

Kane Moon (SBN 249834)
H. Scott Leviant (SBN 200834)
Sandy Pham (SBN 352753)
MOON LAW GROUP, PC
725 S. Figueroa St., 31st Floor
Los Angeles, California 90017
Telephone: (213) 232-3128
Facsimile: (213) 232-3125
E-mail: kmoon@moonlawgroup.com
E-mail: hsleviant@moonlawgroup.com
E-mail: mghazaryan@moonlawgroup.com
E-mail: spham@moonlawgroup.com

Attorneys for Plaintiff

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN DIEGO

MAURA RODRIGUEZ, individually, and on
behalf of all others similarly situated,

Plaintiff,

vs.

M2 INGREDIENTS, INC.; and DOES 1 through
10, inclusive,

Defendants.

Case No.: 37-2023-00049140-CU-OE-CTL

[Assigned for All Purposes to the Hon. Richard
Whitney, Dept. 68]

CLASS ACTION

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

Date: July 11, 2025
Time: 10:30 a.m.
Courtroom: Dept. 68
Judge: Hon. Richard Whitney

Action Filed: November 9, 2023
Trial Date: Not Set

1 TO THE COURT, ALL PARTIES, AND THEIR COUNSEL OF RECORD:

2 PLEASE TAKE NOTICE that on July 11, 2025, at 10:30 a.m., or as soon thereafter as the matter
3 may be heard, in Department 68 of the above-captioned Court, located at 330 West Broadway, San
4 Diego, CA 92101, Plaintiff MAURA GRIJALVA LOPEZ (“Plaintiff”) will and hereby does move this
5 Court for an order:

6 1. Granting class certification of the Class, solely for settlement purposes pursuant to
7 Code of Civil Procedure § 382;

8 2. Preliminarily approving the CLASS ACTION AND PAGA SETTLEMENT
9 AGREEMENT AND CLASS NOTICE (“Settlement” or “Agreement”);

10 3. Appointing counsel for Plaintiff, Moon Law Group, PC, as Class Counsel;

11 4. Appointing Plaintiff as the Class Representative;

12 5. Approving the use of the proposed notice procedure and related notice form;

13 6. Approving PHOENIX CLASS ACTION ADMINISTRATION as the third-party
14 administrator;

15 7. Directing that notice be mailed to the Class; and,

16 8. Scheduling a hearing date for motions for final approval of class action settlement
17 and awards of attorneys’ fees and costs.

18 Good cause exists to grant this Motion because: (1) the Class meets all of the requirements for
19 class certification for settlement purposes under Code of Civil Procedure § 382; (2) the Settlement
20 Agreement is a fair, adequate, and reasonable compromise of the disputed wage and hour claims asserted
21 by Plaintiff; (3) Plaintiff and Class Counsel are adequate to represent the Class; (4) the proposed notice
22 procedures and related forms comply with California Rules of Court 3.766(d) and (e), adequately apprise
23 Class Members of their rights, and fully comport with due process; and, (5) based on the foregoing,
24 notice should be directed to the Class Members and a final fairness hearing should be scheduled (Plaintiff
25 suggests about 140 days after preliminary approval is granted).

26 This Motion is made pursuant to Rule 3.769 and Rule 3.1113(e) of the California Rules of Court,
27 which require approval by the Court of a class action settlement and permit the Court to extend the page
28 limit for memoranda.

TENTATIVE RULINGS: Tentative rulings are normally available after 4:00 p.m. on Thursday, one day prior to the hearing. Failure to appear may be deemed a waiver of oral argument. If neither party appears at the scheduled hearing, the tentative ruling may become the final order of the court on the date set for the hearing.

This Motion is based on this Notice of Motion and Motion, the attached Memorandum of Points and Authorities, the Declarations of H. Scott Leviant, Plaintiff, and the Settlement Administrator in support thereof, all papers and pleadings on file with the Court in this action, all matters judicially noticeable, and on such oral and documentary evidence as may be presented in connection with the hearing on the Motion.

Respectfully submitted,

Dated: January 29, 2025

MOON LAW GROUP, PC

By:  _____
Kane Moon
H. Scott Leviant
Sandy Pham

Attorneys for Plaintiff

TABLE OF CONTENTS

TABLE OF CONTENTS	i
TABLE OF AUTHORITIES	iii
I. INTRODUCTION	1
II. THE MAJOR TERMS OF SETTLEMENT	1
III. FACTUAL AND PROCEDURAL BACKGROUND	5
A. Plaintiff's Claims	5
B. Pre-Mediation Data Production and Analysis.....	5
C. Settlement.....	6
IV. CLASS DEFINITION	6
V. DISCUSSION.....	7
A. The Court Should Conditionally Certify the Class for Settlement Purposes.....	7
1. The Members of the Class Are Both Ascertainable and Numerous.	7
2. There Are Common Questions That Predominate Over Any Questions That May Be Unique to Individual Class Members.....	8
3. Plaintiff's Claims Are Typical of Those of the Class.	9
4. Plaintiff and Plaintiff's Counsel Will Adequately Represent the Class.....	9
5. Proceeding as a Class Action is Superior to Individual Actions.....	9
6. The Proposed Class Notice Complies with Rule 3.766(d) and (e)	10
a) The Notice Procedure Satisfies Due Process	10
b) The Notice is Accurate and Informative	10
B. The Court Should Preliminarily Approve the Settlement Because It Is a Fair, Adequate, and Reasonable Compromise of Disputed Wage Claims.....	11
1. Class Action Settlements Are Subject to Review and Approval.	11
2. The Parties Reached the Settlement Through Arms' Length Negotiations Between Experienced Counsel with the Assistance of a Highly Qualified Mediator After Sufficient Data Was Exchanged to Evaluate Settlement.	11

1	3.	The Settlement Represents a Fair, Adequate, and Reasonable Compromise of	
2		Class Members’ Claims Based on Defendant’s Estimated Liability Exposure	
3		Given the Risks Continued Litigation Would Entail.	12
4	4.	The Proposed Method for Allocating Settlement Funds Is Fair.	17
5	5.	The Proposed Enhancement Award to Plaintiff Warrants Approval.	17
6	6.	The Proposed Award of Attorneys’ Fees and Costs Is Also Fair, Adequate,	
7		and Reasonable and Merits Preliminary Approval.	18
8	7.	The Proposed Payment to the Administrator Is Fair and Reasonable.....	18
9	8.	The PAGA Allocation is Reasonable.....	18
10	VI.	THE COURT SHOULD SCHEDULE A FINAL APPROVAL HEARING	20
11	VII.	CONCLUSION	20

TABLE OF AUTHORITIES

CALIFORNIA DECISIONAL AUTHORITY

<i>7-Eleven Owners for Fair Franchising v. Southland Corp.</i> , 85 Cal. App. 4th 1135 (2000).....	12
<i>Amaral v. Cintas Corp.</i> , 163 Cal. App. 4th 1157 (2008).....	20
<i>Amaro v. Anaheim Arena Mgmt., LLC</i> , 69 Cal. App. 5th 521 (2021).....	18
<i>Brinker Rest. Corp. v. Super. Ct.</i> , 53 Cal. 4th 1004 (2012).....	7, 9, 15
<i>Cartt v. Sup. Ct.</i> , 50 Cal. App. 3d 960 (1975)	10
<i>Clark v. Am. Residential Servs. LLC</i> , 175 Cal. App. 4th 785 (2009)	17
<i>Clothesrigger, Inc. v. GTE Corp.</i> , 191 Cal. App. 3d 605 (1987).....	7
<i>Dunk v. Ford Motor Co.</i> 48 Cal. App. 4th 1794 (1996).....	7, 12, 18
<i>Duran v. US Bank Nat’l Ass’n</i> , 59 Cal. 4th 1 (2014).....	13
<i>Ghazaryan v. Diva Limousine, Ltd.</i> , 169 Cal. App. 4th 1524 (2008).....	9
<i>Global Minerals & Metals Corp. v. Superior Court</i> , 113 Cal. App. 4th 836 (2003)	7
<i>Jaimez v. Daiohs USA, Inc.</i> 181 Cal. App. 4th 1286 (2010).....	7, 8
<i>Kullar v. Foot Locker Retail, Inc.</i> , 168 Cal. App. 4th 116 (2008)	11
<i>Laffitte v. Robert Half Intern. Inc.</i> , 1 Cal. 5th 480 (2016)	18
<i>Linderv. Thrifty Oil Co.</i> , 23 Cal. 4th 429 (2000).....	7, 10
<i>Malibu Outrigger Bd. of Governors v. Superior Court</i> , 103 Cal. App. 3d 573 (1980).....	11
<i>McGhee v. Bank of America</i> , 60 Cal. App. 3d 442 (1976).....	9
<i>Miller v. Woods</i> , 148 Cal. App. 3d 862 (1983)	7
<i>Moniz v. Adecco USA, Inc.</i> , 72 Cal. App. 5th 56 (2021)	19
<i>Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles</i> , 186 Cal. App. 4th 399 (2010)	11
<i>Noel v. Thrifty Payless, Inc.</i> , 7 Cal. 5th 955, 980 (2019).....	7
<i>Sav-on Drug Stores, Inc. v. Superior Court</i> , 34 Cal. 4th 319 (2004).....	7, 8
<i>Seastrom v. Neways, Inc.</i> , 149 Cal. App. 4th 1496 (2007).....	9
<i>Stambaugh v. Superior Court</i> , 62 Cal. App. 3d 231 (1976).....	11
<i>Wershba v. Apple Computer, Inc.</i> , 91 Cal. App. 4th 224 (2001)	12, 13

FEDERAL DECISIONAL AUTHORITY

<i>Miller v. CEVA Logistics U.S.A., Inc.</i> , 2015 WL 729638 (E.D. Cal. Feb. 19, 2015)	16
<i>O'Connor v. Uber Technologies, Inc.</i> , 201 F.Supp.3d 1110 (N.D. Cal. 2016)	19
<i>Rodriguez v. West Publishing Corp.</i> , 563 F.3d 948 (9th Cir. 2000)	16
<i>Willis v. Xerox Bus. Servs., LLC</i> , 2013 WL 6053831 (E.D. Cal. 2013)	20

STATUTES

Code of Civil Procedure § 382	7
-------------------------------------	---

RULES

Rules of Court, Rule 3.766	10
Rules of Court, Rule 3.769	7, 10, 11

OTHER AUTHORITIES

Class Certification in California: SECOND INTERIM REPORT FROM THE STUDY OF CALIFORNIA CLASS ACTION LITIGATION - FEBRUARY 2010	16
--	----

1 **I. INTRODUCTION**

2 Pursuant to California Rules of Court, Rules 3.769, Plaintiff requests that this Court preliminarily
3 approve the class action settlement set forth in the CLASS ACTION AND PAGA SETTLEMENT
4 AGREEMENT AND CLASS NOTICE (“Settlement” or “Agreement”) with M2 INGREDIENTS INC.
5 (“Defendant”).

6 After the exchange of documents and data, and an arm’s-length mediation session with mediator
7 Steve Rottman, Esq., Plaintiff and Defendant (collectively referred to herein as the “Parties”) reached a
8 proposed class action settlement with a gross settlement amount (“GSA”) of **\$300,000.00** in compromise
9 of disputed claims asserted on behalf of the below-defined Class consisting of approximately **120**
10 members. Plaintiff believes this settlement is a fair, adequate, and reasonable compromise of disputed
11 claims for alleged wage and hour violations and penalties asserted in this case.

12 Plaintiff now submits this Motion for Preliminary Approval of Class Action Settlement, along
13 with the Settlement (attached to the Declaration of H. Scott Leviant [“Leviant Decl.”], Exhibit 1 thereto).
14 For the Court’s convenience, below is a summary of the key provisions of the Settlement.

15 **II. THE MAJOR TERMS OF SETTLEMENT**

16 The provisions of the proposed Settlement include the following:

- 17 • Defendant agrees not to oppose certification for purposes of Settlement (Settlement, ¶ 12.1);
- 18 • Class: All persons employed by Defendant as hourly-paid, non-temporary, non-exempt
19 employees in the State of California at any time during the Class period (the “Class Period” is
20 the period from November 9, 2019, to September 30, 2024). “Participating Class Member”
21 means a Class Member who does not submit a valid and timely Request for Exclusion from
22 the Class portion of the Settlement. (Settlement, ¶¶ 1.5, 1.9, 1.12, 1.34)
- 23 • Settlement Amount: Defendant will pay a maximum of **\$300,000.00**, referred to as the Gross
24 Settlement Amount (or GSA herein), resulting in an estimated average **gross** benefit per
25 Class Member of about **\$2,500.00** (Settlement, ¶¶ 1.21, 3.1; Leviant Decl., ¶ 17);
- 26 • Escalator Clause: If the number of actual Workweeks at the close of the Class Period is more
27 than ten percent (10%) higher than the estimated Workweeks (i.e., exceeds 14,300
28 Workweeks), Defendant may, at its election, opt to (a) increase the Gross Settlement Amount

1 in the exact proportionate amount as to any additional work weeks over 10% (i.e., 12% more
2 workweeks than estimated will result in a 2% proportionate increase in the Gross Settlement
3 Amount; or (b) end the Class Period on the date that the total work weeks equals 14,300
4 Workweeks. The option to change the end date of the Class Period had to be made no later
5 than seven (7) days prior to the filing of this Motion. (Settlement, ¶ 8.)

- 6 • Funding of Gross Settlement Amount: Defendant shall fully fund the Gross Settlement
7 Amount, and also fund the amounts necessary to fully pay Defendant's share of payroll taxes
8 by transmitting the funds to the Administrator no later than 14 days after Effective Date.
9 (Settlement, ¶ 4.3.)
- 10 • Class Size: About **120** individuals who worked about **13,000** workweeks through the date of
11 the mediation (Settlement, ¶ 8.);
- 12 • PAGA Group Size: An estimated **74** aggrieved employees who worked about **2,182** pay
13 periods through the date of the mediation (Settlement, ¶ 8);
- 14 • PAGA Period: August 10, 2022 to September 30, 2024 (Settlement, ¶ 1.31);
- 15 • Kullar/Munoz Analysis: Plaintiff addresses the claims analysis herein, at Part V.B.3, and in
16 the Declaration of Leviant, at Paragraph 18;
- 17 • No Reversion: The Settlement is a **non-reversionary** settlement (Settlement, ¶ 3.1);
- 18 • Certification: Plaintiff addresses certification requisites herein, at Part V.A., and in the
19 Declaration of Leviant, at Paragraphs 29-35;
- 20 • No Claim Form: No claim form is required (Settlement., ¶ 3.1);
- 21 • Class Release: The Settlement will release wage-and-hour claims for Participating Class
22 Members, (those Class Members who do not opt out of the Settlement) including all claims
23 that were alleged, or reasonably could have been alleged, based on the facts stated in the
24 Operative Complaint (Settlement, ¶ 5.2);
- 25 • PAGA Release: Plaintiff, on her own behalf and on behalf of the State of California and the
26 Aggrieved Employees whose claims are derivative of the State of California, will release the
27 Released Parties from all claims for civil penalties under PAGA, based on the facts and
28 Labor Code sections that were alleged or reasonably could have been alleged in Plaintiff's

- PAGA violation notice and/or any amended PAGA violation notice (Settlement, ¶ 5.3);
- Net Settlement Amount: The Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments. The Net Settlement Amount is estimated to be at least **\$141,000.00**, resulting in an average **net** payment per Class Member of at least **\$1,175.00**, before any tax withholdings (Settlement, ¶ 1.27.);
 - Tax Allocation: The amounts distributed to Class Members will be characterized as 20% alleged unpaid wages, 80% to interest and penalties, and PAGA Settlement payments to Aggrieved Employees will be allocated as 100% penalties (Settlement, ¶¶ 3.2.4.1, 3.2.5.2.);
 - Employer's Portion of Payroll Taxes Paid Separately: Defendant's portion of payroll taxes (e.g., FICA, FUTA, etc.) owed on any settlement payments to Class Members that constitute wages will be paid separate and apart from the GSA (Settlement, ¶ 3.1);
 - Settlement Administrator: The notice portion of the Settlement will be administered by a third-party Administrator, Phoenix Settlement Administrators ("Phoenix"), with the costs of administration at a flat rate of up to \$10,000.00. Phoenix's estimate for settlement administration services in the amount of **\$7,000.00** was selected as the lowest bid from a competitive bidding process. (Settlement, ¶ 3.2.3; Moore Decl.);
 - Class Data for Administration: The Settlement Administrator will receive the Class Data not later than 15 days after the Court grants Preliminary Approval, use the National Change of Address ("NCOA") database to update the Class Data, and then use skip tracing on returned Notices (Settlement, ¶¶ 4.2; 1.10);
 - Notice: The Notice will issue within 14 days of receipt of the Class Data (Settlement, ¶ 7.4.2). The Notice describes how to dispute workweeks, submit an objection in writing, in person, or through an attorney, or request exclusion (Settlement, ¶¶ 7.5 – 7.7);
 - Notice Language: Notice will issue in English *and* Spanish (Settlement, ¶ 1.11; 7.4.2);

- 1 • Objections: Objections can be submitted in person, by attorney, or in writing to the
2 Administrator, with no pre-requisite to being heard (Settlement, ¶¶ 7.7.1 – 7.7.3);
- 3 • Exclusion Requests: The procedure for exclusion requests, mailing a request to the
4 Settlement Administrator, is the same as the procedure for submitting a written objection
5 (Settlement, ¶¶ 7.5.1 and 7.7.2);
- 6 • PAGA Allocation: From the GSA, **\$30,000.00** will be allocated to settle claims brought
7 pursuant to the California Private Attorneys General Act, Labor Code § 2699 *et seq.*
8 (“PAGA”), and seventy-five percent (75%), or **\$22,500.00**, will be paid to the California
9 Labor & Workforce Development Agency. (Settlement, ¶ 1.33; 3.2.5);
- 10 • Notice to LWDA: Notice was provided prior to the filing of this Motion. Evidence is
11 attached to the Leviant Declaration;
- 12 • Enhancement/Service Award to Plaintiff: Defendant will not oppose the application for a
13 Class Representative Service Payment of up to **\$5,000.00** to be paid from the GSA
14 (Settlement, ¶ 3.2.1);
- 15 • Fees and Costs: Defendant will not oppose Class Counsel’s application for fees of not more
16 than one-third of the GSA (**\$100,000.00**), and actual costs, in an amount not to exceed
17 **\$24,000.00**, to be paid out of the GSA (Settlement, ¶ 3.2.2);
- 18 • Check Void Period: Settlement checks will be valid for 180 days (Settlement, ¶ 4.4.1);
- 19 • Uncashed Checks: Any settlement checks that are mailed to the Class Members and remain
20 uncashed after 180 days of the date of issuance will be cancelled, and the moneys represented
21 by such checks will be sent to the California Controller’s Unclaimed Property Fund in the
22 name of the Class Member failing to cash the check (Settlement, ¶ 4.4.3);
- 23 • Judgment Notice: Judgment will be posted on the Settlement Administrator’s website after
24 entry (Settlement, ¶ 7.8.1);
- 25 • Confidentiality Provisions: The Settlement permits Class Counsel to discuss the Settlement
26 with Class Members (Settlement ¶ 12.2).

27 (Leviant Decl., ¶¶ 11-12 and Exhibit 1 thereto.)
28

III. FACTUAL AND PROCEDURAL BACKGROUND

A. Plaintiff's Claims

Defendant operates a food production business specializing in certified organic, whole food mushroom powders. On November 9, 2023, Plaintiff commenced this Action by filing a Complaint alleging causes of action against Defendant for failure to pay minimum and regular rate wages, failure to pay overtime compensation, failure to provide meal periods, failure to authorize and provide rest breaks, failure to timely pay final wages at termination, failure to indemnify for necessary business expenses, failure to provide accurate itemized wage statements, and unfair business practices. (Leviant Decl., ¶ 4.)

Plaintiff sent a letter to the Labor and Workforce Development Agency ("LWDA"), pursuant to California Labor Code § 2699.3, providing notice of her intent to seek civil penalties under the Private Attorneys General Act, California Labor Code § 2698, *et seq.* (Leviant Decl., ¶ 5.) The LWDA did not indicate that it intended to investigate the alleged violations referenced in the letter, and the 65-day time period permitted for the LWDA to provide such a notification expired. (*Id.*) On January 22, 2024 Plaintiff filed a First Amended Complaint alleging an additional cause of action against Defendant for civil penalties under the Private Attorneys General Act ("PAGA"). (*Id.*) The First Amended Complaint is the operative complaint in the Action (the "Operative Complaint."). (*Id.*)

B. Pre-Mediation Data Production and Analysis

The Parties conducted informal and formal discovery and investigation of the facts and law. (Leviant Decl., ¶ 6.) Such investigation included, *inter alia*, the exchange of extensive data and discoverable information in preparation for the mediation session. The Parties have analyzed time clock, pay and other data pertaining to Plaintiff and the Class during the relevant Settlement Period, including but not limited to the numbers of former and current members of the Class, average workweeks and pay periods, and average rate of hourly pay. Time and pay data were used for Plaintiff's pre-mediation analysis. In addition, Defendant also provided other data pertaining to Plaintiff and the Class during the relevant Class Period, including but not limited documents reflecting wage and hour policies and practices during the Class Period and information regarding the total number of current and former employees in the Class. (*Id.*)

After reviewing documents regarding Defendant's wage and hour policies and practices and

1 other information obtained during the exchange of discovery, Class Counsel were able to evaluate the
2 probability of class certification, success on the merits, and the reasonably obtainable maximum
3 monetary exposure for all claims. Class Counsel reviewed these records and prepared a damage analysis
4 prior to mediation. Class Counsel also investigated the applicable law regarding the claims and defenses
5 asserted in the litigation. (Leviant Decl., ¶ 7.)

6 C. Settlement

7 On September 30, 2024, the Parties participated in an all-day mediation presided over by Steve
8 Rottman, Esq., which led to this Agreement to settle the Action. The Parties discussed at length the
9 burdens and risks of continuing with the litigation as well as the merits of claims and defenses. After the
10 mediation, and the eventual settlement, the Parties then signed a long form settlement agreement (the
11 “Agreement”). (Leviant Decl., ¶ 8.)

12 Plaintiff and Class Counsel are aware of the burdens of proof necessary to establish liability for
13 the claims asserted in the Action, both generally and in response to Defendant’s defenses thereto.

14 Plaintiff and Class Counsel have also taken into account Defendant’s agreement to enter into a
15 Settlement that confers substantial relief upon the Class. (Leviant Decl., ¶ 9.)

16 Based on the foregoing, Plaintiff and Class Counsel have determined that the Settlement set forth
17 in this Agreement is a fair, adequate, and reasonable Settlement and is in the best interests of the Class.
18 (Leviant Decl., ¶ 10.) Solely for the purpose of settling this case, the parties agree that the requirements
19 for establishing class action certification with respect to this class have been met and are met. (*Id.*) If this
20 Settlement is not approved by the Court for any reason, Defendant reserves its right to contest class
21 certification. (*Id.*) This Settlement, if approved, will result in the termination of the litigation through the
22 entry of the Judgment and the release of all Released Claims for all Class Members who have not elected
23 to exclude themselves from the Class. (*Id.*)

24 IV. CLASS DEFINITION

25 The Class is defined as follows:

26 All persons employed by Defendant as hourly-paid, non-temporary, non-exempt
27 employees in the State of California at any time during the Class period (the “Class
28 Period” is the period from November 9, 2019, to September 30, 2024). “Participating
Class Member” means a Class Member who does not submit a valid and timely
Request for Exclusion from the Class portion of the Settlement. (Settlement, ¶¶ 1.5, 1.9,

1 1.12, 1.34.)
2 (Leviant Decl., ¶ 11 and Exhibit 1.)

3 **V. DISCUSSION**

4 **A. The Court Should Conditionally Certify the Class for Settlement Purposes**

5 The Class should be provisionally certified for settlement because: (1) the Class is ascertainable
6 and numerous; (2) there exists a well-defined community of interest; and (3) a class action is the superior
7 method of adjudication for this settlement. Code of Civ. Proc. § 382; *Brinker Rest. Corp. v. Super. Ct.*,
8 53 Cal. 4th 1004, 1021 (2012); *Linder v. Thrifty Oil Co.*, 23 Cal. 4th 429, 435 (2000); *Sav-on Drug*
9 *Stores, Inc. v. Superior Court*, 34 Cal.4th 319, 326, 332 (2004). For purposes of this Settlement *only*,
10 Defendant stipulates to conditional certification. (Settlement ¶ 12.1.)

11 “The certification question is ‘essentially a procedural one that does not ask whether an action is
12 legally or factually meritorious.’” *Id.*, at 326, quoting *Linder*. Indeed, the certification question simply
13 asks whether the theory of recovery advanced by the plaintiff is likely to prove amenable to class
14 treatment. *See, e.g., Jaimez v. Daiohs USA, Inc.*, 181 Cal. App. 4th 1286, 1298 (2010). “[I]t is also well
15 established that trial courts should use different standards to determine the propriety of a settlement class,
16 as opposed to a litigation class certification. Specifically, a lesser standard of scrutiny is used for
17 settlement cases.” *Global Minerals & Metals Corp. v. Superior Court*, 113 Cal. App. 4th 836, 859
18 (2003), citing *Dunk v. Ford Motor Co.* 48 Cal. App. 4th 1794, 1807 n. 19 (1996).

19 In view of these standards, the Class should be certified for purposes of settlement. Code Civ.
20 Proc. § 382; Rules of Court, Rule 3.769(c).

21 **1. The Members of the Class Are Both Ascertainable and Numerous.**

22 Whether an ascertainable class exists turns on three factors: (1) the class definition, (2) the size of
23 the class, and (3) the means of identifying the class members. *See Miller v. Woods*, 148 Cal. App. 3d
24 862, 873 (1983). A class is ascertainable when “it is defined ‘in terms of objective characteristics and
25 common transactional facts’ that make ‘the ultimate identification of class members possible when that
26 identification becomes necessary.’” *Noel v. Thrifty Payless, Inc.*, 7 Cal. 5th 955, 980 (2019). The class
27 definition is sufficiently specific to enable the Parties, Class Members, and the Court to determine the
28 parameters of the class. *See Clothesrigger, Inc. v. GTE Corp.*, 191 Cal. App. 3d 605, 617 (1987). Here,

1 there were about 120 Class Members, all of whom may be identified by reference to Defendant's
2 records. The Class is not only ascertainable, but also numerous. (Leviant Decl., ¶ 30.)

3 **2. There Are Common Questions That Predominate Over Any Questions That**
4 **May Be Unique to Individual Class Members.**

5 The community of interest requirement embodies three factors: (1) predominant questions of law
6 and fact; (2) class representatives with claims or defenses typical of the class; and (3) class
7 representatives who can adequately represent the class. *Dunk*, 48 Cal. App. 4th at 1806; *Richmond*, 29
8 Cal. 3d at 473-75. A question of law or fact is common to the members of a class if it may be resolved
9 through common proof. *See, Jaimez*, 181 Cal.App.4th at 1305. As for predominance, it "is a comparative
10 concept, and 'the necessity for class members to individually establish eligibility and damages does not
11 mean individual fact questions predominate.'" *Sav-on*, 34 Cal. 4th at 334.

12 In this case, common questions include, but are not limited to: i. Whether or not Defendant paid
13 proper wages to the Class; ii. Whether or not Defendant provided meal periods to the Class; iii. Whether
14 or not Defendant provided rest periods to the Class; iv. Whether or not Defendant paid compensation
15 timely upon separation of employment to former Class Members; v. whether or not Defendant paid
16 compensation timely throughout Class Members' employment; vi. Whether or not Defendant provided
17 accurate itemized wage statements to the Class; and, vii. Whether or not Defendant engaged in unlawful
18 or unfair business practices affecting the Class in violation of the UCL. (Leviant Decl., ¶¶ 32-33.) In
19 addition, common defenses, including an exemption defense, apply to most of the Class.

20 In the Action, Plaintiff's claims present sufficient common issues of law and fact that
21 predominate over individual issues and warrant class certification. From their review of the
22 documentation provided, Class Counsel determined that for purposes of these claims, Defendant's
23 policies and practices are either identical, or sufficiently similar, to raise the same questions of liability,
24 and applied to all Class Members. Because Class Members would have to prove the same issues of law
25 and fact to prevail, and because their potential legal remedies are identical, it would be preferable to
26 resolve all Class Members' claims by means of the Settlement than to require each Class Member to
27 litigate his or her individual claims. Therefore, common questions predominate over questions that may
28 be unique to individual Class Members, and class-wide settlement is superior to any other resolution.

1 **3. Plaintiff's Claims Are Typical of Those of the Class.**

2 Typicality “requires a showing that the class representative has claims or defenses typical of the
3 class.” *See, e.g., Ghazaryan v. Diva Limousine, Ltd.*, 169 Cal. App. 4th 1524, 1534 (2008), approved
4 by *Brinker Rest. Corp. v. Super. Ct.*, 53 Cal. 4th 1004 (2012). California law does not require that
5 plaintiffs have claims identical to the other class members. Rather, the test of typicality for a class
6 representative is whether other members have the same or similar injury, whether the action is based on
7 conduct which is not unique to the named plaintiffs, and whether other class members have been injured
8 by the same course of conduct. *Seastrom v. Neways, Inc.*, 149 Cal. App. 4th 1496, 1502 (2007).

9 In light of these standards, Plaintiff is typical of class members. Like other Class Members,
10 Defendant employed Plaintiff as an hourly employee during the Class Period, and Plaintiff claims that
11 she was subject to the same policies alleged to have impacted the entire class. (Leviant Decl., ¶ 31.)
12 Plaintiff alleges that she and other Class Members share the same claims stemming from Defendant's
13 alleged violations of the Labor Code and relevant wage order. In addition, Defendant's main defenses,
14 including its exemption defense and that the wage and hour policies and practices fully comply with
15 California law, apply equally to the claims of all Class Members. Thus, Plaintiff is typical of the Class.

16 **4. Plaintiff and Plaintiff's Counsel Will Adequately Represent the Class.**

17 Adequacy is shown where the plaintiff is represented by counsel qualified to conduct the
18 litigation and the plaintiff's interest in the litigation is not antagonistic to class members. *McGhee v. Bank*
19 *of America*, 60 Cal. App. 3d 442, 451 (1976). In other words, where the plaintiff has adequate counsel,
20 the plaintiff may represent the entire class absent any disabling conflicts of interest that might hinder the
21 plaintiff's ability to represent the class. *Id.* In the Action, Plaintiff has no conflicts of interest with other
22 Class Members and has agreed to place Class interests above their own. (Rodriguez Decl., ¶¶ 5-21;
23 Leviant Decl., ¶ 34.) Moreover, Plaintiff's counsel is experienced in wage and hour class litigation and
24 has no conflicts of interest with absent Class Members. (Leviant Decl., ¶ 34) Thus, this Court should
25 appoint Plaintiff as the Class Representatives and appoint Plaintiff's Counsel as Class Counsel.

26 **5. Proceeding as a Class Action is Superior to Individual Actions**

27 Plaintiff contends that proceeding as a class action is a superior means of resolving this dispute,
28 as the Class Members and the Court will derive substantial benefits. Class certification would serve as

1 the only means to deter and redress the alleged Labor Code violations. *See Linder v. Thrifty Oil Co.* 23
2 Cal. 4th at 434. Furthermore, individual actions arising out of the same operative facts would unduly
3 burden the courts and could result in inconsistent results, which may be avoided by class certification.

4 **6. The Proposed Class Notice Complies with Rule 3.766(d) and (e)**

5 Notice requirements are set forth in Rules of Court, Rule 3.766. In determining the manner of
6 notice, the court must consider interests of the class, relief requested, stakes of individual class members,
7 costs of notifying class members, resources of the parties, possible prejudice to class members who do
8 not receive notice, and the *res judicata* effect on class members. Rules of Court, Rule 3.766(e).

9 *a) The Notice Procedure Satisfies Due Process*

10 The proposed procedure for distributing the Proposed Notice is robust and meets the requirement
11 that it have “a reasonable chance of reaching a substantial percentage of the class members.” *Cartt v.*
12 *Sup. Ct.*, 50 Cal.App.3d 960, 974 (1975). There is no statutory or due process requirement that all class
13 members receive actual notice, but in this matter, the Class Members will receive direct notice. Here, the
14 proposed procedure includes safeguards, including, but not limited to, mailing notice to Class Members’
15 last known addresses; skip tracing; searches for address changes; and the re-mailing of returned notices
16 to any forwarding addresses. This manner of giving notice complies with Rule of Court 3.766(c)
17 because it provides a reasonable chance that Class Notice will reach most if not all Class Members.

18 *b) The Notice is Accurate and Informative*

19 The proposed Notice of Class Action Settlement should be approved for dissemination to the
20 Class Members because its content complies with Rule of Court 3.766(d) in that it contains a brief
21 explanation of the case, including the basic contentions or denials of the Parties, detailed information
22 about Class Members’ rights to be excluded from the Settlement and object to the Settlement; a
23 statement that the Settlement will bind all members who do not timely opt-out. Thus, the Notice also
24 satisfies Rule of Court 3.769(f) regarding the contents of settlement notices.

25 The Notice also fulfills the requirement of neutrality in class notices. 3 NEWBERG § 8.39. It
26 summarizes the proceedings and the terms and conditions of the proposed Settlement, in an informative
27 and coherent manner, in compliance with the Manual for Complex Litigation (“MANUAL”), (2d Ed.
28 1993), which states that “the notice should be accurate, objective, and understandable to Class Members .

1 ..” MANUAL, § 30.211. It makes clear that the Settlement does not constitute an admission of liability
2 by Defendant and recognizes that this Court has not ruled on the merits. It also states that the final
3 settlement approval decision has yet to be made. Accordingly, the Notice complies with the standards of
4 fairness, completeness, and neutrality required of a combined settlement-certification class notice.

5 **B. The Court Should Preliminarily Approve the Settlement Because It Is a Fair,**
6 **Adequate, and Reasonable Compromise of Disputed Wage Claims**

7 California courts favor settlement. *See, e.g., Stambaugh v. Superior Court*, 62 Cal. App. 3d 231,
8 236 (1976). Unlike most settlements, class action settlements involve a court approval process that exists
9 to prevent fraud, collusion, and unfairness to class members. *Malibu Outrigger Bd. of Governors v.*
10 *Superior Court*, 103 Cal.App.3d 573, 578-579 (1980). For the reasons discussed below, this Court
11 should preliminarily approve the Settlement, allow the Parties to give notice to the Class as proposed,
12 and schedule a Final Approval Hearing.

13 **1. Class Action Settlements Are Subject to Review and Approval.**

14 Any settlement of class litigation must be reviewed and approved by the presiding court. Rules
15 of Court, Rule 3.769(a). Approval occurs in two steps: (1) an early (preliminary) review and (2) a
16 subsequent (final) review after notice has been distributed to the class members. The Preliminary
17 Approval Hearing and Final Approval Hearing coincide with these two steps. The present motion seeks
18 *preliminary approval* and the setting of a Final Approval Hearing.

19 To evaluate a settlement, the trial court must receive “*basic* information about the nature and
20 magnitude of the claims in question and the basis for concluding that the consideration being paid for the
21 release of those claims represents a reasonable compromise.” *Kullar v. Foot Locker Retail, Inc.*, 168 Cal.
22 App. 4th 116, 133 (2008). However, the record need *not* contain an explicit statement of the maximum
23 theoretical amount that the class could recover. *Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles*,
24 186 Cal. App. 4th 399, 409 (2010).

25 **2. The Parties Reached the Settlement Through Arms’ Length Negotiations**
26 **Between Experienced Counsel with the Assistance of a Highly Qualified**
27 **Mediator After Sufficient Data Was Exchanged to Evaluate Settlement.**

28 A settlement is presumptively fair where it is reached through arms’ length bargaining, based on

sufficient discovery and investigation to allow counsel and the court to act intelligently, counsel is experienced in similar litigation, and the percentage of objectors is small.¹ *Dunk*, 48 Cal.App.4th at 1802; *In re Microsoft I-V Cases*, 135 Cal. App. 4th 706, 723 (2006); *7-Eleven Owners for Fair Franchising v. Southland Corp.*, 85 Cal. App. 4th 1135, 1146 (2000). In exercising the power to approve a settlement, the overriding concern is to ensure that a proposed settlement is “fair, adequate, and reasonable,” *Dunk*, at 1801, considering “the 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 state of the proceedings, the experience and views of counsel, the presence of a governmental participant, and the reaction of the class members to the proposed settlement. *Id.* These factors require balancing, are non-exhaustive, and, as such, trial courts should tailor the factors considered to each case and give due regard to “what is otherwise a private consensual agreement between the parties.” *Id.*

Here, the Settlement resulted from thorough, arms’ length negotiations between experienced counsel with the assistance of a skilled mediator, Steve Rottman, Esq. (Leviant Decl., ¶¶ 8-10.) Plaintiff obtained data from Defendant and then carefully reviewed that data. Counsel for Plaintiff also examined policies and interviewed witnesses in detail about their work experiences and Defendant’s practices.

Based on the review of data, Plaintiff estimated potential exposure and then estimated risk factors to adjust the reasonable expected outcome. The investigation that Plaintiff’s counsel conducted was sufficient to provide them with enough information to intelligently evaluate the estimated exposure for purposes of negotiating the Settlement in view of the risks discussed below and was sufficient to allow this Court to do the same. *See, e.g., Wershba v. Apple Computer, Inc.*, 91 Cal. App. 4th 224, 245 (2001). A thorough data analysis was conducted.

**3. The Settlement Represents a Fair, Adequate, and Reasonable Compromise
of Class Members’ Claims Based on Defendant’s Estimated Liability
Exposure Given the Risks Continued Litigation Would Entail.**

A settlement is not judged against what might have been recovered had a plaintiff prevailed at

¹ Because the fourth prerequisite for the presumption to arise cannot be addressed until the final approval hearing, only the first three prerequisites are relevant at this preliminary stage of the settlement approval process.

1 trial and does not have to provide 100% of damages sought to be fair and reasonable. “In the context of a
2 settlement agreement, the test is not the maximum amount plaintiffs might have obtained at trial on the
3 complaint, but rather whether the settlement is reasonable under all of the circumstances.” *Wershba*, 91
4 Cal. App. 4th at 250. Accordingly, because settlements involve compromise, even one that provides for
5 substantially narrower relief than would likely be obtained if the suit were successfully litigated can be
6 reasonable given that “the public interest may indeed be served by a voluntary settlement in which each
7 side gives ground in the interest of avoiding litigation.” *Id.*

8 With respect to the claims asserted on behalf of the Class, there are serious risks that support this
9 compromise amount. These risks include, but are not limited to: (i) the risk that Plaintiff would be unable
10 to establish liability for unpaid wages, *see Duran v. US Bank Nat’l Ass’n*, 59 Cal. 4th 1, 39 & n. 33
11 (2014) (“*Duran*”); (ii) the risk that Defendant’s meal and rest period policies might not support class
12 certification or a class-wide liability finding; (iii) the risk that uncertainties about the legality of
13 Defendant’s policies and practices could preclude class-wide awards of statutory penalties; (iv) the risk
14 that individual differences between Class Members could be construed as pertaining to liability and not
15 just damages; (v) the risk that any penalty award under PAGA could be reduced by the Court in its
16 discretion; (vi) the risk that lengthy trial or appellate litigation could ensue; and (vi) the risk that violation
17 rates could prove lower than expected; (Leviant Decl., ¶ 16.) These risks are non-exhaustive.

18 In light of the uncertainties of protracted litigation, the settlement amount reflects a fair and
19 reasonable recovery for the Class Members. (Leviant Decl. ¶¶ 13-20.) The settlement amount is, of
20 course, a compromise figure. (Leviant Decl. ¶ 17.) By necessity it took into account risks related to
21 liability, damages, and the defenses asserted by Defendant. (*Id.*) Moreover, each Class Member will be
22 given the opportunity to opt-out of the Settlement, allowing those who feel they have claims that are
23 greater than the benefits they can receive under this Settlement to pursue their own claims. (*Id.*) For the
24 approximately **120** members of the Class, the average **gross** benefit is **\$2,500.00** per class member, and
25 the estimated average **net** recovery for each Class Member would be approximately **\$1,175.00**. Given
26 that Defendant could potentially defeat certification, this is a significant sum to have achieved in
27 settlement. Moreover, a Class Member who worked a greater number of weeks for Defendant will
28 receive a larger share of the Settlement than a Class Member who worked for a shorter amount of time

1 during the class period. (*Id.*)

2 After analyzing the claims in this matter, Plaintiff has concluded that the value of this Settlement
3 is fair, adequate, and reasonable. The Gross Settlement Amount of **\$300,000.00** is about 98% of the
4 **\$303,989.94** estimate of *risk-adjusted* recovery (excluding interest) at this stage in the litigation. (Leviant
5 Decl., ¶ 18.) This assessment is based on a carefully constructed model of the current fair value of the
6 case, using estimated risks, average wage rates, numbers of employees, and the amount of time covered
7 by the class period, resulting in the following exposure projections:

- 8 • A reasonably estimated exposure for unpaid off-the-clock wages was calculated, with the
9 assistance of an expert, to be approximately **\$78,958.50**, based on an assumption of three
10 minutes of off-the-clock work for every shift for every Class Member. However, with the
11 high risk factor discounts for certification and liability proof, the value of that claim is
12 estimated by Plaintiff's counsel to be approximately **\$15,791.70**, assuming certification
13 probability of 50% and merits success at 40%. The off-the-clock time resulted from
14 timeclock line delays and COVID temperature checks, a claim that was disputed by
15 Defendant. Here, a \$15,791.70 exposure has a value of about 20% of its maximum, given
16 a likelihood of success on both certification and the merits, which is an approximation of
17 the chain probability of certification multiplied by merits chances: $0.5 \times 0.4 = 0.2$. This
18 theory of recovery has a high degree of risk because it depends on Class Member
19 estimates of the frequency and duration and is testimony dependent.
- 20 • A reasonably estimated exposure for unpaid wages due to regular rate errors was
21 calculated, with the assistance of an expert, to be approximately **\$6,259.00**. However,
22 with the risk factor discounts for certification and liability proof, the value of that claim is
23 estimated by Plaintiff's counsel to be approximately **\$3,066.91**, assuming certification
24 probability of 70% and merits success at 70%. While this claim was the strongest theory,
25 legally, the value arises only if penalties are awarded, and, then, only for the employees
26 who experienced the issues, which occurred sporadically.
- 27 • A reasonably estimated exposure for rest break violations over the class period was
28 calculated at **\$923,445.00**, but with chances of certification and proof of liability (30%
and 30% respectively) for a risk-adjusted exposure of **\$83,110.05**. This claim is based
entirely on class member testimonials that rest breaks were sometimes missed due to
work demands, Plaintiff estimated the exposure assuming 100% of the Class missed one
rest break per week, while understanding that this theory carries the potential for high risk
given that employees were often allowed to determine when to take rest breaks.
- A reasonably calculated exposure for meal break violations over the class period was
calculated at **\$333,601.50**, with chances of certification and liability risks (50% and 40%
respectively) resulting in a risk-adjusted exposure of **\$66,720.30**. This exposure is based
upon facial violations. Employee choice is a serious issue in the context of a meal period
claim. So long as an employee has the opportunity to take a lawful meal period, an
employee can choose to take it late, cut it short, or skip it.
- A reasonably calculated exposure for unreimbursed expenses was estimated to be
\$26,133.00, but with chances of certification and proof of liability (50% and 30%
respectively) for a risk-adjusted exposure of **\$3,919.95**. The allegation is that Defendant
did not provide the necessary items needed for the job, such as additional white coats and
masks. However, the items were items that were not specific to the job, and a white coat

was provided, just not an additional coat, rendering this claim highly susceptible to challenge.

- The risk-adjusted penalty recovery for Labor Code § 203 penalties was estimated to be approximately **\$46,301.85**, on a maximum exposure of **\$132,291.00** (with certification and merits success chances of 70% and 50% respectively, based on all theories of unpaid wages, adjusted for the additional risk of needing to prove other elements in addition to the underlying wage claim). The need to show a knowing and intentional violation constitutes an additional risk factor.
- The risk-adjusted penalty recovery for wage statement penalties were estimated to be approximately **\$51,318.75**, on a maximum exposure of **\$146,625.00** (with certification and merits success chances of 70% and 50% respectively, based on all theories of unpaid wages, adjusted for the additional risk of needing to prove other elements in addition to the underlying wage claim). The value of this claim was just dealt a severe blow by the recent California Supreme Court decision of *Naranjo v. Spectrum Security Services, Inc.* (May 6, 2024), which significantly strengthened the good faith defense to Section 226 penalties.
- Performing risk-adjusted valuations for all claims yields a total value in the range of **\$213,009.94**, excluding PAGA.²
- For the PAGA Period, the number of PAGA Pay Periods at issue is estimated to be **2,182** for the 74 Aggrieved Employees. Using the most straightforward formulation of applying the “catch-all” \$100 penalty specified in Labor Code § 2699(f)(2) to each PAGA Pay Period, the total penalty exposure is approximately **\$218,200.00**. In addition, with assistance from Plaintiff’s data consultant, and after a thorough review of evidence casting serious doubt on the viability of many of the theories of penalty recover, counsel separately estimated the plausible potential PAGA exposure to be, on a penalty-by-penalty basis, to be approximately Plausible PAGA penalties exposure was calculated to be **\$504,900.00**. But, assuming issues with proof and cooperation of aggrieved employees, along with the Court’s power to reduce penalties, the realistic exposure was calculated to be **\$100,980.00**.

(See, Leviant Decl., ¶ 18.)

This result here is fully supportable as reasonable. First, it is important to recognize the wilfulness finding required for Labor Code §§ 203 and 226 is challenging to establish. (Leviant Decl., ¶ 19.) Second, rest break and meal period claims have been challenging to certify for many years, even after *Brinker*. (Leviant Decl., ¶ 19.) Arbitration agreements present a very high risk to all class claims. The Judicial Council’s Class Certification in California: SECOND INTERIM REPORT FROM THE

² It is difficult to assign specific percentages to future events, but it does provide a method for attempting to reduce the concept of “very high risk” or “high risk” to a quantifiable amount. Certification of a claim is typically a binary event. One does not obtain a 20% certification; a claim is either certified or it is not. But the current expected value is best quantified by applying a risk reduction, based on the total experience of counsel. The numbers explain with math what can also be described conceptually in words.

1 STUDY OF CALIFORNIA CLASS ACTION LITIGATION - FEBRUARY 2010 (“Second Interim
2 Report”), at page 5, states that “less than a quarter of disposed cases in the study sample were certified,
3 either through a litigated motion for certification or as part of a classwide settlement agreement.” *See*,
4 Second Interim Report, at 5 (emphasis added).³ That “*or*” is significant. The certification rates
5 identified in the study of less than 25% includes *both* contested certifications and settlement
6 certifications, which are the majority of certifications. In other words, one must assume in any wage and
7 hour class action prior to certification that a contested certification motion will have a success rate of well
8 under 25%, and probably closer to 10% as a starting point for risk evaluation. The facts of each case
9 have significant bearing on these percentages. But it cannot be disputed that certification is an
10 exceptionally difficult procedural hurdle to successfully overcome. Thus, it is not unreasonable to start
11 from the proposition that a pre-certification settlement that is 10% to 15% of the maximum plausible
12 exposure is a valid starting point for valuation. If roughly 10% of class actions are certified on a
13 contested basis, then, on average, 90% of the time a class will not be certified and the result for the class
14 is *zero* dollars

15 Here, the estimated certification probabilities are *above* the average rate at which cases were
16 certified in California over the study years, based upon data available through the California Courts
17 websites. (Leviant Decl., ¶ 19.) In sum, well *under* 20% of all cases filed as proposed class actions are
18 ultimately certified by way of a *contested* motion. (*Id.*) Here, the recovery falls within the expected
19 outcome under the likelihood of success metric. (*Id.*) It would also be appropriate to evaluate the result
20 by examining only the premium wages at issue (approximately \$962,576.40, *with no risk reduction*),
21 excluding penalties and interest.⁴ This Settlement achieves the goals of the litigation.

22
23 ³ The report is available at <https://www.courts.ca.gov/documents/classaction-certification.pdf> (last
24 viewed March 12, 2024).

25 ⁴ The exclusion of interest and penalties from the fairness evaluation is proper because, first, PAGA
26 penalties are discretionary (*see* Lab. Code § 2699(e)(2) (the court in its discretion “may award a lesser
27 amount than the maximum civil penalty amount specified by this part...”), and, second, courts evaluate
28 the strength of a proposed settlement without taking potential penalties or interest into consideration. *See*
Rodriguez v. West Publishing Corp., 563 F.3d 948, 955 (9th Cir. 2000); *see also* *Miller v. CEVA*
Logistics U.S.A., Inc., 2015 WL 729638, at *7 (E.D. Cal. Feb. 19, 2015) (court utilized calculation of a
defendant’s exposure exclusive of interest and penalties to determine whether the settlement fell within
the range of possible approval).

1 **4. The Proposed Method for Allocating Settlement Funds Is Fair.**

2 The proposed method of allocating the Settlement Fund to Class Members also is fair and
3 reasonable. The Settlement Fund is to be allocated between all Class Members, based on time worked by
4 the Class Member during the Class Period, in relation to the total amount of time worked by all
5 participating Class Members. This proposed method is fair and reasonable because each Class Member's
6 actual potential damages vary based on the number of workweeks he or she worked (e.g., Lab. Code §
7 226.7 provides for an extra hour of pay at the employee's regular rate of pay for each violation, resulting
8 in a higher potential damage when a higher number of incidents occur). A Class Member who worked a
9 greater number of work weeks will receive a larger payment under the Settlement than a Class Member
10 who worked for a shorter amount of time. (Leviant Decl., ¶¶ 13, 17.)

11 **5. The Proposed Enhancement Award to Plaintiff Warrants Approval.**

12 The proposed enhancement of \$5,000.00 to Plaintiff is intended to recognize substantial initiative
13 and significant efforts on behalf of the Class. Courts routinely approve incentive awards to compensate
14 named plaintiffs for the services they provide and the risks they incur during class action litigation, often
15 in much higher amounts than that sought here. Factors considered when awarding an incentive include
16 the actions the plaintiff has taken to protect the class, the degree to which the class has benefitted, the
17 amount of time and effort the plaintiff expended in the litigation, the risk to the class representative in
18 commencing suit (financial and otherwise), the notoriety and personal difficulties encountered, the
19 duration of the litigation, and the personal benefit (or lack thereof) enjoyed by the plaintiff as a result of
20 the litigation. *Clark v. Am. Residential Servs. LLC*, 175 Cal. App. 4th 785, 804 (2009). Here, Plaintiff
21 contributed time to the prosecution of this matter, including answering discovery, and providing
22 assistance prior to the mediation with information and substantial time conferring with counsel over the
23 course of this litigation and before it was filed. (Rodriguez Decl., ¶¶ 5-19; Leviant Decl., ¶ 27.) The
24 enhancement also recognizes risks Plaintiff took to be personally liable for costs regardless of the success
25 of the litigation, as well as the personal risk of facing intrusive discovery and potential disclosure to
26 future employers that Plaintiff sued an employer, making future employment less certain.

27
28

1 **6. The Proposed Award of Attorneys’ Fees and Costs Is Also Fair, Adequate,**
2 **and Reasonable and Merits Preliminary Approval.**

3 The California Supreme Court removed any lingering doubt about the use of the percentage of
4 the fund method to award attorney’s fees in California Courts. *Laffitte v. Robert Half Intern. Inc.*, 1 Cal.
5 5th 480, 503 (2016).⁵ Thus, this Court may and, pursuant to *Laffitte*, *should* award fees to Plaintiffs’
6 counsel based upon the percentage of the fund methodology.

7 Setting *Laffitte* aside, whether the once-again-confirmed percentage of the fund method or the
8 lodestar method is used, the outcome is roughly the same: “[F]ee awards in class actions average around
9 one-third of the recovery’ regardless of ‘whether the percentage method or the lodestar method is used.’”
10 *Amaro v. Anaheim Arena Mgmt., LLC*, 69 Cal. App. 5th 521 (2021). This is also consistent with
11 counsels’ experience in class cases. Here, Plaintiff’s attorneys intend to request attorneys’ fees of up to
12 \$100,000.00 (one-third of the GSA), and costs capped at \$24,000.00 (which includes payment for
13 mediations, filing fees, service of process fees, and other standard expenses). (Leviant Decl., ¶ 26.)
14 Given the efforts and risks involved in this case, as well as the results achieved, these amounts are within
15 the range of reasonableness and warrant *preliminary approval*.

16 **7. The Proposed Payment to the Administrator Is Fair and Reasonable**

17 Phoenix, which has been selected due to its competitive bid, states that administration can be
18 performed for a flat rate of **\$7,000.00**. In counsel’s experience, based on similar wage-and-hour actions,
19 an estimated cost of **\$7,000.00** is a fair and reasonable amount for administration fees and should be
20 preliminarily approved. (Leviant Decl., ¶ 28.) Phoenix has also confirmed its capabilities and security
21 protocols in the accompanying declaration.

22 **8. The PAGA Allocation is Reasonable**

23 The ultimate decision as to the amount of penalties is always up to the discretion of the Court.
24 Labor Code § 2699(e)(2) states: “In any action by an aggrieved employee seeking recovery of a civil
25

26 ⁵ The Supreme Court also corrected the misconception that *Dunk* should be viewed as expressing
27 doubt about the use of the percentage method: “The *Dunk* court, while finding the percentage method
28 inapplicable to the settlement before it due to the lack of a readily valued common fund, did not purport
to bar its usage generally in common fund cases.” *Laffitte*, 1 Cal. 5th at 501.

1 penalty available under subdivision (a) or (f), a court may award a lesser amount than the maximum civil
2 penalty amount specified by this part if, based on the facts and circumstances of the particular case, to do
3 otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory.”

4 Prior to the issuance of *Moniz v. Adecco USA, Inc.*, 72 Cal. App. 5th 56 (2021), the only sources
5 of persuasive guidance as to how to assess the reasonableness of a PAGA allocation were found in
6 federal court decisions. In their view, a PAGA allocation, even if a small portion of the total settlement,
7 could be reasonable if the settlement of the wage and hour claims is robust and serves the deterrent
8 purpose of PAGA. *O’Connor v. Uber Technologies, Inc.*, 201 F.Supp.3d 1110, 1135 (N.D. Cal. 2016)
9 (“By providing fair compensation to the class members as employees and substantial monetary relief, a
10 settlement not only vindicates the rights of class members as employees, but may have a deterrent effect
11 upon the defendant employer and other employers, an objective of PAGA.”). *Moniz* provided explicit
12 confirmation that this was an appropriate yardstick by which to measure reasonableness of a PAGA
13 settlement. *Moniz*, 72 Cal. App. 5th at 77. *Moniz*, in agreeing with federal courts that have considered
14 how to evaluate a PAGA settlement, concluded that the class action factors are appropriately considered,
15 along with a consideration of whether the settlement furthers “PAGA’s purposes to remediate present
16 labor law violations, deter future ones, and to maximize enforcement of state labor laws.”

17 As to the first set of elements (the class-type analysis), it is embodied in Plaintiffs’ discussion of
18 the adequacy of the settlement generally. Here, the expense, complexity and likely duration of future
19 litigation was to some extent an unknown. However, what is certain is that to adequately establish the
20 violations that would support a substantial penalty, tremendous time and expense would be invested.

21 The second element (the PAGA purposes element) is also satisfied here. As held by *Moniz*,
22 PAGA’s purposes include (1) remediation of present labor law violations, (2) deterrence of future
23 violations, and (3) maximization of enforcement of state labor laws. Here the allocation of a major
24 portion of settlement funds to class members still advances the goal of labor law violation remediation.
25 The allocation of a major portion of settlement funds to class members also deters future violations. This
26 is a \$300,000.00 settlement, a good result. Deterrence is fulfilled. Finally, allocation of a major portion
27 of settlement funds to class members still advances the goal of enforcement of state labor law. This
28 settlement is, by definition, a response to alleged violations of labor laws, balanced against risks.

1 In addition, there is no evidence that a court or a commissioner had informed Defendant that its
2 conduct violated the Labor Code. *Amaral v. Cintas Corp.*, 163 Cal. App. 4th 1157, 1209 (2008); *Willis v.*
3 *Xerox Bus. Servs., LLC*, 2013 WL 6053831, *7-8 (E.D. Cal. 2013). And in *Cotter*, the court found a
4 significant reduction of the PAGA claim would be appropriate because “[t]his does not appear to be a
5 case where a company has deliberately sought to evade the law.” *Cotter*, 176 F. Supp. 3d at 941.

6 Finally, the PAGA allocation is fair. The LWDA is receiving \$22,500\$.00. The Class is
7 receiving, net, an estimated \$141,000.00 for the releases of *all* other claims. While the proportion is
8 tipped in favor of employees, the allocation satisfies California’s wage and hour policies.

9 **VI. THE COURT SHOULD SCHEDULE A FINAL APPROVAL HEARING**

10 Plaintiff requests that the fairness hearing in this case be scheduled for about 140 days after
11 issuance of the Court’s Order granting preliminary approval. Under the Settlement, Defendant will have
12 15 days to provide the data to Phoenix, which will then have 14 calendar days to mail out class notice.
13 Class Members have 60 days after mailing of the notice to submit exclusions or objections (with a 14-
14 day extension available for re-mailed notices). Therefore, Plaintiff proposes a final approval hearing
15 scheduled for the first available hearing date that is about 140 days after preliminary approval is granted.

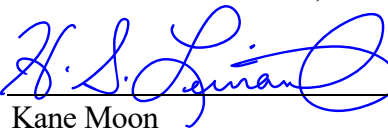
16 **VII. CONCLUSION**

17 For all the foregoing reasons, because the Class meets the requirements for certification, because
18 the Settlement bears all requisite indicia of fairness, reasonableness, and adequacy, and because the
19 proposed notice procedure and forms comport with Rule 3.766 and due process, this Court should grant
20 this Motion for Preliminary Approval and schedule a Final Approval Hearing.

21 Respectfully submitted,

22 Dated: January 29, 2025

MOON LAW GROUP, PC

23 By: 
24 Kane Moon
25 H. Scott Leviant
26 Sandy Pham

27 Attorneys for Plaintiff
28

1 **PROOF OF SERVICE**

2 **STATE OF CALIFORNIA, COUNTY OF LOS ANGELES**

3 I am employed in the State of California, County of Los Angeles. I am over the age of 18 and not a party
4 to the within suit; my business address is 725 S. Figueroa St., Suite 3100, Los Angeles, CA 90017.

5 On the date indicated below, I served the document described as: **PLAINTIFF'S NOTICE OF**
6 **MOTION AND MOTION FOR PRELIMINARY APPROVAL OF CLASS AND REPRESENTATIVE**
7 **ACTION SETTLEMENT; MEMORANDUM OF POINTS AND AUTHORITIES** on the interested parties
8 in this action by sending ☐ the original [or] ☒ a true copy thereof ☒ to interested parties as follows [or] ☐ as
9 stated on the attached service list:

10 L. Geoffrey Lee, Esq.
11 GORDON REES SCULLY MANSUKHANI, LLP
12 101 West Broadway, Suite 2000
13 San Diego, CA 92101
14 Facsimile: (619) 696-7124
15 E-mail: glee@grsm.com

16 *Counsel for Defendant M2 Ingredients Inc.*

17 ☐ **BY MAIL (ENCLOSED IN A SEALED ENVELOPE):** I deposited the envelope(s) for mailing in
18 the ordinary course of business at Los Angeles, California. I am "readily familiar" with this firm's
19 practice of collection and processing correspondence for mailing. Under that practice, sealed
20 envelopes are deposited with the U.S. Postal Service that same day in the ordinary course of business
21 with postage thereon fully prepaid at Los Angeles, California.

22 ☒ **BY E-MAIL:** I hereby certify that this document was served from Los Angeles, California, by e-mail
23 delivery on the parties listed herein at their most recent known e-mail address or e-mail of record in
24 this action.

25 ☐ **BY PERSONAL SERVICE:** I delivered the document, enclosed in a sealed envelope, by hand to the
26 offices of the addressee(s) named herein.

27 ☐ **BY OVERNIGHT DELIVERY:** I am "readily familiar" with this firm's practice of collection and
28 processing correspondence for overnight delivery. Under that practice, overnight packages are
enclosed in a sealed envelope with a packing slip attached thereto fully prepaid. The packages are
picked up by the carrier at our offices or delivered by our office to a designated collection site.

I declare under penalty of perjury under the laws of the State of California and the United States that the
foregoing is true and correct. Executed this **January 29, 2025** at Los Angeles, California.

Type or Print Name

Signature