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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN DIEGO

CRISTAL VELAZQUEZ, individually, on behalf of all others similarly situated,

Plaintiff,

v.

CASA PACIFICA ADHC LLC, a California limited liability company; J GELT CORPORATION, a California corporation; CASA PACIFICA ADULT DAY HEALTH CARE CENTER, an unknown entity; and DOES 1 through 10, inclusive,

Defendants.

Case No.: 24CU022011C

[Assigned for All Purposes to the Honorable Blaine K. Bowman, Dept. C-74]

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

<u>Preliminary Approval Hearing:</u>
Date: July 17, 2026
Time: 8:30 a.m.
Dept.: C-74

Action Filed: November 12, 2024
FAC Filed: April 21, 2025
Trial Date: Not set

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on July 17, 2026, at 8:30 a.m., or as soon thereafter as the matter may be heard in Department C-74 of the Superior Court of California, County of San Diego, located at 330 W Broadway, San Diego, CA 92101, Plaintiff Cristal Velazquez ("Plaintiff") will and hereby does move this Court for an Order:

1. Granting preliminary approval of the proposed Class Action and PAGA Settlement Agreement ("Settlement Agreement");
2. Conditionally certifying the proposed Class for settlement purposes only;
3. Appointing Plaintiff as the Class Representative;
4. Appointing Wilshire Law Firm, PLC as Class Counsel;
5. Appointing APEX Class Action Administration as the Settlement Administrator; and
6. Setting a final approval hearing date.

Pursuant to California Rules of Court, Rule 3.769(d) and (e), this Motion is made on the grounds that the proposed Settlement satisfies all criteria for preliminary approval and falls well within the range of reasonableness. The Settlement was reached through informed, arm's length bargaining between experienced attorneys with the assistance of an experienced neutral, and Plaintiff and Plaintiff's Counsel will fairly and adequately represent the Class.

This Motion is based on this Notice of Motion, the accompanying Memorandum of Points and Authorities, the Declaration of John G. Yslas, the Declaration of Cristal Velazquez, and on all records and documents on file, together with such oral and documentary evidence that may be presented at the hearing on this matter.

Respectfully submitted,

Dated: June 24, 2026

WILSHIRE LAW FIRM, PLC

By: ______________________________

Attorneys for Plaintiff

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TABLE OF AUTHORITIES

MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Pursuant to California Rules of Court, Rule 3.769(d) and (e), Plaintiff seeks preliminary approval of a class action settlement of wage and hour claims, including representative claims brought under the Labor Code Private Attorneys General Act of 2004 ("PAGA"), against Defendant J Gelt Corporation ("Defendant"). The proposed Class Members are defined as any and all non-exempt hourly employees who worked for Defendant in California ("Class Members") at any time from November 12, 2020, through November 9, 2025 ("Class Period"), and who have not released any and all claims against Defendant in any individual settlement or severance agreement. The main terms of the Settlement are as follows:

1. A Gross Settlement Amount of $200,000.00, which will be distributed to approximately 84 Class Members on a pro-rata basis according to the total Workweeks worked by each Class Member during the Class Period;
2. Attorneys' fees of up to 35% of the Gross Settlement Amount (currently $70,000.00) and up to $20,000.00 in reimbursement of litigation costs to Plaintiff's Counsel;
3. A Class Representative Service Payment of up to $10,000.00 to Plaintiff;
4. Costs of settlement administration of up to $4,490.00; and
5. Allocation of $10,000.00 to PAGA penalties, sixty-five percent (65%) of which ($6,500.00) will be paid to the Labor and Workforce Development Agency ("LWDA"), and thirty-five percent (35%) of which ($3,500.00) will be paid to any and all non-exempt hourly employees who worked for Defendant in California ("Aggrieved Employees") at any time from February 13, 2024, through November 9, 2025 ("PAGA Period").

The Settlement meets all criteria for preliminary approval and falls within the range of reasonableness given the risks and expenses of further litigation. The Settlement was reached through informed, arm's length bargaining between experienced attorneys with the assistance of an experienced neutral. As such, Plaintiff requests that the Court grant preliminary approval of the

Settlement, conditionally certify the Class for settlement purposes only, appoint Plaintiff as the Class Representative, appoint Plaintiff's Counsel as Class Counsel, appoint APEX Class Action Administration as the "Settlement Administrator," authorize the Settlement Administrator to administer notice of the Settlement to the Class, and set a final approval hearing date.

II. PROCEDURAL HISTORY

On November 12, 2024, Plaintiff filed this putative class action against Defendant alleging: (1) failure to pay minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay final wages at termination; (6) failure to provide accurate itemized wage statements; (7) failure to indemnify employees for expenditures; and (8) unfair business practices ("Class Action"). Declaration of John G. Yslas in Support of Plaintiff's Motion for Preliminary Approval of Class Action and PAGA Settlement ("Yslas Decl.") at ¶ 3.

On February 13, 2025, Plaintiff provided written notice to the LWDA and Defendant of the specific provisions of the Labor Code alleged to have been violated, including the facts and theories in support. Yslas Decl. at ¶ 4. The LWDA did not notify Plaintiff that it intended to investigate within 65 days of this written notice. *Id*. Therefore, on April 21, 2025, Plaintiff filed a First Amended Complaint in this Class Action adding a cause of action for civil penalties under PAGA. *Id.*

On September 25, 2025, the Parties participated in a private mediation with Jeffrey Fuchsman. *Id.* at ¶ 5. The mediator made a proposal, which was accepted by the Parties. *Id.* The Parties negotiated the terms of the Settlement over the next several months, which was finalized on February 2, 2026. *Id.* at ¶ 6, Exhibit 2 ("Settlement Agreement"). On June 16, 2026, Plaintiff submitted a copy of the Settlement Agreement to the LWDA. *Id.* at ¶ 7, Exhibit 3.

III. SUMMARY OF THE SETTLEMENT TERMS

A. Terms of the Proposed Settlement

The Parties have agreed to settle the claims alleged in this case for a Gross Settlement Amount of $200,000.00. Settlement Agreement at § 3.1. Subject to Court approval, the following payments will be deducted from the Gross Settlement Amount: (1) a Class Representative Service

Payment of up to $10,000.00 to Plaintiff; (2) attorneys' fees of up to 35% of the Gross Settlement Amount (currently $70,000.00) and reimbursement of litigation costs of up to $20,000.00 to Plaintiff's Counsel; (3) costs of settlement administration of up to $4,490.00 to the Settlement Administrator; (4) Individual Class Payments to Class Members; and (5) PAGA Penalties in the amount of $10,000.00, which will be allocated 65% to the LWDA ($6,500.00) and 35% to Aggrieved Employees ($3,500.00). *Id.* at § 3.2 *et seq*. After all requested deductions are made, the remaining Net Settlement Amount is currently estimated to be $85,510.00.

Individual Class Payments will be calculated based on the number of Workweeks worked by each Class Member during the Class Period. *Id*. at § 3.2.4. For tax purposes, the Individual Class Payments will be allocated 20% to wages and 80% to penalties, interest, and reimbursement of expenses. *Id*. at § 3.2.4.1. Defendant will separately pay employer payroll taxes owed on the wage portions of the individual class payments separate from the Gross Settlement Amount. *Id*. at § 3.1.

Individual PAGA Payments to Aggrieved Employees will be calculated based on the number of PAGA Pay Periods worked by each Aggrieved Employee during the PAGA Period. *Id*. at § 3.2.5.1.2. For tax purposes, the individual PAGA payments will be allocated 100% to penalties. *Id*.

Any deductions not approved by the Court will be retained by the Settlement Administrator in the Net Settlement Amount. *Id.* at §§ 3.2.1, 3.2.2, 3.2.3, 3.2.5. Funds from any uncashed checks will be transmitted by the Settlement Administrator to the California Controller's Unclaimed Property Fund in the name of the Class Member. *Id.* at § 5.1.3. None of the Gross Settlement Amount will revert to Defendant. *Id*. at § 3.1.

B. Proposed Settlement Administration

The Parties' proposed Class Notice complies with the requirements of California Rules of Court, Rule 3.766(d). *See* Exhibit A to Settlement Agreement. It provides information regarding the nature of this lawsuit, a summary of the settlement terms, the formula used for calculating individual class and PAGA payments and instructions to dispute the calculations, instructions on how to opt-out of or object to the Settlement, the date, time, and location of the final approval hearing, and the amounts sought for the class representative service payment, attorneys' fees and litigation costs, and settlement administration costs. *See generally, id*. The Class Notice also notifies Class Members that they do not need to submit a claim in order to participate in the Settlement and receive a payment. *See id*. The Settlement Administrator will mail Class Members the Class Notice by first-class mail in English and in Spanish. Settlement Agreement at § 8.4.2.

If a Class Notice is returned as undeliverable, the Settlement Administrator will re-mail the Class Notice within 3 business days to the forwarding address provided by the U.S. Postal Service. Settlement Agreement at § 8.4.3. If no forwarding address is provided, the Settlement Administrator will conduct a Class Member Address Search and re-mail the Class Notice to the most current address obtained. *Id.* The deadline to opt-out of the Settlement or to submit an objection or dispute will be extended by 14 days for all Class Members whose Class Notice was remailed. *Id*. at § 8.4.2.

C. Proposed Release

Effective on the date when Defendant fully funds the Gross Settlement Amount and all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff, Class Members, and Class Counsel will release claims against all Released Parties as follows:

<u>Released Class Claims</u>:

Each Class Member who does not opt out of the settlement shall be deemed to release the Released Parties from any and all claims, known or unknown, that: were asserted in any and all of the complaints in the Action and any of Plaintiffs' letters to the LWDA (including any amended complaints or letters); and/or any and all claims, that could have been asserted based on the factual allegations in all of the complaints in the Action and any of Plaintiffs' (or the former representative's) letters to the LWDA (including any amended complaints or letters). This includes but is not limited to claims for or related to failure to pay minimum and straight time wages under California law; failure to pay overtime wages under California law; failure to provide meal periods; failure to authorize and permit rest periods; failure to timely pay all wages upon termination; failure to provide accurate itemized wage statements; failure to indemnify employees for expenditures;

unfair business practices; any unpaid wages or compensation related to any or all of the foregoing; restitution related to any or all of the foregoing; and any penalties, including statutory or civil penalties, related to any or all of the foregoing. This release includes, but is not limited to, any and all claims pursuant to: California Labor Code §§ 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, and 2802; Business & Professions Code §§ 17200, et seq.; and applicable Industrial Welfare Commission Wage Order. The release shall run through the Release Date. Settlement Agreement at § 6.2.

Released PAGA Claims:

Each PAGA Representative Action Member, irrespective whether opting out of the settlement as a Non-Participating Class Member, shall be deemed to release the Released Parties from any and all claims known or unknown, for civil penalties under Labor Code section 2698 et seq. (PAGA) that: were asserted in any and/or all of the complaints in the Action and any of Plaintiffs' (or the former representative's) letter to the LWDA (including any amended complaints or letters); and any and all claims, that could have been asserted based on any or all the factual allegations in any and all of the complaints in the Action and any of Plaintiffs' letters to the LWDA (including any amended complaints or letters). This release includes, but is not limited to, claims for, or related to, PAGA civil penalties premised on: Labor Code §§ 201, 202, 203, 204, 226, 226.7, 510, 512, 1174, 1194, 1194.2, 1197, 1198, and 2802; failure to pay minimum and straight time wages; failure to pay overtime wages; failure to provide meal periods; failure to authorize and permit rest periods; failure to timely pay all wages upon termination; failure to provide accurate itemized wage statements; and failure to indemnify employees for expenditures. The release shall run through the Release Date. Settlement Agreement at § 6.3.

Only Plaintiff will agree to a general release and a waiver of Civil Code § 1542. *Id*. at §§ 6.1, 6.1.1.

IV. THE PROPOSED SETTLEMENT AGREEMENT MEETS ALL CRITERIA FOR PRELIMINARY APPROVAL

A. Provisional Certification of the Class is Appropriate

Class certification is appropriate when there is: (1) an ascertainable and sufficiently numerous class; (2) a well-defined community of interest among class members; and (3) substantial benefits from certification that render proceeding as a class superior to the alternatives. *Brinker Restaurant Corp. v. Superior Court*, 53 Cal.4th 1004, 1021 (2012) ("*Brinker*"). Although courts still need to review and consider each element for certification, a lesser standard can be used to provisionally certify a settlement class. *Global Minerals & Metals Corp. v. Superior Court*, 113 Cal.App.4th 836, 859 (2003).

1. The Proposed Class is Numerous and Ascertainable

"Ascertainability" is determined by examining the class definition and the size of the class and may also involve examining the means available to identify class members. *Noel v. Thrifty Payless, Inc.*, 7 Cal.5th 955, 980-981, 985-986 (2019). As the settlement eliminates the need for trial, "the case management issues inherent in the ascertainable class determination need not be confronted." *Global Minerals*, 113 Cal.App.4th at 859. Further, under California law, there is no minimum number of class members for maintenance of a class action. *Hendershot v. Ready to Roll Transp., Inc.*, 228 Cal.App.4th 1213, 1222 (2014). Class sizes as small as 10 have been permitted. *Rose v. City of Hayward*, 126 Cal.App.3d 926, 934 (1981), disapproved on other grounds by *Noel*, 7 Cal.5th at 986.

The Class here consists of any and all non-exempt hourly employees who worked for Defendant in California at any time during the Class Period. *See* Settlement Agreement at § 1.4, 1.11. The Class is also readily ascertainable from Defendant's business records, because all Class Members are or were employees of Defendant. *Id*. Defendant's records show there are approximately 84 Class Members, making joinder of all Class Members impracticable. Yslas Decl. at ¶ 9.

2. A Well-Defined Community of Interest Exists

The community of interest requirement embodies three factors: (1) predominant common questions of law or fact; (2) class representatives with claims or defenses typical of the class; and (3) class representatives who can adequately represent the class. *Brinker*, *supra*, at 1021.

a. <u>Common Questions Predominate</u>

In determining whether common issues "predominate," courts consider both plaintiff's legal theories and defendant's affirmative defenses. *Duran v. U.S. Bank Nat'l Ass'n*, 59 Cal.4th 1, 28-29 (2014). The "predominate common questions" factor does not require that all class members have identical claims. *Ayala v. Antelope Valley Newspapers, Inc.*, 59 Cal.4th 522, 530 (2014). Rather, the focus is on whether issues shared by the class members are sufficiently uniform to permit class-wide assessment, and whether individual variations in proof on those issues are manageable. *Id.*

Plaintiff has alleged that Defendant maintained common employment policies and/or practices that unlawfully deprived Class Members of wages, meal period, rest periods, reimbursements for business expenses, accurate wage statements, and timely payment of wages upon separation of employment. Yslas Decl. at ¶ 10. These allegations present common factual and legal questions of, *inter alia*, whether Defendant applied the same scheduling, timekeeping, pay, meal period, rest period, and reimbursement policies to all Class Members, whether these policies and practices resulted in Labor Code violations, whether Defendant's conduct was intentional, and whether Class Members are entitled to damages and/or penalties. *Id*. These common questions could be resolved using Class Members' time records, payroll records, testimony from Defendant's designated representative(s), and Class Members' testimony. *Id*. Therefore, the Court can and should exercise its discretion to grant conditional class certification for settlement purposes.

b. <u>Plaintiff is Typical of the Class</u>

Typicality does not require that the representative plaintiff's claims and those of the class members be identical or perfectly aligned. *Wershba v. Apple Computer, Inc.*, 91 Cal.App.4th 224, 228 (2001) ("*Wershba*"), disapproved on other grounds by *Hernandez v. Restoration Hardware, Inc.*, 4 Cal.5th 260 (2018). Typicality does not require that a plaintiff's claims be identical to those of other class members, only that their claims and the defenses applicable to them are sufficiently similar to those of other class members that a named plaintiff is able to adequately represent the class and focus on common issues. *Medrazo v. Honda of North Hollywood*, 166 Cal.App.4th 89, 99 (2008).

Plaintiff has alleged that she and Class Members were employed by the same Defendant and injured by Defendant's common wage and hour policies and practices, including Defendant's scheduling, timekeeping, pay, meal period, rest period, and reimbursement policies. *See* Yslas Decl. at ¶ 10. Through informal discovery, Plaintiff confirmed that these challenged policies and practices applied to Plaintiff and Class Members alike. *See id.* at ¶ 8. Therefore, Plaintiff's claims and Class Members' claims arise from the same challenged employment policies and practices and are based on the same legal theories.

c. *<u>Plaintiff and Plaintiff's Counsel Will Adequately Represent the Class</u>*

Certification requires adequacy of both the proposed class representative and of the proposed class counsel. Cal. Code Civ. Proc. § 382. "Only a conflict that goes to the very subject matter of the litigation will defeat a party's claim of representative status." *Richmond v. Dart Industries*, 29 Cal.3d 462, 470 (1981). Only conflicts that are "irreconcilable" can defeat adequacy. *Nat'l Solar Equip. Owners' Ass'n v. Grumman Corp.*, 235 Cal.App.3d 1273, 1286 (1991). The proposed representative Plaintiff and proposed Class Counsel present no such conflict.

Plaintiff's interests are coextensive with Class Members' interests. Declaration of Cristal Velazquez in Support of Plaintiff's Motion for Preliminary Approval of Class Action and PAGA Settlement ("Velazquez Decl.") at ¶ 6. Plaintiff has demonstrated an ability to advocate for the interests of Class Members by initiating this lawsuit, providing information to her attorneys, meeting with her attorneys regarding the claims, making herself available the day of mediation to answer questions, and reviewing the proposed Settlement. *Id.* at ¶ 11.

Likewise, Wilshire Law Firm has expended considerable time and effort on this case and will continue to do so through final approval. *See generally*, Yslas Decl. Therefore, Plaintiff should be appointed Class Representative, and her counsel should be appointed Class Counsel.

3. A Class Action is Superior to a Multitude of Individual Lawsuits

Courts have held that class treatment of wage and hour claims is clearly "superior to the other available methods for the fair and efficient adjudication of the controversy." *Dean Witter Reynolds, Inc. v. Superior Court*, 211 Cal.App.3d 758, 772-773 (1989). This is so because "[p]ublic policy has long favored the 'full and prompt payment of wages due an employee.'" *Sav-On Drug Stores, Inc. v. Superior Court*, 34 Cal.4th 319, 340 (2004). Here, a class action is superior to a multitude of individual lawsuits. Given the size and amount of each Class Member's claim, Class Members have little incentive to litigate their claims on an individual basis because the out-of-pocket expenses and personal commitment necessary to litigate each claim likely outweigh any potential recovery. Yslas Decl. at ¶ 10. Therefore, a class action is the superior method for seeking relief.

B. The Settlement Meets the Standards for Preliminary Approval

The moving party must demonstrate that "the settlement is fair, adequate and reasonable." *Kullar v. Foot Locker Retail, Inc.*, 168 Cal.App.4th 116, 126 (2008). "In determining whether a class settlement is fair, adequate, and reasonable, the trial court should consider relevant factors, such as the strength of plaintiffs' 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." *Wershba*, *supra*, at 244-45 (internal quotations and citations omitted).

1. The Settlement is Entitled to a Presumption of Fairness

A settlement is entitled to "a presumption of fairness . . . where: (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 v. Ford Motor Co.*, 48 Cal.App.4th 1794, 1801 (1996). The Settlement here satisfies the first three factors. Plaintiff will analyze the fourth factor at final approval after Class Members have been notified of the Settlement and provided with an opportunity to object.

a. <u>The Settlement is the Result of Arm's Length Negotiation</u>

Courts have recognized that the involvement of a respected mediator provides a high degree of assurance that the settlement is the result of arm's length bargaining. *See Chavez v. Netflix, Inc.*, 162 Cal.App.4th 43, 52-53 (2008). The Settlement in this matter was the product of a full-day mediation session with a respected mediator. Yslas Decl. at ¶ 5. The negotiations were adversarial, conducted at arm's length, and tempered by the efforts of both sides to serve the interests of their clients. *Id.*

b. Sufficient Investigation and Discovery Have Been Conducted

Prior to attending mediation, Plaintiff's Counsel thoroughly investigated the claims, applicable law, and potential defenses. Yslas Decl. at ¶ 8. Plaintiff's Counsel assessed the value to the class claims using the data and documents that Defendant produced in informal discovery, including class data providing the number of Class Members, the number of workweeks in the Class Period, and the number of pay periods in the PAGA Period, Plaintiff's personnel file/documents concerning Plaintiff, Defendant's employee handbook(s), Defendant's written wage-and-hour policies, job descriptions, and a random sampling of time and payroll records. *Id.*

c. Plaintiff's Counsel is Experienced in Similar Litigation

Plaintiff is represented by Wilshire Law Firm, PLC. Yslas Decl. at ¶ 1. Plaintiff's Counsel has extensive experience litigating wage and hour class actions on behalf of employees. *See id.* at ¶¶ 22-35. Plaintiff's Counsel has been involved as counsel in numerous class actions that have resulted in millions of dollars in recovery. *See id.*

2. The Settlement is Reasonable Given the Strengths of Plaintiff's Claims and the Risks and Expense of Further Litigation

A settlement does not have to provide 100% of the damages sought to be considered fair and reasonable. *See Rebney v. Wells Fargo Bank*, 220 Cal.App.3d 1117, 1139 (1991). Although the exposure Plaintiff's Counsel calculated is substantial, the various risks at succeeding at class certification and through trial affected the valuation of the claims for settlement purposes. Yslas Decl. at ¶ 11.

<u>Minimum and Overtime Wages</u>: Plaintiff's unpaid minimum and overtime wage claims were based on the allegation that Defendant required Class Members to perform work duties while off the clock, without compensation. Yslas Decl. at ¶ 12. For example, Plaintiff alleged that Defendant required her and other Class Members to complete pre-shift work, post-shift work, and work during unpaid meal periods. *Id*. For purposes of calculating Defendant's liability based on a best-case scenario for Plaintiff and the Class, Plaintiff's Counsel assumed that all unpaid worktime should have been paid at the overtime rate of pay and conservatively estimated that

Defendant is liable for one (1) hour of unpaid worktime per workweek. *Id*. This results in potential exposure for this claim of approximately $225,551.52 (7,664 Workweeks × $19.62 average hourly rate of pay × 1 hour per Workweek × 1.5 overtime rate). Because this claim would have relied heavily on Class Member testimony and would not be evidenced in Defendant's time and payroll records, the risk of succeeding at class certification and trial was substantial. Accordingly, Plaintiff's Counsel applied a risk discount based on a 40% chance of succeeding at class certification and a 40% chance of succeeding at trial on the merits, yielding a realistic damage estimate of approximately $36,088.24 ($225,551.52 × 40% × 40%). *Id*.

Meal Periods: Plaintiff's meal period claim was based on the allegation that Defendant failed to provide Class Members with legally compliant meal periods or pay meal period premiums in lieu thereof. Yslas Decl. at ¶ 13. For example, Plaintiff alleged that Defendant required them and other Class Members to not take off-duty meal periods. *Id*. Additionally, Plaintiff's Counsel's expert consultant determined there was a 30.9% meal period violation rate from the sampling of Defendant's time and payroll records, where meal periods were short, late, or missed. *Id*. Therefore, potential liability for the meal period claim is approximately $137,632.69 (22,702 shifts over 5 hours × $19.62 average hourly rate × 30.9% violation rate). *Id*. After taking into account the difficulty of certifying and proving meal period claims, as well as Defendant's contention that the claim lacks merit and that a 30.9% violation rate is unrealistic, Plaintiff's Counsel discounted this figure based on a 50% chance of succeeding at class certification and a 40% chance of succeeding at trial, yielding a realistic damage estimate of approximately $27,526.54 ($27,526.54 × 50% × 40%). *Id*.

Rest Periods: Plaintiff's rest period claim was based on the allegation that Defendant failed to provide Class Members with legally compliant rest periods or pay rest period premiums in lieu thereof. Yslas Decl. at ¶ 14. For example, Plaintiff alleged that Defendant required her and other Class Members to not take any rest breaks per workday though they were so entitled. *Id*. Based on Plaintiff's allegations and Plaintiff's and other Class Members' experience working for Defendant, Plaintiff's Counsel applied a 100% violation rate to all qualifying shifts during the Class Period. Therefore, Defendant's potential liability for the rest period claim is approximately $549,379.62

(28,001 shifts of 3.5 hours or longer × $19.62 average hourly rate × 100% violation rate). However, Plaintiff's Counsel discounted this figure to account for the difficulty of certifying and proving rest period claims, particularly because rest periods do not have to be recorded, and to account for the possibility of Class Members voluntarily choosing to forego a rest period. *Id*. Because this claim would have relied exclusively on Class Member testimony, Plaintiff's Counsel discounted this claim based on a 30% chance of succeeding at class certification and a 20% chance of succeeding at trial, yielding a realistic damage estimate of approximately $32,962.78 ($549,379.62 × 30% × 20%). *Id*.

Reimbursements: Plaintiff's reimbursement claim was based on the allegation that Defendant failed to indemnify Class Members for expenses incurred as a direct result of performing their job duties for Defendant, such as mandatory use of personal cell phones for work purposes and purchasing scrubs for work-related purposes. Yslas Decl. at ¶ 15. For purposes of calculating Defendant's liability based on a best-case scenario for Plaintiff and the Class, Plaintiff's Counsel estimated that Defendant was liable to each Class Member for an average of $3.00 per Workweek in unreimbursed expenses, for a total amount of approximately $22,992.00 ($3.00 per Workweek × 7,664 Workweeks). *Id*. However, Defendant argued that these expenses were not required by Defendant, and that it could not have known that these expenses were being incurred. *Id*. Accordingly, Plaintiff's Counsel discounted this claim based on a 30% chance of succeeding at class certification and a 30% chance of succeeding at trial, yielding a realistic damage estimate of approximately $2,069.28 ($22,992.00 × 30% × 30%). *Id*.

In sum, Plaintiff's Counsel estimated that Plaintiff's maximum recovery for the off-the-clock claim, meal period violations, and rest period violations (i.e., the wage claims) is approximately $935,555.83 ($225,551.52 + $137,632.69 + $549,379.62 + $22,992.00). Yslas Decl. at ¶ 16. However, after factoring in the risk and uncertainty of prevailing at certification and trial, Plaintiff's Counsel estimates that Plaintiff's realistic estimated recovery for these non-penalty wage claims is approximately $98,646.84 ($36,088.24 + $27,526.54 + $32,962.78 + $2,069.28). *Id*.

Derivative Penalties: Plaintiff alleged that as a result of Defendant's failure to pay all wages owed, Defendant owed waiting time penalties and wage statement penalties. Yslas Decl. at ¶ 17. With respect to Plaintiff's derivative claims for statutory penalties, Plaintiff's Counsel estimated that Defendant's realistic potential liability is approximately $23,935.08. *Id*. Defendant's maximum potential liability for waiting time penalties is approximately $223,668.00 ([40 employees × $19.62 average hourly rate of pay × 8.00 hours per day × 30 days] + [40 employees × $19.62 average hourly rate of pay × 1.0 hours of overtime per day × 1.5 overtime rate × 30 days]) based on approximately 40 formerly employed Class Members during the 3-year statute of limitations period and an average shift length of 9.0 hours. *Id*. Defendant's maximum potential liability for inaccurate wage statements is approximately $175,250.00 ([61 employees × 1 initial violation per employee × $50 for an initial violation] + [(1,783 pay periods - 61 initial violations) × $100 for each subsequent violation]) based on approximately 61 Class Members who worked during the 1-year statute of limitations period and approximately 1,783 pay periods in that statutory timeframe. *Id*. In light of the foregoing, Plaintiff's Counsel believes that it would be unrealistic to expect the Court to award the full $398,918.00 ($223,668.00 + $175,250.00) in statutory penalties given Defendant's defenses, the contested nature of Plaintiff's claims, the challenges of establishing willfulness as applicable, and the discretionary nature of penalties. *Id*. Considering that the underlying wage claims are realistically estimated to be approximately $98,646.84, such a disproportionate award would also raise due process concerns. *Id*. As such, Plaintiff's counsel discounted these figures to account for the risk and uncertainty of obtaining class certification and prevailing at trial, resulting in a realistic evaluation of approximately $13,420.08 for waiting time penalty claims ($223,668.00 × 30% × 20%), and approximately $10,515.00 for wage statement penalty claims ($175,250.00 × 30% × 20%), or approximately $23,935.08 total for statutory penalties ($13,420.08 + $10,515.00). *Id.*

PAGA: For the PAGA claim, Plaintiff's Counsel determined that Defendant's potential exposure could potentially reach $178,300.00, assuming the initial $100 penalty would apply for each of the 1,783 pay periods in the PAGA Period. Yslas Decl. at ¶ 18. However, even assuming success on the merits of each claim, PAGA gives the Court discretion to reduce penalties for a variety of reasons, including where to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory. *Id*. As such, Plaintiff's counsel discounted this figure to account for the risk and uncertainty of prevailing at trial, resulting in a realistic evaluation of approximately $17,830.00 for PAGA penalties ($178,300.00 10%). *Id*. The settlement allocates $10,000.00 of the Gross Settlement Amount to PAGA, therefore the PAGA allocation amounts to 5% of the Gross Settlement Amount and approximately 56% of the realistic maximum damages for PAGA penalties ($10,000.00 ÷ $17,830.00). *Id.*

Using these estimated figures, Plaintiff's Counsel predicted that the realistic maximum recovery for all claims, including penalties, would be approximately $140,411.92 ($98,646.84 + $23,935.08 + $17,830.00). Yslas Decl. at ¶ 19. This means that the Gross Settlement Amount represents approximately 142% of the realistic maximum recovery ($200,000.00 ÷ $140,411.92). *Id*. Considering the risk and uncertainty of prevailing at class certification and at trial, this is an excellent result for the Class. *Id*. Indeed, because of the proposed Settlement, Class Members will receive timely, guaranteed relief and will avoid the risk of an unfavorable judgment. *Id*.

Based on the figures in the Settlement Agreement, the Net Settlement Amount available for class settlement payments is currently estimated to be $85,510.00 for approximately 84 Class Members. Yslas Decl. at ¶ 20. As a result, each Settlement Class Member would be eligible to receive an average net benefit of approximately $1,017.98. *Id*. Based on the estimated Net Settlement Amount available for individual class payments and there being approximately 7,664 workweeks in the Class Period, the estimated weekly valuation for Individual Class Payments is $11.16 ($85,510.00 ÷ 7,664 Workweeks). *Id*.

C. The Requested Service Payment is Reasonable

Plaintiff seeks a Class Representative Service Payment of up to $10,000.00 for accepting the responsibilities of representing the interests of the Class and potential costs that were not borne by any other Class Member. Settlement Agreement at § 3.2.1. A named plaintiff is eligible for payment that reasonably compensates the plaintiff for undertaking and fulfilling a fiduciary duty to represent absent class members. *See Cellphone Termination Fee Cases*, 186 Cal.App.4th 1380, 1393 (2010); *Bell v. Farmers Ins. Exch.*, 115 Cal.App.4th 715, 726 (2004).

Throughout this case, Plaintiff assisted counsel in providing information necessary to prosecute the claims, meeting with counsel regarding the claims, maintaining regular contact with counsel, making herself available the day of mediation to answer questions, and reviewing the Settlement to ensure it was fair to the Class. Velazquez Decl. at ¶ 11. No action would likely have been taken by Class Members individually and no compensation would have been recovered for them, but for Plaintiff's services on behalf of the Class. By actively pursuing this action, Plaintiff furthered the California public policy goal of enforcing the State's wage-and-hour laws. *See Sav-On*, 34 Cal.4th at 340. The requested Class Representative Service Payment is reasonable and should be preliminarily approved. Plaintiff has provided a declaration regarding her work performed to date and will provide additional information as requested or required by the Court at final approval.

D. The Requested Attorneys' Fees and Costs Are Reasonable

The purpose of an attorneys' fee award in class action litigation is to reward counsel who invested in a case despite the risk of non-payment and achieved a substantial positive result for the class. California courts routinely award attorneys' fees equaling one-third or more of the potential value of the common fund. *See Chavez*, 162 Cal.App.4th at 66, fn. 11 ("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.").

Plaintiff seeks appointment of Wilshire Law Firm, PLC as Class Counsel. The attorneys performed significant work and expended litigation costs in prosecuting this matter with no guarantee of payment. Yslas Decl. at ¶ 21. Plaintiff's Counsel seeks preliminary approval for up to 35% of the Gross Settlement Amount in attorneys' fees, currently estimated to be $70,000.00, and up to $20,000.00 in reimbursement of litigation costs. Given the work performed in this matter, the extensive information exchange, and the substantial recovery obtained on behalf of the Class, Plaintiff's Counsel achieved a settlement through efficient and diligent work. *See generally*, Yslas Decl. At final approval, Plaintiff's Counsel will fully brief the merits of its request for the award of attorneys' fees and litigation costs.

E. The Administration Costs Are Reasonable

The Parties have agreed upon using the Settlement Administrator to administer this

Settlement. Settlement Agreement at sections 1.2, 8.1. Plaintiff seeks preliminary approval of $4,490.00 for the Settlement Administrator to administer this Settlement pursuant to their bid. *See* Yslas Decl. at ¶ 38, Exhibit 4. The services covered by this payment are extensive and necessary to carry out the Settlement administration.

V. CONCLUSION

The Parties have negotiated a fair and reasonable settlement of the class claims in light of the risks presented in this case. Plaintiff has presented the materials and information necessary to demonstrate that the requirements for preliminary approval have been met, and therefore respectfully requests that the Court preliminarily approve the Settlement and schedule a date for the final approval hearing.

Respectfully submitted,

Dated: June 24, 2026

WILSHIRE LAW FIRM, PLC

By: ______________________

Attorneys for Plaintiff