaded IDS that Plaintiff and the putative class had a realistic chance of prevailing on their claims despite IDS's contrary arguments, and that the case would be pursued through class certification and trial if necessary. In successfully navigating these hurdles, Class Counsel displayed appropriate skill while pursuing a risky and difficult case.

4. The Contingent Nature of the Fee and Risk Assumed

There is a substantial difference between the risk assumed by attorneys being paid by the hour and attorneys working on a contingent fee basis. The attorney being paid by the hour can go to the bank with his fee. Powers v. Eichen (9th Cir. 2000) 229 F.3d 1249, 1256. The attorney working on a contingent basis can only log hours while working without pay towards a result that will hopefully entitle him to a market fee considering the risk and other factors of the undertaking. Id. at 1257. Otherwise, the contingent fee attorney receives nothing. Id. In this case, Class Counsel subjected themselves to this risk in this all or nothing contingent fee case wherein the necessity and financial burden of private enforcement makes the requested award appropriate.

Counsel retained on a contingency fee basis, whether in private matters or in class action litigation, is entitled to a premium beyond their standard, hourly, non-contingent fee schedule to compensate for both the contingent risk assumed and the delay in payment. The simple fact is that despite the most vigorous and competent of efforts, success is never guaranteed. McKittrick v. Gardner (4th Cir. 1967) 378 F.2d 872, 875. Indeed, if counsel is not adequately compensated for the risks inherent in difficult class actions, competent attorneys will be discouraged from prosecuting similar cases. Ketchum v. Moses (2001) 24 Cal.4th 1122, 1132-33; Cazares v. Saenz (1989) 208 Cal.App.3d 279, 287.

Here, the contingent fee practices of Plaintiff's counsel simply do not accommodate the investment of unnecessary time in a case, and the adverse resolution of any one of several difficult issues present in this matter could have doomed the entire effort. As discussed, the attorney's fees in this case were not only contingent but fairly risky, and there was always a real chance Plaintiff's counsel would receive nothing for any number of reasons. [Brouillette Decl., ¶¶ 42-43.] Accordingly, the contingent nature of the fee and the financial burdens on Class Counsel and Plaintiff also support the fee requested.

5. Awards in Other Cases

As discussed, the attorney's fees requested by Class Counsel are within the range of fees awarded in comparable cases, as cross-checked against the lodestar method in light of the contingent risk assumed, the delay in payment, the result achieved, and the overall quality of the representation.

F. Class Counsel's Costs and Expenses are Reasonable

Plaintiff's counsel also request reimbursement of actual out-of-pocket expenses incurred to prosecute this action. These expenses were incidental and necessary to the effective representation of the employees, and Plaintiff's counsel is permitted to recover litigation costs and expenses under the common fund doctrine and the Settlement Agreement. Serrano, 20 Cal.3d at 35 (common fund doctrine permits recovery of fees and costs from the fund); Rider v. County of San Diego (1992) 11 Cal.App.4th 1410, 1424 n.6 (costs are recoverable from the common fund "[o]f necessity, and for precisely the same reasons discussed above with respect to the recovery of attorneys' fees by ... [Plaintiffs'] attorneys"). Plaintiffs' counsel also is entitled to recover "those out-of-pocket expenses that would normally be charged to a fee-paying client." Harris v.

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

As explained in the Brouillette Declaration, Class Counsel incurred a total of $15,738.04**,** in expenses incurred in connection with this litigation. These expenses include the amounts paid for court filing fees, service of process, expert fees, postage, and mediation fees, all of which are costs normally billed to and paid by the client. These costs were reasonably incurred in the prosecution of this matter and it is respectfully requested that the Court authorized they be reimbursed in full. [Brouillette Decl., ¶¶ 44-45.]

VII. CONCLUSION

For all the foregoing reasons, Plaintiff Joshua Rojas respectfully requests that the Court grant this motion and grant final approval of the proposed class action settlement and approve the payment of PAGA penalties to the State. Plaintiff further requests the Court approve payment of the Settlement Administrator's fees and expenses, approve the requested class representative enhancement payment, approve the award of attorney's fees and costs as requested, and enter judgment in this action. Finally, Plaintiff requests the Court set a non-appearance case review regarding settlement compliance for _____, 2027, or a later date convenient for the Court.

Dated: 2/2/2026

CROSNER LEGAL, P.C.

____

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