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Dane Carter and Josue Camargo Luna

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF ORANGE

DANE CARTER and JOSUE CAMARGO LUNA, individually, and on behalf of all others similarly situated,

Plaintiffs,

vs.

QUANTUM FUEL SYSTEMS LLC, a California limited liability company; and DOES 1 through 10, inclusive,

Defendants.

Case No. 30-2023-01334066-CU-OE-CXC
Related Case No. 30-2024-01378128-CU-OE-CXC

Assigned for all purposes to:
Hon. Melissa R. McCormick
Dept. CX105

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

<u>PRELIMINARY APPROVAL HEARING</u>
Date: January 8, 2026
Time: 2:00 p.m.
Dept.: CX105

Reservation Number: 74717264

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on January 8, 2026, at 2:00 p.m., or as soon thereafter as the matter may be heard in Department CX105 of the above-entitled Court, located at 751 W. Santa Ana Blvd., Santa Ana, CA 92701, plaintiffs Dane Carter and Josue Camargo Luna ("Plaintiffs") will and hereby does move this Court for an Order:

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

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

This Motion is based on this Notice of Motion, the accompanying Memorandum of Points and Authorities, the Declaration of John G. Yslas, the Declaration of Plaintiff Dane Carter, the Declaration of Josue Camargo Luna, the Declaration of Sean Hartranft, and on all records and documents on file, together with such oral and documentary evidence that may be presented at the hearing on this matter.

Respectfully submitted,

Dated: December 2, 2025

WILSHIRE LAW FIRM, PLC

By: Lisa Iturriaga

Lisa B. Iturriaga
Attorneys for Plaintiffs

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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Pursuant to California Rules of Court, Rule 3.769(d) and (e), Plaintiffs Dane Carter and Josue Camargo Luna ("Plaintiffs") seek preliminary approval of a class action settlement of wage and hour claims, including representative claims brought under the Private Attorneys' General Act of 2004 ("PAGA"), against defendant Quantum Fuel Systems, LLC ("Defendant"). The proposed Class is defined as all current and former hourly, non-exempt employees who were employed by Defendant, either directly or through any predecessor, successor, assign, subsidiary, staffing agency, or professional employer organization, in the State of California ("Class Members"), any time during the Class Period of January 2, 2019 through April 28, 2025 ("Class Period"). The main terms of the Settlement are as follows:

1. A Gross Settlement Amount of $1,250,000.00, which will be distributed to approximately 230 Class Members on a pro rata basis according to the total workweeks worked by each Class Member during the Class Period;
2. Attorneys' fees of up to one-third (1/3) of the Gross Settlement Amount (currently $416,666.67) and up to $30,000.00 in reimbursement of litigation costs to Plaintiffs' Counsel;
3. Class representatives service payments of up to $10,000.00 to each Plaintiff;
4. Costs of settlement administration of up to $6,990.00; and
5. Allocation of $75,000.00 to PAGA penalties, seventy-five percent (75%) of which ($56,250.00) will be paid to the Labor and Workforce Development Agency ("LWDA"), and twenty-five percent (25%) of which ($18,750.00) all current and former hourly, non-exempt employees employed by Defendant in the State of California at any time during the PAGA Period of October 1, 2022 through April 28, 2025 ("Aggrieved Employees").

The Settlement meets all criteria for preliminary approval and falls within the range of reasonableness given the risks and expenses of further litigation. The Settlement was reached through informed, arm's length bargaining between experienced attorneys with the assistance of an experienced neutral. As such, Plaintiffs request that the Court grant preliminary approval of the Settlement, conditionally certify the Class for settlement purposes only, appoint Plaintiffs as the Class Representatives, appoint Plaintiffs' Counsel as Class Counsel, appoint Apex Class Action ("APEX") as the Settlement Administrator, authorize the Settlement Administrator to administer notice of the Settlement to the Class, and set a final approval hearing date.

II. PROCEDURAL HISTORY

On June 29, 2023, Plaintiffs filed this action as a putative class action against defendant Quantum Fuel Systems, LLC ("Defendant") alleging: (1) failure to pay minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay final wages at termination; (6) failure to provide accurate itemized wage statements; (7) failure to indemnify employees for expenditures; (8) failure to produce requested employment records; and (9) unfair business practices. Declaration of John G. Yslas in Support of Motion for Preliminary Approval of Class Action and PAGA Settlement ("Yslas Decl.") at ¶ 3.

On December 5, 2023, Plaintiffs provided written notice to the LWDA and Defendant of their intention to file a PAGA claim. Yslas Decl. at ¶ 4. The LWDA did not notify Plaintiffs that it intended to investigate within 65 days of this written notice. *Id*. Therefore, on February 8, 2024, Plaintiffs filed a separate action alleging a claim under PAGA, Case No. 30-2024-01378128-CU-OE-CXC (the "PAGA Action"). *Id.*

The Parties subsequently participated in a private all-day mediation with mediator Steven Serratore on February 27, 2025. *Id.* at ¶ 5. The negotiations were adversarial, conducted at arm's length, and tempered by the efforts of both sides to serve the interests of their clients. *Id.* The Parties were ultimately able to reach an agreement on general settlement terms. *Id.* The parties negotiated the terms of the Settlement over the next several months, which was finalized in October 2025. *Id.* at ¶ 6, Exhibit 1 ("Settlement Agreement"). On December 2, 2025, Plaintiffs submitted a copy of the Settlement Agreement to the LWDA. *Id.* at ¶ 7, Exhibit 2.

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III. SUMMARY OF THE SETTLEMENT TERMS

A. Terms of the Proposed Settlement

The parties have agreed to settle the claims alleged in this case and the related PAGA Action for a Gross Settlement Amount of $1,250,000.00. Settlement Agreement at § 3.1. Subject to Court approval, the following payments will be deducted from the Gross Settlement Amount: (1) class representatives service payments of up to $10,000.00 to each Plaintiff; (2) attorneys' fees of up to one-third (1/3) of the Gross Settlement Amount (currently $416,666.67) and reimbursement of litigation costs of up to $30,000.00 to Plaintiffs' Counsel; (3) costs of settlement administration of up to $6,990.00 to APEX; (4) individual class payments to Class Members; and (5) PAGA penalties in the amount of $75,000.00, which will be allocated 75% to the LWDA ($56,250.00) and 25% to Aggrieved Employees ($18,750.00). *Id.* at § 3.2.1-3.2.5. After all requested deductions are made, the remaining Net Settlement Amount is currently estimated to be $701,343.33.

Individual class payments will be calculated based on the number of workweeks worked by each Class Member during the Class Period. *Id*. at § 3.2.4. For tax purposes, the individual class payments will be allocated 25% to wages and 75% to penalties, interest, and reimbursement of expenses. *Id*. at § 3.2.4.1. Defendant will separately pay any and all employer payroll taxes owed on the wage positions of the individual class payments separate from the Gross Settlement Amount. *Id*. at 3.1.

Individual PAGA payments to Aggrieved employees will be calculated based on the number of pay periods worked by each Aggrieved Employee during the PAGA Period. *Id*. at § 3.2.5.1. For tax purposes, the individual PAGA payments will be allocated 100% to penalties. *Id.*

Any deductions not approved by the Court will be retained by the Settlement Administrator in the Net Settlement Amount. *Id.* at § 3.2, *et seq*. Funds from any uncashed checks will be transmitted by the Settlement Administrator to California Controller's Unclaimed Property Fund. *Id.* at § 4.4.3. None of the Gross Settlement Amount will revert to Defendant. *Id*. at § 3.1.

B. Proposed Settlement Administration

The parties' proposed Class Notice complies with the requirements of California Rules of Court, Rule 3.766(d). *See* Exhibit A to Settlement Agreement. It provides information regarding the nature of this lawsuit, a summary of the settlement terms, the formula used for calculating individual class and PAGA payments and instructions to dispute the calculations, instructions on how to opt-out of or object to the Settlement, the date, time, and location of the final approval hearing, and the amounts sought for the class representative service payment, attorneys' fees and litigation costs, and settlement administration costs. *See generally, id*. The Class Notice also notifies Class Members that they do not need to submit a claim in order to participate in the Settlement and receive a payment. *See id*. The Settlement Administrator will mail Class Members the Class Notice by first-class mail in English and in Spanish. Settlement Agreement at § 7.4.2.

If a Class Notice is returned as undeliverable, the Settlement Administrator will re-mail the Class Notice within 5 calendar days to the forwarding address provided by the U.S. Postal Service. *Id*. at § 7.4.3. If no forwarding address is provided, the Settlement Administrator will conduct a Class Member Address Search and re-mail the Class Notice to the most current address obtained. *Id.* The deadline to opt-out of the Settlement or to submit an objection or dispute will be extended by 14 days for all Class Members whose Class Notice was remailed. *Id*. at §7.4.4.

C. Proposed Release

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from: (i) all claims transactions, debts, liabilities, demands, actions, causes of action or occurrences of every nature and description that accrued during the Class Period, under state law and the Wage Orders of the California Industrial Welfare Commission, that were alleged or which could have been alleged based on the factual allegations in the First Amended Complaint in the Action, including, but not limited to: that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Class Complaint and ascertained in the course of the Action including, failure to pay wages, failure to authorize and permit rest periods, failure to indemnify for business expenses, failure to issue proper wage statements, failure to timely pay wages, failure to maintain required payroll records, failure to provide meal periods, and related allegations for the Class Period and (b) all claims arising under California Labor Code Sections 201-204, 206, 218.6, 226, 226.7, 510, 512, 1182.12, 1194, 1194.2, 1197, 1198, 2800, 2802, and/or those arising under the Industrial Welfare Commission Wage Orders, California Business and Professions Code section 17200 et seq., California Code of Regulations, title 8, Section 11160, California Civil Code sections 3287, 3289, and 3294, and California Code of Civil Procedure section 1021.5. Except as set forth in Section 5.4 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period. (collectively the "Released Class Claims"). Settlement Agreement at § 5.3.

All Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from any and all claims, debts, liabilities, demands, actions, or causes of action of every nature and description that accrued during the PAGA Period, under state law and the California Labor Code, that were alleged or which could have been alleged based on the exhausted claims and factual allegations in Plaintiff's notices sent to the LWDA and alleged in the operative complaint, regardless of whether the Aggrieved Employees opt-out of the Settlement Agreement, including claims for civil penalties based on unpaid wages, including but not limited to failure to pay minimum wages, straight time compensation, overtime compensation, double time compensation and interest; failure to timely pay regular and final wages; failure to reimburse business expenses; missed meal period and rest period wages and premiums; meal period waivers and on-duty meal period waivers; payment for all hours worked; wage statements and paystubs, including wage statements and paystubs furnished or available in physical, electronic, or other forms; failure to keep accurate records; penalties, including recordkeeping penalties, wage statement penalties, minimum-wage penalties, and waiting-time penalties; statutory penalties and civil penalties; and attorneys' fees and costs. Without limiting the foregoing, the PAGA Released Claims include claims for civil penalties arising under California Labor Code Sections 201, 202, 203, 204, 206, 210, 226, 226.3, 226.7, 227.3, 246, 510, 512, 558, 1174, 1174.5, 1194, 1197, 1197.1, 1198, 2698 et seq., 2800, and 2802, and/or those arising under the Industrial Welfare Commission Wage Orders; PAGA; and/or those arising under the Industrial Welfare Commission Wage Orders; California Code of Regulations, title 8, Section 11160; and California Code of Civil Procedure section 1021.5s (collectively the "Released PAGA Claims"). *Id.* at § 5.4. Only Plaintiffs will agree to a general release and a waiver of Civil Code § 1542. *Id.* at §§ 5.1 – 5.2.

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

A. Provisional Certification of the Class is Appropriate

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

1. The Proposed Class is Numerous and Ascertainable

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

The Class here consists of all current and former hourly, non-exempt employees who were employed by Defendant, either directly or through any predecessor, successor, assign, subsidiary, staffing agency, or professional employer organization, in the State of California, at any time during the Class Period. *See* Settlement Agreement at §§ 1.5, 1.13. The Class is also readily ascertainable from Defendant's business records, because all Class Members are or were employees of Defendant. *Id*. Defendant's records show there are approximately 230 Class Members, making joinder of all Class Members impracticable. Yslas Decl. at ¶ 9.

2. A Well-Defined Community of Interest Exists

The community of interest requirement embodies three factors: (1) predominant common questions of law or fact; (2) class representatives with claims or defenses typical of the class; and (3) class representatives who can adequately represent the class. *Brinker*, 53 Cal.4th at 1021.

a. Common Questions Predominate

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

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

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b. Plaintiffs are Typical of the Class

Typicality does not require that the representative plaintiff's claims and those of the class members be identical or perfectly aligned. *Wershba v. Apple Computer, Inc.*, 91 Cal.App.4th 224, 228 (2001), disapproved on other grounds by *Hernandez v. Restoration Hardware, Inc.*, 4 Cal.5th 260, 269-280 (2018). Typicality does not require that a plaintiff's claims be identical to those of other class members, only that their claims and the defenses applicable to them are sufficiently similar to those of other class members that a named plaintiff is able to adequately represent the class and focus on common issues. *Medrazo v. Honda of North Hollywood*, 166 Cal.App.4th 89, 99 (2008).

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

c. Plaintiffs and Plaintiffs' Counsel Will Adequately Represent the Class

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

Plaintiffs' interests are coextensive with Class Members' interests. Yslas Decl. at ¶ 30. Plaintiffs have demonstrated an ability to advocate for the interests of Class Members by initiating this lawsuit, gathering documents and information, being available on the day of mediation to answer questions, meeting with their attorneys to understand the claims and theories of liability at issue, assisting their attorneys in preparation for mediation, communicating with their attorneys for regular updates, and reviewing the proposed Settlement. *Id.* at ¶¶ 30-34; *See generally* Declaration of Plaintiff Dane Carter in Support of Motion for Preliminary Approval of Class Action and PAGA Settlement ("Carter Decl."); *also see* Declaration of Plaintiff Josue Carmargo Luna in Support of Motion for Preliminary Approval of Class Action and PAGA Settlement ("Luna Decl.").

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

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

Courts have held that class treatment of wage and hour claims is clearly "superior to the other available methods for the fair and efficient adjudication of the controversy." *Dean Witter Reynolds, Inc. v. Superior Court*, 211 Cal.App.3d 758, 772-773 (1989). This is so because "[p]ublic policy has long favored the 'full and prompt payment of wages due an employee.'" *Sav-On Drug Stores, Inc. v. Superior Court*, 34 Cal.4th 319, 340 (2004). Here, a class action is superior to a multitude of individual lawsuits. Given the size and amount of each Class Members' claim, Class Members have little incentive to litigate their claims on an individual basis because the out-of-pocket expenses and personal commitment necessary to litigate each claim likely outweighs any potential recovery. Yslas Decl. at ¶ 9. Therefore, a class action is the superior method for seeking relief.

B. The Settlement Meets the Standards for Preliminary Approval

The moving party must demonstrate that "the settlement is fair, adequate and reasonable." *Kullar v. Foot Locker Retail, Inc.*, 168 Cal.App.4th 116, 126 (2008). "In determining whether a class settlement is fair, adequate, and reasonable, the trial court should consider relevant factors, such as the strength of plaintiffs' case, the risk, expense, complexity and likely duration of further litigation, the risk of maintaining class action status through trial, the amount offered in settlement, the extent of discovery completed and the stage of the proceedings, the experience and views of counsel, the presence of a governmental participant, and the reaction of the class members to the proposed settlement." *Wershba*, 91 Cal.App.4th at 244-245 (internal quotations and citations omitted).

1. The Settlement is Entitled to a Presumption of Fairness

A settlement is entitled to "a presumption of fairness . . . where : (1) the settlement is reached through arm's length bargaining; (2) investigation and discovery are sufficient to allow counsel and the court to act intelligently; (3) counsel is experienced in similar litigation; and (4) the percentage of objectors is small." *Dunk v. Ford Motor Co.*, 48 Cal.App.4th 1794, 1801 (1996). The Settlement here satisfies the first three factors. Plaintiffs will analyze the fourth factor at final approval after Class Members have been notified of the Settlement and provided with an opportunity to object.

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

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

b. <u>Sufficient Investigation and Discovery Have Been Conducted</u>

Prior to attending mediation, Plaintiffs' Counsel thoroughly investigated the claims, applicable law, and potential defenses. *Id.* at ¶ 8. Plaintiffs' Counsel assessed the value to the class claims using the documents and data Defendant produced in informal discovery, including class data providing the number of Class Members, the number of workweeks in the Class Period, and the number of pay periods in the PAGA Period, Plaintiffs' personnel files, employment handbook and policies, job descriptions, and time and payroll records. *Id.*

c. <u>Plaintiffs' Counsel is Experienced in Similar Litigation</u>

Plaintiffs are represented by Wilshire Law Firm, PLC. *Id.* at ¶ 18. Plaintiffs' Counsel have extensive experience litigating wage and hour class actions on behalf of employees. *See id.* at ¶¶

19-29. Plaintiffs' Counsel have been involved as counsel in numerous class actions that have resulted in millions of dollars in recovery. *See id.*

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

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

Minimum and Overtime Wages: Plaintiffs' unpaid minimum and overtime wage claims were based on the allegations that Defendant's maintained a practice of unlawfully rounding employees' time and Defendant required Class Members to perform work duties, in lieu of meal periods and/or rest breaks, and after clocking out. *Id.* at ¶ 12. Based on Plaintiffs' estimate that they worked a total of 1 hour off-the-clock each week, Plaintiffs' Counsel assumed each Class Member worked 1-hour off-the-clock per week in calculating potential exposure to be approximately $902,745.00 for these claims. *Id.* However, Defendant argued that any off-the-clock time was undocumented and unknown to Defendant, and that Defendant was therefore not obligated to pay for this time. *Id.* Because this claim would have relied heavily on Class Member testimony and would not be evidenced in Defendant's time and payroll records, the risk of succeeding at class certification was substantial. *Id.* Accordingly, Plaintiffs' Counsel applied a risk discount based on a 40% chance of succeeding at class certification and a 35% chance of succeeding at trial on the merits, yielding a realistic estimate of approximately $126,384.30 ($902,745.00 x 40% x 35%), or approximately 10% of the Gross Settlement Amount. *Id.*

Meal Periods: Plaintiffs' meal period claims were based on the allegations that Defendant failed to maintain a policy and practice of providing meal periods and/or paying meal period premiums when its time records showed Class Members' meal periods were late, short, or missed. *Id.* at ¶ 13. Plaintiffs' Counsel found a violation rate of approximately 38.9% in Defendant's time and payroll records and calculated potential exposure on this claim to be approximately

$1,123,736.98. *Id.* However, Defendant argued that Class Members signed meal period waivers and/or on-duty meal period agreements. *Id.* Accordingly, Plaintiffs' Counsel applied a risk discount based on a 60% chance of succeeding at class certification and a 50% chance of succeeding at trial on the merits, yielding a realistic damage estimate of approximately $337,121.09 ($1,123,736.98 x 60% x 50%), or approximately 27% of the Gross Settlement Amount. *Id.*

Rest Breaks: Plaintiffs' rest break claims were based on the allegations that Defendant failed to maintain a policy and/or practice of providing rest breaks and/or paying rest break premiums when Class Members' rest breaks were late, short, or missed. *Id.* at ¶ 14. Plaintiffs' Counsel applied a 100% violation rate to all shifts over 3.5 hours and calculated a potential exposure of $2,888,784.00 for this claim. *Id.* However, Defendant argued that a 100% violation rate was unrealistic and that its handbook provided a rest break policy. *Id.* Because this claim would have relied exclusively on Class Member testimony, Plaintiffs' Counsel applied a risk discount based on a 40% chance of succeeding at class certification and a 40% chance of succeeding at trial on the merits, yielding a realistic damage estimate of approximately $462,205.44 ($2,888,784.00 x 40% x 40%), or approximately 37% of the Gross Settlement Amount. *Id.*

Reimbursements: Plaintiffs' reimbursement claim was based on the allegation that Defendant required Class Members to use their personal cell phones for work, such as but not limited to, communicating with supervisors to discuss work-related tasks and scheduling, and sending photos of work-related updates and purchase specific work attire (e.g., boots) for work-related matters. *Id.* at ¶ 15. Based on Plaintiffs' estimate that they incurred approximately $30 in unreimbursed expenses per month, Plaintiffs' Counsel assumed each Class Member incurred $30 in unreimbursed expenses per month in calculating potential exposure to be approximately $202,500.00 for this claim. *Id.* However, Defendant argued that these expenses were not required by Defendant, and that it could not have known that these expenses were being incurred. *Id.* As such, Plaintiffs' Counsel applied a risk discount based on a 60% chance of succeeding at class certification and a 50% chance of succeeding at trial on the merits, yielding a realistic damage estimate of approximately $60,750.00 (202,500.00 x 60% x 50%), or approximately 5% of the Gross Settlement Amount. *Id.*

<u>Derivative Penalties</u>: Plaintiffs alleged that as a result of Defendant's alleged failure to pay all wages and meal and rest period premiums owed, Defendant owed waiting time penalties and wage statement penalties. *Id.* at ¶ 16. However, Defendant argued that it had good faith defenses that made the imposition of these penalties unwarranted. *Id.* Moreover, Plaintiffs could not recover these penalties if they failed to prove the underlying claims. *Id.* Although Plaintiffs' Counsel calculated that potential exposure for the waiting time penalty claim was approximately $689,028.48 and approximately $724,000.00 for the wage statement penalty claim, Plaintiff's Counsel could not attribute a high value to these claims. *Id.* As such, Plaintiffs' Counsel applied a risk discount based on a 40% chance of succeeding at class certification and a 35% chance of succeeding at trial on the merits for the waiting time penalty claim, yielding a realistic damage estimate of approximately $96,463.99 ($689,028.48 x 40% x 35%) and a risk discount based on a 40% chance of succeeding at class certification and a 40% chance of succeeding at trial on the merits for the wage statement penalty claim, yielding a realistic damage estimate of approximately $115,840.00 ($724,000.00 x 40% x 40%). *Id.*

<u>PAGA</u>: For the PAGA claim, Plaintiffs' Counsel determined that Defendant's potential exposure could potentially reach $685,300.00, assuming the initial $100 penalty would apply for each of the 6,853 pay periods in the PAGA Period. *Id.* at ¶ 17. However, even assuming success on the merits of each claim, PAGA gives the Court discretion to reduce penalties for a variety of reasons, including where to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory. *Id.* Therefore, the settlement allocates $75,000.00 of the Gross Settlement Amount to PAGA, or approximately 6% of the Gross Settlement Amount. *Id.*

Class Members will receive approximately $25.98 per Workweek. Yslas Decl. at ¶ 35. As such, Class Members will receive an estimated *high* payment of $8,104.41, an estimated *average* payment of $3,049.32, and an estimated *low* payment of $25.98. *Id*. Plaintiff Luna's Individual Class Payment is estimated to receive $1,137.73 and Plaintiff Carter's Individual Class Payment is estimated to receive $794.86. *Id*. Aggrieved Employees will receive approximately $2.74 per

Pay Period. Yslas Decl. at ¶ 36. As such, Aggrieved Employees will receive an estimated *high* payment of $345.83, an estimated *average* payment of $103.59, and an estimated *low* payment of $2.74. *Id*. Plaintiff Luna's Individual PAGA Payment is estimated to receive $48.70 and Plaintiff Carter's Individual PAGA Payment is estimated to receive $37.76. *Id*.

C. The Requested Service Payment is Reasonable

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

Throughout this case, Plaintiffs assisted counsel in gathering evidence necessary to prosecute the claims, maintained regular contact with counsel, was available on the day of mediation to answer questions, and reviewed the Settlement to ensure it was fair to the Class. Yslas Decl. at ¶ 30-34; *See generally* Carter Decl.; *also see* Luna Decl. No action would likely have been taken by Class Members individually and no compensation would have been recovered for them, but for Plaintiffs' services on behalf of the Class. By actively pursuing this action, Plaintiffs furthered the California public policy goal of enforcing the State's wage and hour laws. *See Sav-On*, 34 Cal.4th at 340. The requested class representatives' service payments are reasonable and should be preliminarily approved. Plaintiffs will provide additional information as requested or required by the Court at final approval.

D. The Requested Attorneys' Fees and Costs Are Reasonable

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

Plaintiffs seek appointment of Wilshire Law Firm, PLC as Class Counsel. The attorneys performed significant work and expended litigation costs in prosecuting this matter with no guarantee of payment. Yslas Decl. at ¶ 18. Plaintiffs' Counsel seek preliminary approval for $416,666.67 in attorneys' fees, which is up to one-third (1/3) of the Gross Settlement Amount, and up to $30,000.00 in reimbursement of litigation costs. Given the work performed in this matter, the extensive information exchange, and the substantial recovery obtained on behalf of the Class, Plaintiffs' Counsel achieved a settlement through efficient and diligent work. *See generally*, Yslas Decl. At final approval, Plaintiffs' Counsel will fully brief the merits of its request for the award of attorneys' fees and litigation costs.

V. CONCLUSION

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

Respectfully submitted,

Dated: December 2, 2025 **WILSHIRE LAW FIRM, PLC**

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