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6

7 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
8 **FOR THE COUNTY OF LOS ANGELES, CENTRAL DISTRICT**
9 **(UNLIMITED JURISDICTION)**

10 KENNETH LAMAR SMITH,
11

12 Plaintiff,

13 vs.

14 BAY CITIES FURNACE & AIR
15 CONDITIONING CO.; and DOES 1 to 25,
inclusive,

16 Defendant.
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Case No.: 24STCV03702

*[Assigned for all purposes to Honorable Tony
L. Richardson]*

**PLAINTIFF'S NOTICE OF MOTION
AND MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT OF
UNOPPOSED MOTION FOR APPROVAL
OF PAGA SETTLEMENT**

[Filed Concurrently with Declaration of
Harout Messrelian and Proposed Order]

Hearing Date: 1/26/27
Time: 8:30am
Department: 415

Res. ID: 882751071206

Complaint Filed: February 13, 2024

1 TO ALL PARTIES, THE CALIFORNIA LABOR AND WORKFORCE DEVELOPMENT
2 AGENCY, AND THEIR ATTORNEYS OF RECORD:

3 PLEASE TAKE NOTICE THAT on January 26, 2027 at 830am, or as soon thereafter as
4 the matter may be heard in Department 415 of the above-entitled Court, Plaintiff Kenneth
5 Lamar Smith ("Plaintiff") will and hereby does move unopposed, pursuant to Labor Code §
6 2698 et seq., for an order approving the Private Attorneys General Act of 2004 ("PAGA"), Cal.
7 Labor Code § 2698 et seq., settlement agreement between Plaintiff and Defendant Bay Cities
8 Furnace & Air Conditioning Co. (hereinafter "Defendant" or "BAY CITIES") (collectively,
9 "the Parties").

10 This Motion is based on this Notice, the attached Memorandum of Points and
11 Authorities; the concurrently-filed Declaration of Harout Messrelian, the papers and pleadings
12 on file in this action, any and such other evidence and oral argument as may be presented in
13 connection with the hearing on this Motion.

14
15 DATED: July 1, 2026

MESSRELIAN LAW INC.

16
17 By



Harout Messrelian, Esq.
Attorney for Plaintiff
Kenneth Lamar Smith

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 Plaintiff and Defendant have reached an agreement to settle the above-captioned action
4 (the “Action”). Plaintiff and Defendant are collectively referred to as the “Parties” and any one
5 of them individually may be referred to as a “Party.” The Parties have memorialized the terms
6 of this settlement in a “PAGA Settlement Agreement” (the “Settlement Agreement”). Attached
7 as Exhibit 1 to the Declaration of Harout Messrelian (“Messrelian Decl.”) is a true and accurate
8 copy of the Settlement Agreement and the PAGA notice that will be sent to Plaintiff and all
9 current and former non-exempt employees of Defendant in the State of California from
10 December 10, 2022 until the date the Court approves the Settlement (“PAGA Members” or
11 “Aggrieved Employees”), with their payment. By this Motion and pursuant to California Labor
12 Code section 2699(1), Plaintiff seeks an order permitting settlement on the terms outlined in the
13 Settlement Agreement.

14 **II. ALLEGATIONS AND INVESTIGATION**

15 Defendant is in the heating, ventilation, and air conditioning business and provides
16 furnace and air conditioning services at various locations throughout California. Plaintiff was
17 classified as a non-exempt, hourly employee and worked for Defendant as a lead drywall
18 technician from approximately 2003 until approximately November 2023. *See* Declaration of
19 Harout Messrelian (“Messrelian Decl.”) ¶ 4.

20 Plaintiff complied with the procedures of Labor Code section 2699.3 for bringing suit
21 under the Labor Code Private Attorneys General Act of 2004, Labor Code sections 2698, et
22 seq. (“PAGA”). On November 29, 2023, Plaintiff, on behalf of himself and Defendant’s
23 California non-exempt employees (hereafter collectively the “Aggrieved Employees” or
24 “PAGA Members”), gave written notice by electronic service to the California Labor and
25 Workforce Development Agency (“LWDA”) and via certified mail to Defendant of their claims
26 against Defendant, and Plaintiff subsequently served an amended PAGA notice on May 18,
27 2026. In his notices to the LWDA, Plaintiff asserted on behalf of himself and the Aggrieved
28 Employees that Defendant (1) failed to compensate for all hours worked and to pay minimum

1 wages (Labor Code sections 1194, 1194.2, 1197, 1197.1); (2) failed to pay overtime
2 compensation (Labor Code section 510); (3) failed to provide rest breaks (Labor Code section
3 226.7); (4) failed to provide meal breaks (Labor Code sections 512, 226.7); (5) failed to timely
4 pay wages due during employment (Labor Code sections 204, 210); (6) failed to provide
5 accurate itemized wage statements (Labor Code section 226); (7) failed to keep accurate and
6 complete payroll records (Labor Code sections 1174, 1174.5); (8) failed to pay wages at the
7 end of employment (Labor Code sections 200, 201, 202, 203, 206); (9) failed to reimburse
8 business expenses (Labor Code sections 225.5, 2800, 2802, 2804); (10) failed to provide sick
9 pay (Labor Code sections 246, 247.5, 248.5); and (11) failed to provide Worker's
10 Compensation coverage (Labor Code section 3700.5). Plaintiff filed his initial lawsuit on
11 February 13, 2024, in the Superior Court for the State of California, County of Los Angeles,
12 Case No. 24STCV03702, with one cause of action for PAGA penalties based on the theories as
13 outlined in the PAGA letter. *See* Messrelian Decl., ¶ 5.

14 Through informal discovery, Defendant produced records and represented that it
15 employed approximately 311 employees falling within Plaintiff's PAGA Members definition,
16 and that there are approximately 10,232 pay periods . *See* Messrelian Decl., ¶ 6.

17 The Settlement Agreement covers PAGA Members, which are Aggrieved Employees
18 employed on or after December 10, 2022 through the date the Court approves the Settlement.
19 *See* Messrelian Decl., ¶ 7.

20 Defendant denies any liability or wrongdoing of any kind whatsoever associated with
21 the lawsuit and the Representative PAGA Claim as outlined in Plaintiff's PAGA notices dated
22 November 29, 2023 and May 18, 2026 . It is the desire of the Parties to fully, finally, and
23 forever compromise, and discharge all claims known or unknown related to those alleged in
24 Plaintiff's lawsuit. *See* Messrelian Decl., ¶ 8.

25 The Parties attended a full-day mediation with experienced mediator Steve Cerveris of
26 Cerveris Mediation on March 18, 2026, and settled the matter. Before agreeing to the terms of
27 the Settlement Agreement, the Parties engaged in informal discovery regarding Defendant's
28 policies, practices, operations, time and payroll information and other topics. Prior to

1 negotiation, Defendant produced Plaintiff's personnel file, time and payroll data for Plaintiff,
2 and time records and payroll records for 41 PAGA Members. Through extensive arm's-length
3 negotiations and only after discovery and investigation were performed, the Parties agreed to
4 settlement terms. Attached as **Exhibit 1** is a true and accurate copy of "PAGA Settlement
5 Agreement" (hereinafter "Settlement Agreement") along with the notice that will be sent, with
6 payment, to the PAGA Members covered by the Settlement Agreement. As alluded to above,
7 the Parties negotiated the PAGA claims through arms-length negotiation during a private
8 mediation, and only after sufficient discovery was completed, including data being sent to
9 Plaintiff's data expert for analysis/review. *See* Messrelian Decl., ¶ 9.

10 The Parties conducted investigation of the facts and law in this case. Counsel for the
11 Parties have further investigated the applicable law as applied to the facts discovered regarding
12 Plaintiff's claims, the defenses thereto, and the Labor Code violations claimed by Plaintiff.
13 Based on their own independent investigations and evaluations, the Parties and their respective
14 counsel are of the opinion that the settlement for the consideration and on the terms set forth in
15 this Motion are fair, reasonable and adequate and are in the best interests of Plaintiff, the
16 PAGA Members, and Defendant in light of all known facts and circumstances and the risks
17 inherent in litigation. *See* Messrelian Decl., ¶ 10.

18 The Parties further recognize that the issues presented in the Action are likely only to
19 be resolved with extensive and costly pretrial and trial proceedings, and that further litigation
20 will cause inconvenience, distraction, disruption, delay, and expense disproportionate to the
21 maximum potential benefits. *See* Messrelian Decl., ¶ 11.

22 **III. FAIRNESS OF THE SETTLEMENT**

23 While this Action is a representative PAGA claim, the Parties are not obligated to
24 follow the class action procedural rules for obtaining approval of this settlement. *Arias v.*
25 *Superior Court (Angelo Dairy)*, 46 Cal.4th 969 (2009).

26 Plaintiff alleges that the strongest claims are that Plaintiff and other PAGA Members
27 were not provided meal breaks under the law and that Defendant failed to properly calculate
28

1 the regular rate of pay by not including commission payments in the regular rate for overtime
2 purposes for a portion of the PAGA period. *See* Messrelian Decl., ¶ 12.

3 Plaintiff contends that the civil penalty statutes applicable to the Action arise from
4 violations of the California Labor Code, including, but not limited to, Labor Code sections
5 226.7, 512, 558, and 2699(f)(2). Under these civil penalty statutes, an employee who suffers a
6 Labor Code violation may be awarded a sum of money for each pay period in which he or she
7 was underpaid. However, under Labor Code section 2699(e)(2), the Court can reduce an award
8 of civil penalties if the award is unjust, arbitrary, oppressive, or confiscatory. *See* Messrelian
9 Decl., ¶ 13.

10 As it relates to Plaintiff's argument for meal break violations, Plaintiff alleges, based on
11 his data analysis, that 42.6% of the pay periods had at least one facial meal period violation
12 based on shifts that were over 5 hours. The data revealed that 92% of the pay periods in the
13 sample involved shifts over 5 hours. As such, Plaintiff alleges violations covering 9,413 pay
14 periods [10,232 total pay periods x 92%]. Applying the 42.6% pay period violation rate, that
15 amounts to 4,010 affected pay periods [9,413 pay periods x 42.6%]. It should be noted that
16 Defendant did its own expert analysis and uncovered a much lower pay period violation rate
17 and thereby disputes Plaintiff's data analysis findings. As such, the potential maximum
18 exposure for meal period violations in the PAGA period, which Defendant disputes, would be
19 **\$200,500**, which is calculated as follows: 4,010 affected pay periods x \$50/pay period (civil
20 penalty) amounts to \$200,500 in exposure. However, Plaintiff discounts this claim by 25% due
21 to the individualized nature of the inquiry and the risks involved with manageability, as well as
22 the fact that meal period premiums were observed in the sample, resulting in an adjusted meal
23 period exposure of approximately \$150,375. The latter exposure calculation also does not take
24 into account the fact that there are risks to Plaintiff's meal period claims. Defendant contends
25 that, to establish a violation for missed meal periods, a plaintiff must do more than show that a
26 meal break was not taken. Determining by a review of Defendant's time records the exact
27 reasons why a meal period appears to be short or late or not taken would be difficult and would
28 be a challenge as Plaintiff would have issues with manageability. *See* Messrelian Decl., ¶ 14.

1 As it relates to Plaintiff's argument that Defendant failed to properly calculate the
2 regular rate of pay, Plaintiff's expert data analyst posits that 25.6% of the pay periods reflected
3 a commission payment in the same pay period in which overtime was worked, such that the
4 overtime was not paid at the correct regular rate of pay inclusive of the commission earnings.
5 25.6% of the pay periods equates to 2,619 pay periods [10,232 pay periods x 25.6%]. As such,
6 the potential maximum exposure for the regular rate violations in the PAGA period, which
7 Defendant disputes, would be **\$261,900**, which is calculated as follows: 2,619 pay periods x
8 \$100/pay period (civil penalty) amounts to \$261,900 in exposure. As such, the maximum
9 exposure for meal period and regular rate violations in the PAGA period, which Defendant
10 disputes, would be approximately **\$412,275**. *See* Messrelian Decl., ¶ 15.

11 As it relates to Plaintiff's other claims, there would be substantial issues with proof. As
12 it relates to the minimum wage claim, the data showed that there was no rounding because the
13 hours were paid to the second decimal point. As it relates to straight overtime issues, the data
14 showed that overtime was paid correctly according to the sample. As such, these claims carry
15 substantial risk. As it relates to rest break violations, there was no evidence on paper of rest
16 period violations since rest periods were not tracked by Defendant's timekeeping system – nor
17 does the law require tracking – as is common for most businesses in California. Additionally,
18 as it relates to the sick pay claim, the data showed no evidence of any violations, as employees
19 were provided accurate sick pay in accordance with the law. *See* Messrelian Decl., ¶ 16.

20 As it relates to Plaintiff's claim of business expense reimbursement, Defendant argued
21 that field employees were provided a work cell phone and non-field employees did not need to
22 use their personal cell phones for work purposes. Moreover, Defendant argued that all tools
23 necessary to perform job duties were provided by the employer, and that to the extent
24 employees chose to bring their own tools based on comfort or preference, that was their own
25 individual choice and they would not be entitled to business expense reimbursement. Plaintiff's
26 other claims are derivative claims for violations of Labor Code sections 203, 204, and 1174,
27 which are not triggered by the meal period violations. *See* Messrelian Decl., ¶ 17.

1 Based on the above calculations, Plaintiff's aggregate exposure for the strongest
2 disputed claims, which again Plaintiff understands Defendant disputes, would be
3 approximately **\$412,275**. Assuming that Plaintiff's calculations and analysis are accurate, the
4 maximum exposure presumes that the Court will not reduce the penalty award as unjust,
5 arbitrary, oppressive, or confiscatory. Based on the above analysis, a gross settlement in the
6 amount of \$165,000 is a very fair result, especially in light of the risk factors as discussed
7 above. *See* Messrelian Decl., ¶ 18.

8 Moreover, Plaintiff is aware of no California state courts awarding Plaintiff multiple
9 PAGA penalties for the same violation for the same pay period under different Labor Code
10 provisions. As such, one of the risks Plaintiff faces is that the Court would refuse to "stack"
11 civil penalties arising under the various Labor Code statutes. Furthermore, judges have
12 awarded extremely small sums to PAGA claimants in the past. Defendant also adamantly
13 disputes all of Plaintiff's allegations in the operative Complaint and PAGA letters. *See*
14 Messrelian Decl., ¶ 19.

15 PAGA states a court has discretion to award a lesser amount than the maximum penalty.
16 *See* Lab. Code § 2699(e)(2) ("...a court may award a lesser amount than the maximum civil
17 penalty amount specified by this part if, based on the facts and circumstances of the particular
18 case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or
19 confiscatory."); *see also* *Thurman v. Bayshore Transit Management, Inc.*, 203 Cal. App. 4th
20 1112, 1135 (2012) (reducing PAGA award). There is a substantial risk that the Court could
21 reduce civil penalties to an insignificant amount if it is unpersuaded by Plaintiff's evidence of
22 willful and intentional conduct. In *Carrington v. Starbucks*, the Court of Appeal affirmed a trial
23 court's heavily discounted award of only \$5 per violation because it was within the Court's
24 discretion to significantly reduce PAGA penalties even when there is a finding that a violation
25 of the California Labor Code occurred. *Carrington v. Starbucks*, 30 Cal. App. 5th 504 (2018).
26 The plaintiff in *Carrington* had requested penalties in excess of \$70 million and was successful
27 in proving the PAGA claim during a bench trial. However, the trial court reduced the total
28 award after trial to only \$150,000 (30,000 violations x \$5) and stated that this reduction was

1 warranted because imposing the maximum penalty would be “unjust, arbitrary, and
2 oppressive”, based on Starbucks’s “good faith attempts” to comply with meal break obligations
3 and because the Court found the violations were minimal. Applying the same formula here and
4 assuming there was one violation during each pay period, the award of civil penalties could not
5 exceed \$51,160 in PAGA penalties (10,232 x \$5). As such, this Settlement is a great result
6 based solely on the risk the Court chooses to apply the *Carrington* formula. Defendant has also
7 provided defenses to the Labor Code claims underlying Plaintiff’s allegations. Thus, the
8 chance of Plaintiff recovering a higher amount than the Gross Settlement Amount is uncertain.
9 *See Messrelian Decl.*, ¶ 20.

10 The Parties further recognize that the issues presented in the Action are likely only to
11 be resolved with extensive and costly pretrial and trial proceedings, and that further litigation
12 will cause inconvenience, distraction, disruption, delay, and expense disproportionate to the
13 maximum potential benefits to the PAGA Members and Plaintiff from continued litigation. *See*
14 *Messrelian Decl.*, ¶ 21.

15 The settlement of the Action involves monetary relief to all PAGA Members, Plaintiff,
16 his attorneys, and the State of California. *See Messrelian Decl.*, ¶ 22.

17 Furthermore, Plaintiff recognizes that continued litigation presents significant risks that
18 support a significant downward departure from Plaintiff’s estimated civil penalties amount. In
19 view of the risks, the Settlement Agreement represents a fair, adequate, and reasonable
20 compromise amount for these claims and is in the best interest of Plaintiff and PAGA Members
21 and thus, warrants approval. *See Laguna v. Coverall N. Am., Inc.*, 762 F.3d 902 (9th Cir. 2014).
22 The PAGA settlement and its terms are fair, just, reasonable, adequate, and equitable to
23 Defendant, Plaintiff, PAGA Members, and the State, and are the product of good faith, and
24 informed arms-length negotiations between the Parties consistent with public policy and fully
25 comply with applicable provisions of law. *See Messrelian Decl.*, ¶ 23.

26 **IV. TERMS OF THE SETTLEMENT**

27 The Settlement Agreement covers all claims against the Released Parties (as defined in
28 the Settlement Agreement) arising during the Settlement Period for civil penalties under PAGA

1 that were asserted or could reasonably have been asserted based on the facts alleged or that
2 could have been alleged in the Action and/or the PAGA letters submitted by Plaintiff to the
3 LWDA with respect to PAGA Members from December 10, 2022, through the date the Court
4 approves the Settlement, including claims for civil penalties under the PAGA for the alleged
5 failure to: properly pay for all hours worked, pay all minimum wages, pay all overtime wages,
6 provide lawful meal periods or provide meal premium compensation in lieu thereof, authorize
7 or permit lawful rest breaks or provide rest premium compensation in lieu thereof, reimburse
8 necessary business expenses, timely pay all wages during employment and upon separation of
9 employment, provide compliant wage statements, and for civil penalties for violation of and/or
10 based on California Labor Code sections 200-203, 204, 206, 210, 225.5, 226, 226.7, 246,
11 247.5, 248.5, 510, 512, 1174, 1174.5, 1194, 1197, 1197.1, 2800, 2802, 2804, 2698, 3700.5 et
12 seq., and all applicable Wage Orders provisions. *See generally* Messrelian Decl., **Exhibit 1**,
13 paragraph 1.25.

14 Defendant agrees to pay \$165,000 (the “Gross Settlement Amount” or “GSA”) which
15 will be distributed as follows:

- 16 i. \$55,000.00 (33.33% of the GSA) in attorneys’ fees to Harout Messrelian, Esq.
17 of Messrelian Law Inc.
- 18 ii. \$11,743.44 in attorney litigation costs to Harout Messrelian, Esq. of Messrelian
19 Law Inc.
- 20 iii. \$4,594.15 in Administration Expenses Payment to the Administrator (Phoenix
21 Class Action Administration).
- 22 iv. \$93,662.41 (the “Net Settlement Amount” or “NSA”) will be divided as
23 follows:
 - 24 a. \$70,246.81 (75% of “NSA”) to the LWDA, which represents PAGA
25 Penalties payable to the LWDA under the Labor Code Private Attorneys
26 General Act (“PAGA”), Labor Code section 2698, *et seq.*; and
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b. \$23,415.60 (25% of NSA) to the Aggrieved Employees, which represents PAGA Penalties payable to the Aggrieved Employees as civil penalties.

See generally Messrelian Decl., ¶ 24; **Exhibit 1**, paragraph 3.1, 3.2.

The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the PAGA Members' 25% share of PAGA Penalties by the total number of PAGA Pay Periods worked by all PAGA Members during the PAGA Period and (b) multiplying the result by the count of each PAGA Member's PAGA Pay Periods. **Exhibit 1**, paragraph 3.2.3.1.

V. THE PROPOSED FEE AMOUNT FOR ATTORNEY'S FEES AND COST AMOUNT FOR LITIGATION EXPENSES IS FAIR, ADEQUATE, AND REASONABLE AND SHOULD BE APPROVED

Plaintiff's counsel represents Plaintiff on a straight contingency basis. Plaintiff's counsel's request for \$55,000.00 in attorney fees and \$11,743.44 in litigation costs is fair and reasonable. "Empirical studies show that, regardless of whether the percentage method or the lodestar method is used, fee awards in class actions average around one-third of the recovery. *Chavez v. Netflix, Inc.*, 162 Cal.App.4th 43, 47 fn. 11 (2008) (quoting *Shaw v. Toshiba America Information Systems, Inc.*, 91 F.Supp.2d 942, 972 (E.D. Tex. 2000); see also *Lafitte v. Robert Half Int'l Inc.*, 1 Cal.5th 480, 503 (Cal. Aug. 11, 2016) (holding that courts can use the percentage method for the calculation of attorneys' fees). This is also consistent with Plaintiff's Counsel's experience in cases involving PAGA claims. This award is justified here because Plaintiff's counsel achieved a strong result for the PAGA Members and the State while bearing the substantial burdens of contingency representation. *See generally* Messrelian Decl., ¶¶ 25-26.

It is an accepted practice in wage and hour class action settlements to award attorneys' fees to Plaintiff's Counsel based on a percentage of the total settlement value agreed upon by the Parties. California courts have long recognized that an appropriate method for awarding attorneys' fees in class actions is to award a percentage of the common fund. (*Serrano v. Priest*, 20 Cal.3d. 25, 48-49 (1977) ["when a number of persons are entitled in common to a

1 specific fund, and an action brought by a plaintiff or plaintiffs for the benefit of all results in
2 the creation or preservation of that fund, such plaintiff or plaintiffs may be awarded attorney's
3 fees out of the fund"]; *Wershba v. Apple Computer, Inc.*, 91 Cal.App.4th 230, 254 (2001);
4 *Lealao v. Beneficial California, Inc.*, 82 Cal.App.4th 19, 26-30 (2000).

5 The litigation costs expended to aid in the representation of the PAGA Members
6 include the following: lawsuit filing fee of \$454.22; PAGA initial filing fees of \$75.00;
7 service of lawsuit fee of \$80.00; expert data analysis fee of \$1,092.50; mediation fee of
8 \$10,000.00; and miscellaneous filing fees of \$41.72 for a total of \$11,743.44. All of these
9 costs are documented and reasonably incurred. *See* Messrelian Decl., ¶ 27.

10 **VI. NO ADMISSION OF LIABILITY OR WRONGDOING**

11 This Settlement represents a compromise and settlement of highly disputed claims. The
12 Parties expressly recognize that the making of this agreement does not in any way constitute an
13 admission or concession of wrongdoing on the part of Defendant or the Released Parties. *See*
14 *generally* **Exhibit 1**, paragraph 9.1.

15 **VII. PAGA SETTLEMENT ADMINISTRATION**

16 The Parties agree to use Phoenix Class Action Administration Solutions to handle the
17 administration of this Settlement. *See* Messrelian Decl., ¶ 28, **Exhibit 1**, paragraph 1.2.

18 **A. Aggrieved Employee Data**

19 Within twenty-one (21) calendar days after entry of the Court Approval Order and
20 Judgment, Defendant, through Defense Counsel, will deliver the Aggrieved Employee Data to
21 the Administrator in the form of a Microsoft Excel spreadsheet. To protect the Aggrieved
22 Employees' privacy rights, the Administrator must maintain the Aggrieved Employee Data in
23 confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no
24 other purpose, and restrict access to the Aggrieved Employee Data to only those Administrator
25 employees who need access to the Aggrieved Employee Data to effectuate and perform the
26 Administrator's duties under this PAGA Settlement Agreement. Defendant has a continuing
27 duty to immediately notify the Administrator if it discovers that the Aggrieved Employee Data
28 omitted any information intended to be included, and to provide corrected or updated

1 Aggrieved Employee Data as soon as reasonably feasible, to the extent such information is
2 available to Defendant. Without any extension of the deadline by which Defendant must send
3 the Aggrieved Employee Data to the Administrator, the Parties and their counsel will
4 expeditiously use best efforts, in good faith, to resolve any issues related to Aggrieved
5 Employee Data. **Exhibit 1**, paragraph 4.2.

6 **B. Funding of Gross Settlement Amount**

7 Defendant shall fully fund the Gross Settlement Amount by transmitting the funds to
8 the Administrator into an account set up solely for distribution of funds pertaining to this
9 Settlement within twenty-one (21) calendar days of the Effective Date. **Exhibit 1**, paragraph
10 4.3.

11 **C. Payments from the Gross Settlement Amount**

12 Within fourteen (14) calendar days after Defendant funds the Gross Settlement
13 Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA
14 PAGA Payment, the Administration Expenses Payment, and the PAGA Counsel Fees and
15 Expenses Payment. Disbursement of the PAGA Counsel Fees and Litigation Expenses
16 Payment shall not precede disbursement of Individual PAGA Payments.

17 The Administrator will issue checks for the Individual PAGA Payments and send them
18 to the PAGA Members via First Class U.S. Mail, postage prepaid. The face of each check shall
19 prominently state the date (not less than 180 days after the date of mailing) when the check
20 will be voided. The Administrator will cancel all checks not cashed by the void date. Before
21 mailing any checks, the Settlement Administrator must update the recipients' mailing addresses
22 using the National Change of Address Database. The Administrator must conduct an Aggrieved
23 Employee Address Search for all Aggrieved Employees whose checks are returned undelivered
24 without a USPS forwarding address.

25 Within seven (7) calendar days of receiving a returned check, the Administrator must
26 re-mail checks to the USPS forwarding address provided or to an address ascertained through
27 the Aggrieved Employee Address Search. The Administrator need not take further steps to
28 deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered.

1 The Administrator shall promptly send a replacement check to any PAGA Member whose
2 original check was lost or misplaced, requested by the PAGA Member prior to the void date.
3 For any PAGA Member whose Individual PAGA Payment check is uncashed and cancelled
4 after the void date, the Administrator shall transfer the funds represented by such checks to the
5 California Controller's Unclaimed Property Fund in the name of the PAGA Member.

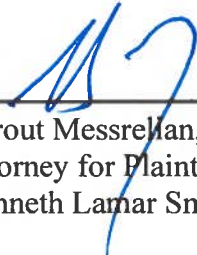
6 **Exhibit 1**, paragraph 4.4, 4.4.1, 4.4.2, 4.4.3.

7 **VIII. CONCLUSION**

8 For the reasons stated above, this Court should grant Plaintiff's Motion in its entirety
9 and adopt the proposed order submitted concurrently herewith.

10
11 DATED: July 1, 2026

MESSRELIAN LAW INC.

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13 By  _____

14 Harout Messrelan, Esq.
15 Attorney for Plaintiff
16 Kenneth Lamar Smith
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PROOF OF SERVICE

STATE OF CALIFORNIA, LOS ANGELES COUNTY

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 101 N. Brand Blvd, Suite 1450, Glendale, CA 91203.

On July 1, 2026, I served the foregoing document(s) described as **PLAINTIFF'S NOTICE OF MOTION AND MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF UNOPPOSED PAGA APPROVAL MOTION; DECLARATION OF HAROUT MESSRELIAN IN SUPPORT OF UNOPPOSED MOTION FOR APPROVAL OF PAGA SETTLEMENT; [PROPOSED] ORDER ON UNOPPOSED PAGA APPROVAL MOTION** on the interested parties in this action by attaching true copies thereof and addressing it as follows:

Sheppard, Mullin, Richter & Hampton LLP
Raymond Nhan <rnhan@sheppard.com>
Mahmood Jeewa <mjeewa@sheppard.com>,
Jason Kearnaghan <jkearnaghan@sheppard.com>,
Rachel Howard <rhoward@sheppard.com>,
Aloma Harris <aiharris@sheppard.com>

Attorneys for Defendant BAY CITIES FURNACE & AIR CONDITIONING CO.

(BY MAIL) I caused such envelope to be deposited in the mail at Glendale, California. The envelope was mailed with postage thereon fully paid. As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence from mailing. Under that practice it would be deposited with the U.S. postal service on that same day with postage thereon fully prepaid at Glendale, California, in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after the date of deposit for mailing in affidavit.

(BY OVERNIGHT DELIVERY) I caused such envelope to be delivered via overnight delivery to the addressee listed above.

X (BY ELECTRONIC TRANSMISSION) I caused such document to be delivered via electronic transmission to the addressee(s) listed above.

I served the documents by the means described above on July 1, 2026.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

/s/
Harout Messrelian, Esq.



Make a Reservation

KENNETH LAMAR SMITH vs BAY CITIES FURNACE & AIR CONDITIONING CO.

Case Number: 24STCV03702 Case Type: Civil Unlimited Category: Other Employment Complaint Case
Date Filed: 2024-02-13 Location: Stanley Mosk Courthouse - Department 415

Reservation

Case Name:

KENNETH LAMAR SMITH vs BAY CITIES FURNACE &
AIR CONDITIONING CO.

Case Number:

24STCV03702

Type:

Motion for Order (Approving PAGA Settlement)

Status:

RESERVED

Filing Party:

Kenneth Lamar Smith (Plaintiff)

Location:

Stanley Mosk Courthouse - Department 415

Date/Time:

01/26/2027 8:30 AM

Number of Motions:

1

Reservation ID:

882751071206

Confirmation Code:

CR-SRAXXCTEQNGG6XDSC

Fees

Description	Fee	Qty	Amount
Motion for Order (name extension)	0.00	1	0.00
TOTAL			\$0.00

Payment

Amount:

\$0.00

Type:

NOFEE

Account Number:

n/a

Authorization:

n/a

Payment Date:

n/a

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