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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO

KAREN JOHNSON and MATTHEW JOHNSON, as individuals and on behalf of others similarly situated,

Plaintiffs,

v.

PINE VALLEY BIBLE CONFERENCE ASSOCIATION, INC., a California religious non-profit corporation; PINE VALLEY CAMP CHRISTMAS, a California religious non-profit corporation; and DOES 1 through 50, inclusive,

Defendants.

CASE NO.: 37-2024-00002479-CU-OE-CTL

PLAINTIFFS' NOTICE OF MOTION AND MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT

Dept:	C-62
Judge:	Hon. Judy Bae
Date Filed:	January 19, 2024
HRG Date:	July 31, 2026
HRG Time:	9:10 a.m.

Filed concurrently with:
1. Notice of Motion and Motion for Preliminary Approval
2. Class Notice
3. Proposed Judgment
4. Declaration of Jennifer Kramer
5. Declaration of Christina Coleman
6. Declaration of Karen Johnson
7. Declaration of Matthew Johnson

APPLICATION

NOTICE IS HEREBY GIVEN that on July 31, 2026 at 9:10 a.m. in Department C-62 of the above-referenced court located at 330 West Broadway San Diego, CA 92101, Plaintiffs KAREN JOHNSON and MATTHEW JOHNSON ("Plaintiffs") will and hereby do apply for an Order (1) preliminarily approving the proposed class action settlement in the above-captioned case, (2) approving appointment of a settlement administrator, (3) approving and directing distribution of notice to the settlement class, and (4) setting a final fairness and approval hearing.

This Application is made pursuant to Rule 3.769 of the *California Rules of Court*, which provides for court approval of the settlement of a purported class action and allows the Court to preliminarily certify a provisional class for settlement purposes.

The basis for this Application is that the proposed Settlement is fair, adequate, and reasonable and in the best interests of the class as a whole, and that the procedures proposed by the Parties are adequate to ensure the opportunity of class members to participate in, opt out of, or object to the settlement.

This Application will be based on the Memorandum of Points and Authorities set forth herein, the Class Action and PAGA Settlement Agreement (the "Settlement") attached to the declaration of Jennifer Kramer as Exhibit 1, the Declarations of Jennifer Kramer ("Kramer Decl."), Christina Coleman ("Coleman Decl."), Karen Johnson ("Karen Johnson Decl.") and Matthew Johnson ("Matthew Johnson Decl.") and such evidence or oral argument as may be presented at the hearing, and on the complete records and file herein.

Dated: July 9, 2026 **KRAMER BROWN HUI LLP**

By: Jennifer Kramer

JENNIFER KRAMER
Attorney for Plaintiffs
Karen Johnson and Matthew Johnson on their own behalf and all others similarly situated

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I. INTRODUCTION

Plaintiffs KAREN JOHNSON and MATTHEW JOHNSON ("Plaintiffs") brought the instant class action case against Defendants PINE VALLEY BIBLE CONFERENCE ASSOCIATION, INC. and PINE VALLEY CAMP CHRISTMAS ("Defendants"), related non-profit corporations which operate a bible camp, claiming that they and other non-exempt employees are entitled to unpaid wages for all hours worked, compensation for missed meal and rest periods, compensation for necessary business expenses, penalties for failure to furnish accurate wage statement, penalties for failure to pay all wages upon discharge, remedies due to unfair competition, and associated penalties for violations of the Labor Code, including penalties pursuant to the Private Attorney General Act ("PAGA"). Defendants deny these allegations in their entirety. Plaintiffs and Defendants (hereinafter the "Parties") engaged in a round of formal written discovery, exchanged documents, participated in a mediation, and negotiated a settlement in the weeks thereafter. (Declaration of Jennifer Kramer ("Kramer Decl."), ¶¶ 7-10.)

The settlement is a fair result for the class. The settlement occurred as a result of arm's-length negotiations by experienced counsel after informal discovery was exchanged between the Parties. (*Id.*) Most importantly, the settlement will result in significant financial benefit to the participating class members, under terms that are by any measure fair, reasonable and adequate. *See* Kramer Decl., ¶ 17; *See Dunk v. Ford Motor Co.* (1996) 48 Cal. App. 4th 1794

For the foregoing reasons, Plaintiffs respectfully request that the Court (a) grant preliminary approval of the settlement agreement, (b) conditionally grant certification of the proposed settlement class, (c) approve appointment of a claims administrator, (d) authorize the mailing of the proposed class action notice; and (e) schedule a final fairness and approval hearing.

II. PROCEDURAL BACKGROUND AND SETTLEMENT OVERVIEW

A. Class Definition

"[A]ll non-exempt hourly employees of Defendants in California from January 19, 2020 to July 31, 2026, or the date of preliminary approval, whichever date comes first, except for those individuals who previously signed releases of the claims pled in Plaintiffs' operative complaint."

See Kramer Decl., Ex. 1., ¶ 1.5, 1.9, 1.12.

B. Case Summary

Plaintiffs submitted notice to the California Labor and Workforce Development Agency ("LWDA") in compliance with the Private Attorney General Act ("PAGA"), Cal. Lab. Code § 2699 *et seq.*, on November 14, 2023. Kramer Decl. ¶ 6. The notices detailed: (a) failure to indemnify business expenses; (b) failure to pay all wages due; (c) failure to provide meal periods or meal period premium pay; (d) failure to provide rest periods or rest period premium pay; (e) inaccurate wage statements; and (f) waiting time penalties. Plaintiffs filed a class action on January 19, 2024 in the Superior Court of the County of San Diego. Kramer Decl. ¶ 6, Ex. 2-4.

<u>The Nature and Extent of Formal and Informal Discovery G(3)(a)(vi)</u>

The parties engaged in a round of initial written discovery and encountered substantial disputes over Defendant PVCC's evasive, and inconsistent, responses to Plaintiffs' discovery requests. Plaintiffs thereafter moved to compel further responses from Defendant PVCC to special interrogatories and requests for production. The trial court granted both motions, found that Defendant PVCC did not act with substantial justification, misused the discovery process, and awarded Plaintiffs $9,074.90 in sanctions. Kramer Decl. ¶ 7, Ex. 5. To date, no depositions have been taken. Kramer Decl. ¶ 8.

The Parties attended a mediation session on June 11, 2025 with the Hon. David M. Chapman (Ret.). Although the mediation did not result in an immediate settlement, it produced a plan that ultimately led to the Settlement. In preparation for the mediation, Plaintiffs requested informal discovery concerning, among other things, the total number of employees, workweeks, shifts, pay periods, reimbursed expenses, average regular rate of pay, and employees who had settled claims alleged in this action. Defendants responded that most requests had been handled through informal discovery and that many of the requested figures could be determined from documents previously produced. However, the referenced data was either missing from the previously produced documents or insufficient to reach a settlement. Kramer Decl. ¶ 9.

Following the mediation, the parties continued informal discovery and meet-and-confer efforts. Plaintiffs requested, and Defendants provided, further data as to class size, pay-period counts, timekeeping, payroll records, and release-related data in order to configure a damages model. Kramer Decl. ¶ 10. Through formal discovery, informal discovery, and post-mediation exchanges, Plaintiffs obtained sufficient information to evaluate the claims, defenses, class size, pay-period counts, payroll and timekeeping issues, and release-related issues for settlement purposes. Additionally, during their information exchange, the Parties engaged in good faith, arm's-length negotiations aimed at settling their dispute. Kramer Decl. ¶¶ 7-10. The Parties reached an agreement as to all material terms for this Settlement on January 15, 2026.

To date, no Court has made any findings that Defendants engaged in any wrongdoing or in any wrongful conduct or otherwise acted improperly or in violation of any state or federal law, rule or regulation, with respect to the issues presented in the litigation.

C. Risks, Complexity, and Duration of Litigation

Defendants made the following contentions regarding the merits of Plaintiff's putative class action: (1) Defendants are not joint employers; (2) Defendant PVCC is exempt from State and Federal labor laws due to its status as a nonprofit religious corporation; (3) Defendants would be able to demonstrate that the putative class members were not required to work off the clock or perform mandatory volunteer work; and (4) Plaintiffs lacked standing to sue under PAGA.

D. Reasonable Range of Litigation Outcomes G(3)(a)(i), G(3)(a)(ii) and G(3)(a)(iii)

Plaintiffs learned there were approximately 109 putative class members who worked 875 workweeks during the class period and 42 aggrieved employees who worked a total of 232 PAGA Pay Periods. Kramer Decl. ¶ 12. Based on the available data, estimated damages calculations are as follows:

- **Rest Periods**: $96,265.84
- **Meal Periods**: $96,265.84
- **Unpaid Wages**: $168,465.22
- **Expenses**: $11,775.00
- **PAGA Civil Penalties**: $92,800.00 (4 violations * $100 per violation * 232 pay periods)
- **Grand Total**: $372,771.90 (wage and hour); $92,800 (PAGA)

Kramer Decl. ¶ 13.

E. Settlement Terms

The settlement, described more fully in the parties' proposed Class Action and PAGA Settlement Agreement and Class Notice ("Settlement Agreement") attached as **Exhibit 1** to the declaration of Jennifer Kramer, provides for certification of a provisional settlement class for settlement purposes only, and for a Settlement Fund with a maximum possible value of $200,000.00 *Id*.

Taking into consideration the likelihood of prevailing and the risks at trial, Plaintiffs' estimate extent of maximum damages that may be awarded at trial is approximately $465,571.90, inclusive of class wage-and-hour damages and PAGA penalties. Plaintiffs' damages analysis estimated PAGA penalties at approximately $92,800.00. Given that the estimate assumes a 100% violation rate for meal and rest periods, it is likely that the provable violations are much lower. Provable violations are further uncertain as Defendant PVCC had no written break policies and Defendant PVBCA did not have any policies regarding the recording of meal breaks, making any claims based upon practice only. The heart of Plaintiff's case was that Defendants' employees were forced to perform unpaid work, including mandatory "volunteer" work, referred to as "and then some" time. Furthermore, Defendants' employees were required to remain on-call via walkie talkie without compensation and failed to provide sufficient coverage for employees to take uninterrupted meal and rest periods. Defendants deny all liability, deny joint-employer status and contend that they complied with all applicable laws. Furthermore, Defendant PVCC alleged that Plaintiffs did not have standing under PAGA as it is exempt from state and federal labor laws due to its status as a nonprofit religious corporation formed exclusively for religious purposes.

Plaintiffs excluded interest on unpaid wages and break premiums, waiting time penalties, wage statement penalties, and attorneys' fees and costs. Although these exclusions make the damages model conservative, these exclusions take into account Defendants' financial resources as it is unlikely that they will have the financial resources to pay a judgment of over $465,571.90, which could result in one or more Defendants declaring bankruptcy. I have conducted four class action wage and hour trials. My clients prevailed in three of those four trials. For one of the wage class action trials I conducted, the defendant filed for bankruptcy and discharged the judgment.

Based upon the foregoing, I have reservations regarding the ultimate success of Plaintiff's case. Kramer Decl. ¶ 14.

Estimate of Recovery of Average Class Member G(3)(a)(iv)

The gross settlement amount is $200,000. After deducting the class representative payments to be applied for $5,000 each ($10,000 total), the class counsels' fees to be applied for ($66,666.67), the class counsels' expenses to be applied for ($10,000), the settlement administrator's reasonable fees and expenses ($5,000), the PAGA payment to be made to the State ($3,750), and the Aggrieved Employee PAGA allocation ($1,250) that leaves a net settlement fund of $103,333.33 to divide among Settlement Class Members who did not request exclusion based on their total weeks worked. The $1,250 employee share of the PAGA allocation will be distributed to all Aggrieved Employees on a pro rata basis, regardless of whether they object or request to be excluded from the class settlement. The average class member would receive $948.01 ($103,333.33 in wage and hour recovery / 109 class members) in wage and hour damages. Kramer Decl. ¶15.

The settlement is a very good result for the class. The settlement occurred as a result of extensive arm's-length negotiations by experienced counsel after formal and informal discovery was exchanged between the Parties. Most importantly, the settlement will result in significant financial benefit to the participating class members, under terms that are, by any measure, fair, reasonable, and adequate. The settlement for each participating class member is fair, reasonable, and adequate, given the inherent risks of litigation, the risk relative to class certification, and the costs of pursuing such litigation. Kramer Decl. ¶¶ 16-17.

The Gross Settlement Fund shall be allocated among these elements: (1) Class Representative Service Payments, (2) Class Counsel Fees, (3) Class Counsel Litigation Expenses, (4) Administrator Expenses, (5) Individual Class Payments to Participating Class Members, (6) Individual PAGA Payments to Aggrieved Employees, and (7) PAGA Payment to the LWDA. The Settlement Fund has a maximum potential value of $200,000.00, which is completely non-reversionary.

As noted, the settlement represents a compromise seeking to compensate class members for alleged unpaid wages as well as for amounts for breaks they claim not to have properly received. It also compensates the individual named Plaintiffs for their claims and provides them with an additional incentive payment, thus taking into consideration the risks, time, effort, and expenses incurred by them in coming forward to provide invaluable information, negotiate, and litigate this matter on behalf of all class members. Plaintiffs can and will adequately represent the class in this matter. Plaintiffs have no actual or potential conflict of interest that would hinder the prosecution of this matter on behalf of this class. Plaintiffs have aggressively and competently asserted the interests of the class members. They have worked to act in the best interests of the potential class as a whole, rather than themselves. Kramer Decl. ¶ 18.

1. <u>Nature of Any Injunctive Relief</u>

There is no injunctive relief as part of this settlement.

2. <u>Amount and Manner of Distribution of Compensation</u>

The amount and manner of the distribution of the Settlement Fund described here is set forth in ¶ 3 of the Settlement. Kramer Decl. Ex. 1, ¶ 3.

3. <u>Circumstances Under Which Payment Might Revert to Defendants</u>

None of the Gross Settlement Amount will revert to Defendants. Kramer Decl. Ex. 1, ¶ 3.1.

4. <u>Scope of Release</u>

The scope of the release is set forth in Paragraph 5 of the Settlement. Kramer Decl. Ex. 1, ¶ 5.

5. <u>Tax Treatment of Settlement Amounts</u>

Individual Settlement Payments will be allocated as follows: 20% as wages (subject to W-2 IRS withholdings and payroll taxes) and 80% as non-wage damages and interest ("Non-Wage Portion"). Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment. Kramer Decl. Ex. 1, ¶ 3.2.4.1.

6. <u>Affirmative Obligations by Class Members and Class Counsel</u>

In order to receive their portion of the Settlement Fund, class members need not submit a request for exclusion. Kramer Decl. Ex. 1, ¶ 7.5.3. Any checks issued to Class Members shall remain valid for one hundred and eighty (180) days from the date of their issuance. Kramer Decl. Ex. 1, ¶ 4.4.1. In order to receive payment of attorney's fees and costs, Plaintiffs' counsel must file an application with the Court no later than 16 court days prior to the Final Approval Hearing. Kramer Decl. Ex. 1, ¶ 3.2.2.

7. Submission of Claims Forms

No claim form is required. Kramer Decl. Ex. 1, ¶ 3.1.

8. "Coupons" Not Required

No coupons are to be used to compensate the class members. Kramer Decl. Ex. 1, ¶ 3.

9. Cy Pres Distributions

The funds from any check that is uncashed and cancelled after the void date shall be transmitted to Cy Pres Recipient, Legal Aid at Work, by the Administrator. Kramer Decl. Ex. 1, ¶ 4.4.3.

10. Statement Regarding Class Notice

Upon receipt of the Class Data, the Settlement Administrator will perform a search based on the National Change of Address Database to update and correct any known or identifiable address changes. Within fourteen (14) calendar days after receiving the Class Data, the Settlement Administrator shall mail copies of the Notice to all Class Members via first-class United States Postal Service ("USPS"). The Settlement Administrator shall exercise its best judgment to determine the current mailing address for each Class Member. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Class Member. Kramer Decl. Ex. 1, ¶ 7.4.

Any Notice returned to the Settlement Administrator as non-delivered on or before the Response Deadline shall be re-mailed to the forwarding address affixed thereto within three (3) days of receipt. If no forwarding address is provided, the Settlement Administrator shall conduct a Class Member Address Search and re-mail the Class notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time. Kramer

Decl. Ex. 1, ¶ 7.4.3.

The manner of giving notice complies with CRC 3.776(e)-(f). The mailed notice program provides the best practicable notice to members of the Settlement Class. The proposed notice program, both in the manner of dissemination and in its content, provides the most direct way of apprising the Settlement Class members of this Settlement. The "standard [for disseminating notice] is whether the notice has "a reasonable chance of reaching a substantial percentage of the class members.'" *Wershba v. Apple Computer* (2001) 91 Cal. App. 4th 224, 251 (quoting *Cartt v. Sup. Ct.* (1975) 50 Cal. App. 3d 960) This notice program is reasonably calculated to provide meaningful notice and is the best notice practicable under the circumstances and clearly satisfies California law and due process requirements. *Wershba, supra,* 91 Cal. App. 4th at 251.

11. <u>Typicality and Adequacy of Representation</u>

A class representative's claims are typical when they arise from the same event or course of conduct that gives rise to the claims of the class and are based on the same legal theory. *See Classen v. Weller* (1983) 145 Cal. App. 3d 27. In this case, the Plaintiffs assert they suffered the same harms as the class members they seek to represent.

Plaintiffs have also demonstrated that they will aggressively and competently assert the interests of the proposed settlement class. K. Johnson Decl., ¶¶ 6-8; M. Johnson Decl. ¶¶ 6-8. They retained competent counsel, experienced in litigating class action claims in the employment context. Kramer Decl. ¶¶ 2-3.

12. <u>Costs and Fees</u>

Per the Settlement, Plaintiff's counsel may apply for an award of Class Counsel Fees not to exceed $66,666.67 or one-third of the Gross Settlement Amount. Plaintiff's counsel may apply for an award of the reimbursement of litigation expenses of not to exceed $10,000, associated with Plaintiff's counsel's prosecution of this Action from the Gross Settlement Amount, and Plaintiff's counsel agrees not to appeal any award of attorneys' fees or costs. Any portion of the requested Class Counsel Award that is not awarded to Plaintiff's counsel shall be part of the Net Settlement Amount and distributed to Class Members as provided in this Agreement. So long as there are no objections, Class Counsel shall be paid any Court-approved fees and costs no later than 16 calendar days after the Effective Date. Kramer Decl. Ex. 1, ¶ 3.2.2.

The requested fees constitute one third of the Settlement Fund. The fees and costs will be applied for at the time of the final approval hearing. The fees and costs Defendants have agreed to pay reflect the reasonable value of the actual hours and costs incurred by Plaintiff's counsel in this matter. The requested fee award of one third of the settlement consideration here falls well within the percentages awarded in other class action litigation by this Court and numerous California trial courts. *See* Elizabeth J. Cabraser, *California Class Actions Practice and Procedure* § 15.03 at pp. 15-3- 15.4.1 (2006) (discussing that California Courts recognize a third of the recovery as a benchmark and citing cases). Accordingly, Plaintiff's counsel's fee request is fair and reasonable and is consistent with the awards in California. It is also reasonable given the history of this action and the results obtained by Plaintiff's counsel.

13. Plaintiffs as Adequate Representatives

There are two requirements for the adequacy of representation requirement to be satisfied. First, "[a]dequacy of representation depends on whether the Plaintiffs' attorney is qualified to conduct the proposed litigation." *McGhee v. Bank of Am*. (1976) 60 Cal.App.3d 442, 450. Second, the adequacy of representation depends on whether the "Plaintiffs' interests are…antagonistic to the interests of the class." *Id.*

Plaintiffs are similarly situated to the other class members: (1) Plaintiffs allege they were not paid for all hours worked in excess of 8 hours in one day or 40 hours in one week at one and a half times their regular rate of pay; (2) Plaintiffs allege they were not provided lawful rest breaks; (3) Plaintiffs allege they were not provided lawful meal periods; (4) Plaintiffs allege they were not reimbursed for necessary business expenses; (5) Plaintiffs allege they were not provided accurate wage and hour statements; and (6) Plaintiffs allege they were not paid all wages owed upon discharge. The same policies and procedures applied to Plaintiffs as the other putative class members who worked for Defendants during the class period.

Plaintiffs can and will adequately represent the class in this matter. Plaintiffs have no actual conflict of interest that would hinder the prosecution of this matter on behalf of this class. Plaintiffs have aggressively and competently asserted the interests of the class members. They have worked to act in the best interests of the potential class as a whole, rather than themselves.

14. Service Payments

Subject to Court approval, in exchange for the release of all Released Claims, a general release under Section 1542 of the California Civil Code, and for their time and effort in bringing and prosecuting this matter, Plaintiffs shall be paid from the Gross Settlement Amount up to Five Thousand Dollars ($5,000.00) each for a total of Ten Thousand Dollars ($10,000), subject to Court approval. Kramer Decl. Ex. 1, ¶ 3.2.1. The "Class Representative Service Payment" shall be paid to Plaintiffs from the Gross Settlement Amount no later than 16 calendar days following the date on which the settlement is funded in accordance with ¶ 3.2.1 of the Settlement. Any portion of the requested Class Representative Service Payment that is not awarded to the Class Representatives shall be part of the Net Settlement Amount and shall be distributed to Class Members as provided in this Agreement.

The amounts to be awarded to representative plaintiffs often represent a mix of a compromise of their individual damages, their class awards, and incentive awards as class representatives. Courts approve incentive awards to plaintiffs when justified and appropriate to compensate plaintiffs for time, effort, and inconvenience. *Van Vranken v. Atlantic Richfield Co.* (N.D. 1995) 901 F.Supp. 294, 299.

As with any plaintiff who files a civil action, Plaintiffs undertook the financial risk that, in the event of a judgment in favor of Defendants in this action, they could have been personally saddled with the costs awarded in favor of the Defendant. K. Johnson Decl., ¶ 8; M. Johnson Decl. ¶ 8.

Furthermore, this lawsuit has jeopardized Plaintiffs' future employability because prospective employers are more likely to hire an employee who has not sued his or her employer over one who has. In this respect, courts have recognized that assuming potentially career-damaging risks for the vindication of the rights of fellow employees is a factor justifying enhancement awards. (*See, e.g., Roberts v. Texaco* (S.D.N.Y. 1997) 979 F.Supp. 185, 201 (finding that "present or past employee whose present position or employment credentials or recommendation may be at risk by reason of having prosecuted the suit, who therefore lends his or her name and efforts to the prosecution of litigation at some personal peril, a substantial enhancement award is justified"); *Staton v. Boeing* (9th Cir. 2003) 327 F.3d 938.

In this case, the Named Plaintiffs performed the following tasks, among others: (1) assisted counsel in investigating and substantiating the claims alleged in this action; (2) assisted in the preparation of the complaints in this action; (3) produced evidentiary documents to their counsel; (4) reviewed pleadings, correspondence, and other documentation received from Plaintiff's counsel in order to keep themselves apprised of the progress of the litigation; (5) attended the mediation session; and (6) participated in responding to discovery.

15. <u>Costs of Administration and Bids G(3)(d)</u>

The settlement administrator in this action is Phoenix because the parties agreed regarding their reputation and the competitiveness of the bid. The capped cost of administration for this Settlement is $5,000.00. Kramer Decl., Ex. 1, ¶ 3.2.3; *See* Kramer Decl. Ex. 6.

16. <u>PAGA Penalties – 9(b)</u>

This settlement meets the various standards for approval required by Cal. Lab. Code § 2699(l)(2), which states: "The superior court shall review and approve any settlement of any civil action filed pursuant to this part. The proposed settlement shall be submitted to the agency at the same time that it is submitted to the court." There is no noteworthy case law setting forth the standard for a court's review and approval of PAGA penalties.

The Senate Daily Journal for the 2003-2004 Regular Session, pages 4754-55 contained the following letter dated July 29, 2004, from Senator Joseph L. Dunn, regarding the intent of the PAGA: "*The purpose of the court review of penalties in subdivision (l) is to ensure that settlements involving penalties arising under Labor Code Section 2699 do not undercut the dual statutory purposes of punishment and deterrence, or result in unjust, arbitrary and oppressive, or confiscatory settlements.*"

Under the California Supreme Court case *Z.B., NA v. Superior Court* (2019) 8 Cal.5th 175, 241, unpaid wages may not be collected as part of an action under the PAGA for remedies under Cal. Lab. Code § 558.

Plaintiffs previously submitted their PAGA notice to the LWDA on November 14, 2023.

Concurrently with filing this motion for preliminary approval, Plaintiffs will submit the Settlement Agreement and any other necessary PAGA settlement documents to the LWDA. *See* Kramer Decl. ¶ 19.

<u>The Nature of the Alleged Violations (9(b)(i))</u>

The scope of the PAGA claim includes all aggrieved employees who suffered violations of the Cal. Lab. Code §§ 200-203, 221, 225.5, 226, 226.7, 350-355, 512, 1174, 1194, 1194.2, 1198, and 2802, and IWC Wage Order No. 5 §§ 3, 4, 7, 11, 12 and 20. The PAGA penalties were derived from the underlying wage violations. The potential PAGA penalties were calculated by applying the one-year statute of limitations and applying civil penalties at the initial rate to each pay period. The number of payroll periods, supplied by Defendants as of October 1, 2025, was 232. The maximum civil penalty exposure as of October 1, 2025, was calculated to be roughly $92,800.00. Kramer Decl. ¶ 20.

<u>Total Number of Alleged Individual Violations (9(b)(ii))</u>

Based upon representations by Defendants, there are 42 PAGA Settlement Members in this action who worked a total of 232 PAGA pay periods. There are alleged to have been four PAGA violations for reimbursement, unpaid wages, meal periods, and rest periods. Kramer Decl. ¶ 21.

<u>Total Penalties For Which Defendant Is Potentially Liable (9(b)(iii))</u>

Plaintiff's notice to the LWDA describes five PAGA violations to which PAGA penalties attach at the "initial violation" rate of $100. The maximum PAGA penalties available to Plaintiffs and the PAGA Aggrieved Employees is $92,800.00 (4 violations, as alleged in the PAGA letter, * 232 pay periods * $100), assuming a 100% violation rate. Kramer Decl. ¶ 22.

<u>Total Amount of Penalties Likely to Be Found At Trial (9(b)(iv))</u>

As noted in discussions regarding the prospects of this case (Kramer Decl. ¶ 14), given that the estimate assumes a 100% violation rate for meal and rest periods, it is likely that the provable violations are much lower. Kramer Decl. ¶ 23.

<u>The Likelihood That Violations Would be Found Knowing and Intentional (9(b)(v))</u>

Plaintiffs believe that a finding that the PAGA violations were knowing and intentional is potentially defensible given that the employing Defendants are small businesses lacking sophistication in wage and hour matters and Pine Valley Camp Christmas is a non-profit religious corporation similarly lacking the sophistication in wage and hour law. Kramer Decl. ¶ 24.

Facts Suggesting Imposition of Full Penalties Would be Unjust, Arbitrary, or Confiscatory (9(b)(vi)

While theoretical damages are rather high, provable violations are uncertain as Defendant PVCC had no written break policies and Defendant PVBCA did not have any policies regarding the recording of meal breaks, making any claims based upon practice only. The heart of Plaintiff's case was that Defendants' employees were forced to perform unpaid work, including mandatory "volunteer" work, referred to as "and then some" time. Furthermore, Defendants' employees were required to remain on-call via walkie talkie without compensation and failed to provide sufficient coverage for employees to take uninterrupted meal and rest periods. Defendants deny all liability, deny joint-employer status and contend that they complied with all applicable laws. Furthermore, Defendant PVCC alleged that Plaintiffs did not have standing under PAGA as it is exempt from state and federal labor laws due to its status as a nonprofit religious corporation formed exclusively for religious purposes. Given that Defendant Pine Valley Bible Conference Association, Inc., is a small business and Pine Valley Camp Christmas is a non-profit religious corporation, it is extremely unlikely that they will have the financial resources to pay a judgment of hundreds of thousands of dollars, which could result in one or more Defendants declaring bankruptcy. Based upon Plaintiff's counsel's prior experiences, Plaintiff's counsel have reservations regarding the ultimate success of Plaintiff's case. Kramer Decl. ¶ 25.

Method of Calculating Agreed-Upon Penalties (9(b)(vii))

The parties agreed to settle the PAGA claims for $5,000. This amount was agreed-upon in an effort to direct the majority of the settlement towards the affected employees. The compromise amount represents just under 6% of hypothetical penalties owed to the LWDA and the aggrieved employees. Kramer Decl. ¶ 26.

Estimate of Recovery by Individual Aggrieved Employees Under PAGA Claims G(3)(a)(v).

The PAGA allocation for Aggrieved Employees is $1,250. Given that there are 42 PAGA

Aggrieved Employees who worked 232 pay periods, the average PAGA Settlement Member will receive approximately $5.38 ($1,250 over 232 pay periods). Kramer Decl. ¶ 27.

Any other Factors Material To Determination of Fairness (9(b)(viii))

Defendants have made claims that, as a small business or non-profit religious corporation, they are unable to pay substantial damages. Indeed, even the settlement reached between the parties was the result of long and occasionally contentious negotiations. Kramer Decl. ¶ 28.

Plaintiffs submit that being assessed a $5,000 civil penalty does not undercut the statutory purposes of the PAGA, or result in an unjust, arbitrary and oppressive, or confiscatory settlement. It represents approximately 6% of penalties on uncertain claims. Kramer Decl. ¶ 26.

III. LEGAL ANALYSIS

A. Two-Step Approval Process.

Any settlement of class litigation must be reviewed and approved by the Court. This is done in two steps: (1) an early (preliminary) review by the trial court, and (2) a final review after notice has been distributed to the class members for their comment or objections. The Manual for Complex Litigation (Fourth) states: "Review of a proposed class action settlement generally involves two hearings. First, counsel submit the proposed terms of settlement and the judge makes a preliminary fairness evaluation." *Id*. § 21.632. Courts have endorsed a presumption that the settlement is valid if the negotiations have been reached as a result of arm's-length negotiations between experienced, capable counsel after meaningful discovery. *See* Manual for Complex Litigation (Fourth) § 21.63.

Thus, the preliminary approval by the trial court is simply a conditional finding that the settlement appears to be within the range of acceptable settlements. As Professor Newberg comments, "[t]he strength of the findings made by a judge at a preliminary hearing or conference concerning a tentative settlement proposal may vary. The court may find that the settlement proposal contains some merit, is within the range of reasonableness required for a settlement offer, or is presumptively valid subject only to any objections that may be raised at a final hearing." 4 Alba Conte & Herbert B. Newberg, *Newberg on Class Actions*, § 11.26 (4th ed. 2002).

The procedures for the parties' submission of a proposed settlement for preliminary approval by the court also are discussed in 4 *Newberg on Class Actions*:

> When the parties to an action reach a monetary settlement, they will usually prepare and execute a joint stipulation of settlement, which is submitted to the court for preliminary approval. The Settlement should set forth the essential terms of the agreement, including but not limited to, the amount of settlement, form of payment, manner of determining the effective date of settlement and any recapture clause.

Id. at § 11.24. Here, the Parties have reached such an agreement and have submitted to this Court in connection with this Application a copy of the proposed Settlement Agreement fully setting forth the agreement reached among the Parties. The Settlement Agreement sets forth all terms of the agreement reached by the Parties, which include, among other things, that the class members may recover damages flowing from Plaintiff's allegations. Kramer Decl. Ex. 1.

1. <u>The Settlement Is Fair and Reasonable</u>.

Courts presume the absence of fraud or collusion in the negotiation of settlement unless evidence to the contrary is offered. *See Priddy v. Edelman* (6th Cir. 1989) 883 F.2d 438, 447; *Mars Steel Corp. v. Continental Illinois Nat'l Bank & Trust Co.* (7th Cir. 1987) 834 F.2d 677, 682; *In re Chicken Antitrust Litig.* (N.D. Ga. 1980) 560 F. Supp. 957, 962. Courts do not substitute their judgment for that of the proponents, particularly where, as here, settlement has been reached with the participation of experienced counsel familiar with the litigation. *See Nat'l Rural Telecomms. Coop. v. DIRECTV, Inc.* (C.D. Cal. 2004) 221 F.R.D. 523, 528; *Hammon v. Barry* (D.D.C. 1990) 752 F. Supp. 1087, 1093; *Steinberg v. Carey* (S.D.N.Y. 1979) 470 F. Supp. 471, 478; *Sommers v. Abraham Lincoln Federal Sav. & Loan Ass'n* (E.D. Pa. 1978) 79 F.R.D. 571, 580.

While the recommendations of counsel proposing the settlement are not conclusive, the Court can properly take them into account, particularly where, as here, such counsel have been involved in discovery and negotiations for some period of time, appear to be competent, have experience with this type of litigation, and have exchanged substantial evidence with the opposing party. *See Newberg on Class Actions*, *supra*, §11.47; *In re Paine Webber Ltd. P'ships Litig.* (S.D.N.Y. 1997) 171 F.R.D. 104, 125 ("[s]o long as the integrity of the arm's length negotiation process is preserved, however, a strong initial presumption of fairness attaches to the proposed settlement . . . [citations] and 'great weight' is accorded to the recommendations of counsel, who are most closely acquainted with the facts of the underlying litigation").

Here, Plaintiffs' counsel has significant experience in wage and hour class action litigation. Kramer Decl., ¶ 5; Coleman Decl. ¶¶ 3-5. Indeed, Plaintiffs' counsel has been approved as class counsel in many other class action cases, including unpaid wage cases. *Id*.

Moreover, both class counsel and defense counsel conducted an intensive investigation of the factual allegations involved in this case. Kramer Decl. ¶ 6. The Parties have completed broad mutual formal and informal discovery and exchanged voluminous documents, records and other information. Kramer Decl. ¶¶ 7-11. Each side has apprised the other of their respective factual contentions, legal theories and defenses, resulting in arm's-length negotiations taking place among the Parties. *Id*.

The settlement for each participating class member is fair, reasonable and adequate, given the inherent risk of litigation, the risk relative to class certification and the costs of pursuing such litigation. Kramer Decl. ¶ 17. The settlement shall finally resolve all claims arising out of the facts alleged in the pleadings filed in this Action.

As noted, the settlement compensates class members for alleged unpaid wages as well as for amounts for meal and rest breaks, they claim not to have properly received. Kramer Decl. ¶¶ 12-28. It also compensates the individual named Plaintiffs for their claims and provides them with an additional incentive payment, thus taking into consideration the risks, time, effort, and expenses incurred by them in coming forward to provide invaluable information, negotiate, and litigate this matter on behalf of all class members. Kramer Decl. ¶ 18.

Fairness of the settlement is further demonstrated by the uncertainty and risks to Plaintiffs involved both in not prevailing on one or more of the causes of action or theories alleged in the complaint and in non-certification. If the class were not certified, several class members (whose individual claims, even accounting for interest and waiting time and other penalties, may not be large enough to provide incentive to litigate individually) might not maintain individual actions against Defendants.

Despite the asserted fairness of the settlement terms, should any potential class member, upon reviewing the notice of proposed settlement, object to the terms of the settlement as set forth in the Settlement, each has the right to submit a request for exclusion (*i.e.*, opt out) from the settlement, pursuant to which the class member would retain any claim he or she may have against Defendants. Moreover, class members who do not opt out may, upon providing proper notice to the Parties and the Court, attend the final fairness and approval hearing for the purpose of objecting to one or more of the settlement terms set forth in the Settlement.

2. **<u>There Exists No Conflicts Amongst the Parties or Counsel.</u>**

Neither any of the Class Counsel nor the Class Representative have any known conflicts with the Settlement Class, the Class Administrator, or the class. Kramer Decl., ¶ 29; Coleman Decl., ¶ 6; K. Johnson Decl., ¶ 5; M. Johnson Decl. ¶ 5. Plaintiff is unaware of any other pending matters or actions asserting claims that will be extinguished or adversely affected by the Settlement. Kramer Decl. ¶ 30.

IV. CONCLUSION

Based on the foregoing, the Parties request this Court, as part of its preliminary approval of the settlement, to do the following:

1. Review the proposed Settlement setting forth the settlement terms;
2. Consider whether the proposed settlement preliminarily appears to be fair, reasonable and adequate, and whether the proposed class of settling preliminarily appears to meet the applicable certification criteria.
3. Confirm Plaintiffs Karen Johnson and Matthew Johnson as Class Representatives and Class Counsel as: Kramer Brown Hui LLP and Law Offices of Christina M. Coleman, APC.
4. Approve Phoenix Class Action as Settlement Administrator.
5. Enter an Order provisionally approving the proposed settlement class on a non-mandatory basis, approve notice forms to be distributed to the class, direct notice to be given to the class, and set the following schedule of settlement proceedings:
    - Deadline for Providing Class List to Claims Administrator: 21 calendar days after order granting preliminary approval
    - Deadline for Service of Notices to the Class Members: 14 calendar days after

order granting preliminary approval

- Deadline for Postmark of Request for Exclusion, and/or Objections: 60 calendar days after service of Notice to Class Members
- Final Fairness Hearing and Final Approval: date to be set by the Court.

Dated: July 9, 2025 **KRAMER BROWN HUI LLP**

By: Jennifer Kramer

JENNIFER KRAMER
Attorney for Plaintiffs
Karen Johnson and Matthew Johnson