HAINES LAW GROUP, APC
Paul K. Haines (SBN 248226)
phaines@haineslawgroup.com
Fletcher W. Schmidt (SBN 286462)
fschmidt@haineslawgroup.com
Matthew K. Moen (SBN 305956)
mmoen@haineslawgroup.com
Susan J. Perez (SBN 329044)
sperez@haineslawgroup.com
2155 Campus Drive, Suite 180
El Segundo, California 90245
Tel: (424) 292-2350
Fax: (424) 292-2355

Attorneys for Plaintiff

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

JOSE MORAN, as an individual and on behalf of all others similarly situated,

Plaintiff,

vs.

ARACA MERCHANDISE L.P., a New York Limited Partnership; ARACA INK LLC, a Delaware limited liability company; ARACA HOLDINGS LLC, a New York limited liability company; and DOES 3 through 100,

Defendants.

CASE NO. 24STCV02003

[Case assigned for all purposes to the Hon. William F. Highberger, Dept. SSC-10]

PLAINTIFF'S NOTICE OF MOTION AND MOTION FOR FINAL APPROVAL OF CLASS AND PAGA ACTION SETTLEMENT, ATTORNEYS' FEES AND COSTS, AND CLASS REPRESENTATIVE SERVICE PAYMENT

Date: August 21, 2026
Time: 10:00 a.m.
Dept.: SSC-10

Action Filed: January 24, 2024
SAC Filed: August 27, 2025
Trial Date: None Set

PLEASE TAKE NOTICE that on August 21, 2026, at 10:00 a.m., or as soon thereafter as the matter may be heard in Department 10 of the Los Angeles County Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012, Plaintiff Jose Moran ("Plaintiff"), as an individual and on behalf of a class of similarly situated individuals, will and hereby does move this Court for entry of an Order pursuant to California Code of Civil Procedure § 382 and Rule 3.769 of the California Rules of Court:

1. Confirming the certification for the Settlement Class for settlement purposes only under California Code of Civil Procedure § 382;
2. Confirming the appointment of Plaintiff Jose Moran as the Class Representative for settlement purposes;
3. Confirming the appointment of Paul K. Haines, Fletcher W. Schmidt, Matthew K. Moen, and Susan J. Perez of Haines Law Group, APC, as Class Counsel for settlement purposes;
4. Granting final approval of the proposed Class Action and PAGA Settlement Agreement and Class Notice ("Settlement Agreement");
5. Approving an award of $138,333.33 in attorneys' fees to Class Counsel;
6. Approving an award of $22,506.48 in actual litigation cost reimbursement to Class Counsel;
7. Approving an award of $6,990.00 in costs to Apex Class Action Administration, for its settlement administration services;
8. Approving a Class Representative Service Payment of $7,500.00 to Plaintiff Jose Moran, for his service as Class Representative;
9. Approving an award of $40,000.00 for civil penalties under the Private Attorneys General Act ("PAGA"), $30,000.00 of which will be paid to the California Labor and Workforce Development Agency ("LWDA") and $10,000.00 of which will be paid to the Aggrieved Employees; and
10. Entering final judgement in the form of the [Proposed] Order Granting Plaintiff's Motion for Final Approval of Class and PAGA Action Settlement, Attorney's Fees

and Costs, and Class Representative Service Payment, and Final Judgement (the "[Proposed] Order and Judgement") submitted herewith.

This Motion is made on the following grounds: (1) the Settlement Class continues to meet the requirements for class certification for settlement purposes only under Code of Civil Procedure § 382; (2) Plaintiff and Class Counsel continue to be adequate representatives of the Settlement Class; (3) the Settlement is a fair, adequate, and reasonable compromise of disputed wage and hour claims; (4) the requested awards of attorneys' fees and costs, the Class Representative Service Payment, the LWDA payment for its share of PAGA penalties, and settlement administration costs are all fair, adequate, and reasonable; and (5) in light of the foregoing, the [Proposed] Order and Judgment submitted concurrently herewith should be entered so as to give finality to, and allow for disbursements from, the Settlement.

This Motion is based on this Notice of Motion; the attached Memorandum of Points and Authorities; the supporting declarations of Matthew K. Moen, Paul K. Haines, Fletcher W. Schmidt, Susan J. Perez, Plaintiff Jose Moran,[1] and Beth Paris of Apex Class Action Administration, and the exhibits attached thereto; the Settlement Agreement; all other pleadings and papers on file in this action; and any further oral or documentary evidence or argument presented at the time of hearing.

Dated: July 28, 2026

Respectfully submitted,
HAINES LAW GROUP, APC

By: Matthew K. Moen
Matthew K. Moen
Attorneys for Plaintiff

[1] Plaintiff Jose Moran previously submitted a declaration in support of preliminary settlement approval on October 17, 2025. For the convenience of the Court, Plaintiff is re-submitting his declaration with the current filing.

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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Plaintiff Jose Moran ("Plaintiff") hereby submits the following Memorandum of Points and Authorities in support of his Motion for Final Approval of Class and PAGA Action Settlement (the "Settlement") on behalf of all current and former non-exempt employees who worked for Defendants Araca Merchandise L.P., Araca Ink LLC, and/or Araca Holdings LLC (collectively, "Defendants") in California between January 24, 2020, and January 24, 2025 (the "Class Period"). Plaintiff and Defendants are collectively referred to as "the Parties."

This non-revisionary $415,000.00 Settlement provides for Individual Class Payments to all 254 participating Settlement Class Members without the need to submit a claim form. The average Individual Class Payment is approximately $786.10, and the highest Individual Class Payment is expected to be approximately $3,020.89. *See* Declaration of Beth Paris ("Paris Decl."), ¶ 18. The Settlement also resolves Plaintiff's representative claim under the Private Attorneys General Act, Labor Code § 2698, *et seq*. ("PAGA"), providing compensation to the State of California and 195 Aggrieved Employees. Average Individual PAGA Payments are approximately $51.28, with the highest Individual PAGA Payments expected to be $131.26. *Id*., ¶ 20. This Settlement represents a fair and reasonable resolution of the disputed wage and hour claims at issue in this case in light of the significant litigation risks and defenses raised by Defendants. Following the mailing of the Court-approved notice, no Settlement Class Member objected to or opted out from participation, resulting in a 100% participation rate. *Id*., ¶¶ 12-15.

As discussed below, the Court should grant Plaintiff's Motion because: (1) the Settlement Class continues to satisfy the requirements for certification under Code of Civil Procedure § 382; (2) the Settlement is fair, adequate, and reasonable compromise of the disputed claims in this case; and (3) the requested awards for attorneys' fees and costs, the Class Representative Service Payment, the California Labor and Workforce Development Agency ("LWDA") payment, and settlement administration expenses are all reasonable and supported. Accordingly, the Court should enter the [Proposed] Order and Judgment submitted herewith.

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II. FACTUAL AND PROCEDURAL BACKGROUND

Defendants operate an international company specializing in theatrical production and merchandising promotional products. *See* Declaration of Matthew K. Moen Decl. ("Moen Decl."), ¶ 11. Plaintiff was initially hired in 2015 by Defendants as a non-exempt "Assistant Press Operator" in their Receiving/Screen Printing Department. *Id*.; Declaration of Jose Moran ("Moran Decl."), ¶ 2. Like all Settlement Class Members, Plaintiff was subject to Defendants' wage and hour policies and practices. *Id*., ¶¶ 2-3.

On January 24, 2024, Plaintiff filed the initial complaint in this action, alleging Defendant Araca Merchandise L.P. and DOE defendants failed to: (i) pay all overtime wages owed; (ii) pay all minimum wages owed; (iii) provide all lawful meal periods; (iv) authorize and permit all lawful rest periods; (v) reimburse all necessary business expenses; (vi) issue accurate and itemized wage statements; (vii) pay all wages due upon separation of employment; and (viii) comply with California's Unfair Competition laws. *See* Moen Decl., ¶ 12. On April 2, 2024, Plaintiff filed a First Amended Class and Representative Action Complaint, adding a cause of action for civil penalties under PAGA. *Id*. On March 17, 2025, Plaintiff filed DOE amendments to the operative complaint, identifying defendants Araca Ink LLC and Araca Holdings LLC as DOES 1 and 2, respectively. *Id*.

On June 4, 2025, Plaintiff submitted a supplemental PAGA letter to exhaust his administrative remedies against the two additional DOE defendants and to notify the LWDA of additional factual allegations and Labor Code violations supporting the underlying PAGA claim. *See* Moen Decl., ¶ 13. On August 27, 2025, after exhausting his administrative remedies with the LWDA, Plaintiff filed the operative Second Amended Class and Representative Action Complaint in this action to include the additional factual allegations and Labor Code violations supporting the underlying PAGA claim to align with all of the claims and matters discussed and settled during the Parties' mediation. *Id*.

In connection with mediation, Defendants provided Plaintiff with timekeeping and payroll records for nearly all the Settlement Class Members spanning the entire Class Period up to that time, as well as key policy documents and data points. *See* Moen Decl., ¶ 14. Plaintiff then retained an expert to analyze the produced data and create a class-wide exposure model for the claims at issue. *Id*. On November 19, 2024, the Parties participated in a mediation session with Marc Feder, Esq., an experienced and respected wage and hour mediator, during which the Parties exchanged divergent views on Defendants' liability and exposure valuations, their legal positions, and the likelihood of certification of Plaintiff's claims. *Id*. At the conclusion of mediation, the Parties ultimately reached an agreement to resolve all claims at issue on a class-wide basis. *Id*. Over the following months, the Parties finalized the terms of the proposed Class Action and PAGA Settlement Agreement and Class Notice ("Settlement Agreement"), which the Court preliminarily approved on March 16, 2026. *Id*.; *see* Exhibit 1 (Preliminary Approval Order). On October 17, 2025, Plaintiff submitted the Settlement Agreement and all moving papers to the LWDA in association with the filing of the Motion for Preliminary Approval, and on March 23, 2026, Plaintiff submitted the revised proposed order filed in support thereof to the LWDA. *Id*.; *see* Exhibit 2 (LWDA Settlement Submission and Confirmation).

On April 28, 2026, the Court-appointed Settlement Administrator, Apex Class Action Administration ("Apex"), mailed the Court Approved Notice of Class Action and PAGA Settlement and Hearing Date for Final Court Approval ("Class Notice") via U.S. First Class Mail to all 254 potential Settlement Class Members. *See* Paris Decl., ¶ 7. After the initial mailing, however, a print sorting error was identified that led to Class Notices being mailed to incorrect addresses. *Id*., ¶ 8. As such, The Class Notices were remailed to the correct addresses on May 5, 2026. *Id*. After the remailing, Settlement Class Members had until June 29, 2026, to submit any disputes, objections or requests for exclusion (the "Response Deadline"). *Id*., ¶¶ 11-14. After the Response Deadline passed, zero Settlement Class Members have objected to or opted out from the Settlement, resulting in a 100% participation rate. *Id*., ¶¶ 12-15. Plaintiff now respectfully submits the Settlement for this Court's final approval.

III. SUMMARY OF THE SETTLEMENT AND NOTICE PROCESS

A. Settlement Class Definition

The Settlement Class includes: all current and former non-exempt employees who worked for Defendants in California between January 24, 2020, and January 24, 2025. *See* Moen Decl.,

Exhibit 1. Further, the Aggrieved Employees includes: all current and former non-exempt employees who worked for Defendants in California between March 21, 2022, and March 16, 2026 (the "PAGA Period")." *Id*.

B. <u>Monetary Terms</u>

Defendants will pay a non-reversionary Gross Settlement Amount ("GSA") of $415,000.00. *See* Settlement Agreement, §§ 1.21, 3.1. The Net Settlement Amount ("NSA") is the remainder after deducting Court-approved amounts for attorneys' fees ($138,333.33), verified cost reimbursement ($22,506.48), the Class Representative Service Payment ($7,500.00), settlement administration costs ($6,990.00), the Individual PAGA Payments (totaling $10,000.00), and the LWDA PAGA Payment ($30,000.00). *See Id*, § 1.27 Moen Decl., ¶ 15, Exhibit 3 (Expense Summary).[2] Based on these requested amounts, the NSA is calculated to be approximately $199,670.19. *See* Paris Decl., ¶ 16.

For tax purposes, each Individual Class Payment will be allocated as 10% wages (subject to applicable withholdings) to be reported on an IRS Form W-2, and 90% interest and penalties (not subject to withholdings) to be reported on an IRS Form 1099. *See* Settlement Agreement, § 3.2.4.1. The Individual PAGA Payments payable to the Aggrieved Employees will be allocated as 100% penalties to be reported on an IRS Form 1099. *Id*., § 3.2.5.2 Further, Defendants will separately pay the employer's share of payroll taxes separate and apart from, and in addition to, the GSA. *Id*., § 3.1.

C. <u>Summary of Notice Process</u>

On April 14, 2026, Defendants provided Apex with data files containing the names, Social Security numbers, last known mailing addresses, telephone numbers, and workweek and pay

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[2] Plaintiff's Counsel's expense summary identifies Plaintiff's Counsel's to-date out of pocket expenses as $22,094.57. Moen Decl., Exhibit 3. Although Plaintiff's Counsel's expense summary identifies Plaintiff's Counsel's to-date out of pocket expenses as $22,094.57, the total amount that Plaintiff's Counsel is requesting for expense reimbursement ($22,506.48) includes an additional $411.91 in anticipated future costs for the filing of this motion and provision of courtesy copies to the Court, and the filing of a Final Accounting Declaration, and the $49 monthly cost associated with maintaining CaseAnywhere through the date the Court enters judgment in this action, which will be incurred by Plaintiff's counsel following the filing of this motion. *Id*., ¶16.

period information for each potential Settlement Class Member during the Class Period. *See* Paris Decl., ¶ 5. After verifying and updating addresses using the National Change of Address database, Apex mailed the Court-approved Class Notice to all 254 potential Settlement Class Members on April 28, 2026. *Id*., ¶¶ 6-7. Shortly after the initial mailing, Apex became aware of a print sorting error which caused the Class Notices to be sent to incorrect addresses. *Id*., ¶ 8. As such, Apex promptly remailed the Class Notices on May 5, 2026, to the correct mailing addresses. *Id*., ¶ 8. Following the corrective mailing, 24 Class Notices were returned. *Id*., ¶ 9. Apex performed a skip trace to locate updated addresses, resulting in the successful re-mailing of 14 Class Notices. *Id*. Ultimately, only 10 Class Notices were undeliverable. *Id*., ¶ 10. Settlement Class Members had until June 29, 2026, to submit objections, disputes, or requests for exclusion, while the deadline for remailed Class Notices was on July 13, 2026. *Id*., ¶¶ 11-14. As of the date of this filing, Apex received no objections, no requests for exclusion, and no disputes, resulting in a 100% participation rate. *Id*., ¶¶ 12-15.

D. <u>Timing of Payments</u>

Defendants will deposit the GSA ($415,000.00) with the Settlement Administrator no later than 30 days after the "Effective Date."[3] *See* Settlement Agreement, §§ 1.17, 4.3. Within 5 business days after Defendants fund the GSA, the Administrator will provide a draft of its distribution calculations Plaintiff's counsel and Defendants' counsel. *Id*., § 4.4. The Settlement Administrator shall not distribute any settlement funds until Plaintiff's counsel and Defendants' counsel have approved the distribution summary. *Id*. Within 10 business days after Defendants fund the GSA, and conditioned upon Plaintiff's counsel and Defendants' counsel having approved the Settlement Administrator's distribution calculations, the Settlement Administrator will mail

[3] The Effective Date is defined, in sum, as: (1) if no objection to the Settlement is made, the date when the Court has granted final approval of the Settlement, including the settlement of the PAGA claim, and has entered and filed the Final Approval Order and Final Judgment contained therein; or, (2) in the event there are objections or appeals to the Settlement, the Effective Date shall be "sixty-five (65) calendar days after the date the Court grants Final Approval to the Settlement provided there is no appeal or other pending legal challenge to the Settlement" and/or all appeals are resolved in favor of the Settlement. *See* Settlement Agreement, § 1.17.

each Settlement Class Member's Individual Class Payment and each Aggrieved Employee's Individual PAGA Payment. *Id*. In the event there are any uncashed checks remaining after 180 days, Apex will transfer any remaining funds to the California State Controller's Office Unclaimed Property Division in the name of the Settlement Class Member to whom the check was issued. *Id.*, § 4.4.3. This distribution method ensures that no portion of the GSA will be "unpaid…unclaimed or abandoned," as required for California Code of Civil Procedure section 384 to apply, and the Court may approve the proposed distribution method without running afoul of California Code of Civil Procedure section 384.

IV. ARGUMENT

A. The Court Should Confirm Certification of the Settlement Class

Under Code of Civil Procedure § 382, a class may be certified if: (1) it is ascertainable, and its members are too numerous for joinder to be practical; (2) the representative and absent class members share a community of interest, and common questions of law and fact predominate over individual issues; (3) the representative's claims are typical of the class's claims; and (4) the representative will fairly and adequately represent the class's interests. *See Richmond v. Dart Industries, Inc*. (1981) 29 Cal.3d 462, 470. Here, the Court determined that the Settlement Class satisfies all requirements for class certification for settlement purposes when it granted preliminary approval on March 16, 2026. *See* Moen Decl., Exhibit 1. Since then, no events have undermined this determination. To the contrary, the Settlement Class has overwhelmingly supported the Settlement, with no objections and 100% participation. Paris Decl., ¶¶ 12-15. Accordingly, the Court should confirm its conditional certification of the Settlement Class.

B. The Settlement Merits Final Approval as Fair, Adequate, and Reasonable

California courts strongly favor settlement. *See Stambaugh v. Superior Court* (1976) 62 Cal.App.3d 231, 236. Unlike individual settlements, class action settlements require court approval to prevent fraud, collusion, and unfairness to class members. *See Malibu Outrigger Bd. of Governors v. Superior Court* (1980) 103 Cal.App.3d 573, 578-79. This process includes preliminary approval, notice to class members, and a final fairness and approval hearing, where class members may be heard regarding the settlement. *Id*. Now that the Settlement Administrator has provided notice to the Settlement Class, Plaintiff respectfully requests that the Court grant final approval of the Settlement as fair, adequate, and reasonable.

1. The Settlement Was Reached Through Arm's-Length Negotiations

A settlement is presumptively fair when it is reached through arm's-length bargaining, based on sufficient discovery and investigation to allow counsel and the Court to act intelligently, involves experienced counsel, and faces minimal objections. *Dunk v. Ford Motor Co*. (1996) 48 Cal.App.4th 1794, 1802. A trial court has broad discretion in determining whether a proposed settlement is fair under the circumstances. *Mallick v. Superior Court* (1979) 89 Cal.App.3d 434, 438. The primary concern in exercising this discretion is ensuring that the settlement is "fair, adequate, and reasonable." *Dunk, supra*, 48 Cal.App.4th at 1801 (internal quotations omitted). Relevant factors for the Court to consider include:

> [T]he 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.

Id. These factors require balancing, are non-exhaustive, and should be tailored to each case, giving due regard to "what is otherwise a private consensual agreement between the parties." *Id*.

"In the context of a settlement agreement, the test is not the maximum amount Plaintiffs might have obtained at trial on the complaint, but rather whether the settlement is reasonable under all of the circumstances." *Wershba v. Apple Computer, Inc*. (2001) 91 Cal.App.4th 224, 250. Settlements inherently involve compromise, and even those providing substantially narrower relief than might be obtained at trial can be reasonable because "the public interest may indeed be served by a voluntary settlement in which each side gives ground in the interest of avoiding litigation." *Id*. (quoting *Air Lines Stewards, etc., Local 550 v. American Airlines, Inc*., 455 F.2d 101, 109 (7th Cir. 1972)).

Here, the Settlement resulted from extensive arm's-length negotiations between experienced counsel with the assistance of an experienced neutral mediator. The Settlement is fair, adequate, and reasonable for all Settlement Class members. While Plaintiff maintains that the claims are meritorious, Plaintiff acknowledges the substantial risks and uncertainty in proceeding with class certification and eventually trial, which justify a downward departure from the maximum exposure that Plaintiff calculated each claim carried.

As detailed in Plaintiff's Motion for Preliminary Approval, Defendants contend that their timekeeping practices are lawful, that employees are paid for all time actually worked in accordance with company policies and practices, and that their timekeeping practice is neutral and operates in an even-handed way, which Defendants assert is lawful under the court's ruling in *See's Candy Shops, Inc. v. Superior Court* (2012) 210 Cal.App.4th 889. *See* Moen Decl., ¶ 17; *see also AHMC Healthcare, Inc. v. Superior Ct.* (2018) 24 Cal.App.5th 1014, 1027-29 (finding employer's time-rounding policy lawful where it was neutral "on its face" and "in practice"). Moreover, Defendants contend that whether an employee was overpaid or underpaid based on Defendants' timekeeping practice would result in an unmanageable series of mini-trials. *See* Moen Decl., ¶ 17. Finally, Defendants allege Plaintiff's reliance on *Camp v. Home Depot U.S.A., Inc.* (2022) 84 Cal.App.5th 638 in tenuous. *Id*. Since *Camp v. Home Depot U.S.A., Inc.* has been granted review by the California Supreme Court, Defendants assert that the decision is only persuasive, not binding authority. *Id*. Plaintiff faces the risk that the *Camp* holding could be reversed, rendering Plaintiff's reliance on *Camp v. Home Depot U.S.A., Inc.* misplaced, and Defendants' claim superior that under *See's Candy Shops, Inc. v. Superior Court*, its rounding practice will be found neutral and lawful. *Id*.

Defendants maintain they accurately recorded and properly paid all wages for all hours worked by the Settlement Class Members, contrary to Plaintiff's claim that he and the Settlement Class Members were required to respond to Defendants' inquires while off-the-clock. *See* Moen Decl., ¶ 18. Specifically, Defendants deny they required employees to use their personal cellular phones, and any personal cellular phone use was a departure from company policies. *Id*. Further, Defendants assert that this claim is not suitable for class treatment, as it requires individualized inquiries into whether any employee performed work while off-the-clock on any given day, which is made increasingly difficult since such off-the-clock work was inherently not recorded, and determining exactly how much time each employee purportedly worked off-the-clock each day would result in an unmanageable series of mini-trials. *Id*.

As to Plaintiff's meal period allegations, Defendants contend they maintained lawful meal period policies/practices throughout the Class Period. *See* Moen Decl., ¶ 19. Specifically, Defendants argue that Plaintiff's claim will fail on its merits, and assert they provided Plaintiff and Settlement Class Members with meal periods in a staggered schedule, therefore providing ample ability for Settlement Class Members to take all provided meal periods. *Id*. Defendants argue their employees are provided with meal periods of longer than 30 minutes, thereby subsuming any time required to walk back and forth from the workstation to the breakroom. *Id*. Defendants further contend that Plaintiff's meal period claim is not suited for class certification as individual inquiries would be required to assess whether an employee chose to not take an otherwise provided meal period, whether an employee ever validly waived a meal period, and whether a premium was paid on each shift in which a meal period was truly not provided, resulting in an unmanageable series of mini-trials. *Id*.

As to Plaintiff's rest period claim, Defendants maintain they authorized and permitted the Settlement Class Members to take all lawful rest periods to which they are entitled. *See* Moen Decl., ¶ 20. Specifically, Defendants maintain employees are relieved of their work duties during rest periods since coverage generally is not needed and if coverage is needed, their job duties are covered by other employees during breaks. *Id*. Defendants argue their employees are not required to go to the breakrooms for rest periods, and are authorized and permitted to take rest periods of at least 15 minutes, thereby subsuming any time required to walk and forth from the breakroom to the workstation. *Id*. Further, Defendants assert that this claim is not suited for class certification, as it requires individualized inquiries into whether each employee was authorized and permitted to take a lawful rest period and on which days, which Defendants argue Plaintiff will be unable to substantiate with any common, documentary evidence, as rest periods are not required to be recorded, resulting in an unmanageable series of mini-trials. *Id*.

As to Plaintiff's claims that Defendants failed to reimburse the Settlement Class Members for all necessary business expenses incurred, Defendants dispute Plaintiff's allegations, asserting they maintain a written policy requiring reimbursement for all reasonable and necessary business expenses. *See* Moen Decl., ¶ 21. Defendants also argue they did not require their employees to use their personal cellular phones and if an employee used his or her phone, that was his or her personal choice. *Id.* As such, Defendants maintain that this claim would require a series of mini-trials to determine which employees actually used their cellular phone for business purposes and/or purchased tools and in which pay periods such expenses were allegedly incurred. *Id*.

As to Plaintiff's derivative claims for wage statement, waiting time, and PAGA penalties, Defendants argue that because Plaintiff's underlying claims will fail, the derivative wage statement, waiting time, and PAGA claims must also fail. Moen Decl., ¶ 22; *see Price v. Starbucks Corp.* (2011) 192 Cal.App.4th 1136, 1147 ("Because the underlying causes of action fail, the derivative UCL and PAGA claims also fail."). Defendants further argue that Plaintiff cannot show any wage statement violations were "knowing and intentional," or that employees "suffered injury" as required by Labor Code § 226(e). Moen Decl., ¶ 22; *see* Labor Code § 226(e)(1). Moreover, Defendants maintain that its good faith defenses to Plaintiff's underlying claims would preclude the recovery of waiting time penalties, which are only available for the "willful" failure to pay wages, and that this Court would exercise its discretion to substantially reduce any PAGA penalties awarded. Moen Decl., ¶ 22; *see also* 8 Cal. Code Regs. § 13520 ("[A] good faith dispute that any wages are due will preclude imposition of waiting time penalties under Section 203."); Labor Code § 2699(e)(2); *Naranjo v. Spectrum Sec. Servs., Inc.*, 88 Cal.App.5th 937 (2023); *Thurman v. Bayshore Transit Mgmt., Inc*. (2012) 203 Cal.App.4th 1112, 1135; *Carrington v. Starbucks Corporation* (2018) 30 Cal.App.5th 504 (affirming reduction of PAGA penalties to 10% of exposure). Defendants also contend that Plaintiff's PAGA claim is not manageable for the same reasons that each direct claim is not certifiable. Moen Decl., ¶ 22.

These considerations heavily influenced the Settlement negotiations and confirm that the Settlement is fair, adequate, and reasonable given the risks of continued litigation. As detailed in Plaintiff's Motion for Preliminary Approval, Plaintiff and Class Counsel carefully vetted the claims at issue and conducted a detailed analysis of Defendants' data to determine the calculated damages figures. It was only after this comprehensive analysis that the Parties participated in a mediation and ultimately reached a resolution with the mediator's help. Thus, while these risks are not exhaustive, they demonstrate that the Settlement is fair, adequate, and reasonable.

2. Settlement Compensation Is Fair, Adequate, and Proportional

Apex will calculate and apportion Individual Class Payments by dividing the NSA by the total number of workweeks worked by all participating Settlement Class Members during the Class Period and multiplying the result by each participating Settlement Class Member's workweeks. *See* Settlement Agreement, § 3.2.4. In addition, Apex will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties ($10,000.00) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. *Id*., § 3.2.5.1.

This distribution methodology fairly compensates Settlement Class Members and Aggrieved Employees in proportion to the extent of their alleged exposure to wage and hour violations, with higher payments allocated to those who worked more weeks or pay periods during the relevant time period. The formula is directly tied to the damages and penalties that employees could have recovered at trial and is therefore fair, adequate, and reasonable.

3. The 100% Participation Rate and Absence of Any Objections Further Confirm That the Settlement is Fair, Adequate, and Reasonable

The Settlement Class members' response to the Settlement is relevant in evaluating whether it merits final approval. *Dunk*, *supra*, 48 Cal.App.4th at 1801. Further, the absence of objections and requests for exclusion support a fairness presumption. *See 7-Eleven Owners for Fair Franchising v. Southland Corp.* (2000) 85 Cal.App.4th 1135, 1152-53 (finding 9 objections and 80 opt-outs from a class of 5,454 showed a "particularly impressive" favorable response from class members). Here, zero Settlement Class Members objected to the Settlement or opted out from participation, resulting in a 100% participation rate. Paris Decl., ¶¶ 12-15. This extremely positive reaction from the Settlement Class Members further confirms that the Settlement is fair, adequate, and reasonable.

C. <u>The Requested Attorneys' Fee Award Is Reasonable as a Percentage of the Gross Settlement Amount Confirmed by a Lodestar Cross-Check</u>

Plaintiff and the Settlement Class Members are entitled to recover attorneys' fees and costs for their wage claims. *See* Labor Code §§ 226(e), 1194, and 2699(g). A fee award is justified when legal action produces benefits through a voluntary settlement. *See, e.g., Maria P. v. Riles* (1987) 43 Cal.3d 1281, 1290-91; *Westside Community for Independent Living, Inc. v. Obledo* (1983) 33 Cal.3d 348, 352-53; *Serrano v. Priest* (1977) 20 Cal.3d 25, 34 (finding that "when a number of persons are entitled in common to a specific fund, and an action brought by a plaintiff or plaintiffs for the benefit of all results in the creation or preservation of that fund, such plaintiff or plaintiffs may be awarded attorney's fees out of the fund.").

California state and federal courts routinely award one-third of the settlement fund in class actions. *See Chavez v. Netflix, Inc*. (2008) 162 Cal.App.4th 43, 66, fn. 11; *Wershba v. Apple Computer, Inc*. (2001) 91 Cal.App.4th 224, 254 (recognizing the "percentage of recovery" method); *In re Pacific Enterprises Securities Litig*., 47 F.3d 373, 379 (9th Cir. 1995) (affirming 33% fee award). The California Supreme Court has also endorsed the "percentage of fund" method. *See Laffitte v. Robert Half Int'l, Inc*. (2016) 1 Cal.5th 480, 506 (holding that the percentage method is a valuable tool and aligns attorney incentives with class interests). Specifically, the *Laffitte* Court reasoned:

> The recognized advantages of the percentage method—including relative ease of calculation, alignment of incentives between counsel and the class, a better approximation of market conditions in a contingency case, and the encouragement it provides counsel to seek an early settlement and avoid unnecessarily prolonging the litigation—convince us the percentage method is a valuable tool that should not be denied our trial courts.

Id., at 503 (internal citation omitted); *see also Rawlings v. Prudential-Bache Properties, Inc*., 9 F.3d 513, 516 (6th Cir. 1993) (holding that the percentage of fund method better reflects results achieved than the lodestar method and encourages early settlement); *In re Rite Aid Corp. Securities Litig*., 396 F.3d 294, 300 (3d Cir. 2005) ("The percentage-of-recovery method is generally favored in common fund cases because it allows courts to award fees from the fund in a manner that rewards counsel for success and penalizes it for failure."). This is consistent with Class Counsel's experience in similar wage-and-hour class action matters. Moen Decl., ¶ 23. Here, Class Counsel's fee request of $138,333.33, representing one-third of the GSA, is the same percentage sought in *Laffitte*, and is fair and reasonable based on the percentage of the recovery method. *Id*.

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In *Laffitte*, the California Supreme Court held that trial courts have discretion to assess the reasonableness of fee awards with tools such as the "lodestar cross-check," whereby the trial court calculates counsel's lodestar and determines whether the "lodestar multiplier" needed to bring the lodestar on par with the percentage of recovery is reasonable. *Laffitte,* 1 Cal.5th at 503-06. Under the lodestar method, the court multiplies the number of hours reasonably expended by each attorney or legal staff member by their reasonable hourly rates, then enhances this lodestar figure by a "multiplier" to account for a range of factors, such as the contingent nature of the case and the degree of success achieved. *See Serrano, supra*, 20 Cal.3d at 48-49; *Ketchum v. Moses*, (2001) 24 Cal.4th 1122, 1132-36; *Thayer v. Wells Fargo Bank*, (2001) 92 Cal.App.4th 819, 834 ("There is no hard-and-fast rule limiting the factors that may justify an exercise of judicial discretion to increase or decrease a lodestar calculation").

Under California law, lodestar multipliers can range from 2 to 4 or even higher. *See, e.g., Chavez*, 162 Cal.App.4th at 49-50 (approving multiplier of approximately 2.5); *Coalition for L. County Planning etc. Interest v. Bd. of Supervisors*, (1977) 76 Cal.App.3d 241, 251 (approving multiplier of approximately 12.8). In class and representative actions, where the value of the benefit conferred "can be monetized with a reasonable degree of certainty," a court may "adjust the lodestar in comparison to a percentage of the common fund to ensure that the fee awarded is reasonable and within the range of fees freely negotiated in the legal marketplace in comparable litigation." *Consumer Privacy Cases*, (2009) 175 Cal.App.4th 545, 557.

In this case, Plaintiff's counsel has a lodestar of approximately $124,982.50, which results in a multiplier of approximately 1.10 compared to the $138,333.33 fee request. Moen Decl., ¶ 23. A summary showing the number of hours of work performed by each attorney and paralegal is set forth below. *Id*. The billing rates used are reasonable in view of the evidence submitted herewith and have been previously approved by various courts throughout California.[4] *Id*., ¶¶ 2-

[4] When setting rates, courts should utilize attorneys' "current" rates, i.e., their rates at the time of the fee application. This accounts for the delay in receiving payment, as well as lost interest and inflation. *See Graham v. DaimlerChrysler Corp.* (2004) 34 Cal.4th 553, 584 (approving use of present-day rates to account for the delay in payment); *Pennsylvania v. Delaware Valley Citizens' Council for Clean Air* (1987) 483 U.S. 711, 716 ("In setting fees for prevailing counsel, the courts have regularly recognized the

8, 23, Exhibit 4 (2026 *Laffey* Matrix); Declaration of Paul K. Haines, ¶¶ 2-14; Declaration of Fletcher W. Schmidt, ¶¶ 2-9.

Name	Rate	Hours	Pre-Multiplier Lodestar
Paul K. Haines (20th Year Attorney)	$975	13.4	$13,065.00
Fletcher W. Schmidt (14th Year Attorney)	$875	27.3	$23,887.50
Matthew K. Moen (10th Year Attorney)	$775	68.4	$53,010.00
Susan J. Perez (6th Year Attorney)	$600	55.7	$33,420.00
HLG Firm Paralegals	$250	6.4	$1,600.00
Total Lodestar			**$124,982.50**

As discussed above, this case presented significant risks to both class certification and merits considerations. Accordingly, it is fair and reasonable to account for these risks in compensating Class Counsel. Class Counsel should also be compensated for the risks involved in undertaking this litigation and for expending considerable effort, all while working on a pure contingency basis. Since the initiation of this lawsuit, Class Counsel has expended $22,506.48 in litigation costs and devoted substantial time to this litigation without receiving any compensation to date. Moen Decl., ¶ 24, Exhibit 3. Class Counsel's efforts include conducting a pre-filing investigation, analyzing Plaintiff's claims, conducting legal research and analysis, reviewing class documents and data produced by Defendants, extensively reviewing and evaluating the produced timekeeping and payroll records with the assistance of a retained expert to build a comprehensive damages model, preparing for and attending mediation, negotiating and drafting the Memorandum of Understanding, long-form Settlement Agreement, and Class Notice documents, drafting and submitting three PAGA letters to the LWDA, preparing and drafting the Stipulation to file the Second Amended Class and Representative Action Complaint and the Second Amended Class and Representative Action Complaint, preparing the Motions for Preliminary and Final Approval, overseeing the Notice process, and otherwise litigating the case. *Id*. Class Counsel will

delay factor…by basing the award on current rates."); *Bouman v. Block*, 940 F.2d 1211, 1235 (9th Cir.1991) (affirming district court's use of current hourly rates).

also expend future attorney time attending the hearing on this Motion, overseeing the disbursement process, and reviewing and filing the Settlement Administrator's final accounting declaration with the Court, among other tasks. *Id*. Given the considerable potential for adverse outcomes in this case, including, but not limited to, losing on class certification, the contingent risk borne by Class Counsel was great. The quality of Class Counsel's work, and the efficacy and dedication with which it was performed, should be compensated.

Class Counsel's previous experience in litigating wage and hour class actions also supports the reasonableness of the fee request. Class Counsel are well-versed in plaintiff and defense-side wage and hour class action litigation and collectively bring four decades of wage-and-hour class and representative action litigation experience. *See* Moen Decl., ¶¶ 2-8; *see also generally* Declaration of Paul K. Haines; Declaration of Fletcher W. Schmidt; and Declaration of Susan J. Perez. Class Counsel have also been certified as class counsel in numerous other cases in both State and federal court. *Id*. Class Counsel's experience in similar matters was integral in evaluating the strengths and weaknesses of this case and the reasonableness of the Settlement. Practice in the narrow field of wage and hour litigation requires skill and knowledge concerning the rapidly evolving substantive state and federal law, as well as the procedural law of class action litigation. Because it is reasonable to compensate Class Counsel equal with their skill, reputation, and experience, the requested fee award of one-third of the GSA is fair and reasonable and should be approved.

D. <u>The Requested Cost Reimbursement Warrants Final Approval</u>

Class Counsel incurred and respectfully requests reimbursement of $22,506.48 in actual litigation costs, which is more than $7,000.00 *less* than the $30,000.00 amount preliminarily approved by the Court in the Settlement Agreement. Moen Decl., ¶ 25, Exhibits 1, 3, and 5 (Expert Invoice)[5]; *see also* Settlement Agreement, § 3.2.2. The unclaimed portion of litigation costs will be distributed to Settlement Class Members as part of the NSA. *Id*. Class Counsel's

[5] Class Counsel utilized the expert services of Dave Breshears of Hemming Morse and his staff to perform all expert analyses for this case, and are providing a copy of Mr. Breshears' expert invoices in support of this motion. *See* Moen Decl., ¶ 25.

request is fair, adequate, and reasonable, as all costs are documented and reasonably incurred. *See* Moen Decl., Exhibit 3. Moreover, the costs Plaintiff seeks to reimburse are the types of costs routinely approved by courts. *See, e.g., Harris v. Marhoefer* (9th Cir. 1994) 24 F.3d 16, 19 (counsel may recover "those out-of-pocket expenses that would normally be charged to a fee-paying client"); *Ashker v. Sayre*, No. 05-03759 CW, 2011 WL 825713, at *3 (N.D. Cal. 2011) ("costs of reproducing pleadings, motions, and exhibits are typically billed by attorneys to their fee-paying clients" and are reimbursable); *Trustees of Const. Industry & Laborers Health & Welfare Trust v. Redland Ins. Co*. (9th Cir. 2006) 460 F.3d 1253, 1258-59 (legal research costs are reimbursable); *In re Immune Response Securities Litig*. (S.D. Cal. 2007) 497 F.Supp.2d 1166, 1177-78 (mediation expenses, legal research, copies, postage, filing fees, messenger, and overnight delivery costs are reimbursable).

Notably, not a single Settlement Class Member objected to the Settlement, including Class Counsel's request for up to $30,000.00 in litigation cost reimbursement. Paris Decl., ¶ 13. Because the requested expenses were reasonably incurred, and no objections were raised, the Court should grant Class Counsel's request for $22,506.48 in actual litigation cost reimbursement.

E. <u>The Court Should Finally Approve the Settlement Administration Costs</u>

Plaintiff also requests that the Court approve $6,990.00 in administration costs to Apex as the Court-appointed Settlement Administrator. Moen Decl., ¶ 26; Settlement Agreement, § 3.2.3; Paris Decl., ¶ 21, Exhibit B. As detailed in the Declaration of Beth Paris, Apex performed all essential duties required to administer the Settlement and implement the Court-approved Notice process. Specifically, Apex verified and updated mailing addresses based on the class data provided by Defendants, formatted and mailed Class Notices to all 254 Settlement Class Members, calculated each Individual Class Payment and Individual PAGA Payment, conducted a skip-trace for any returned Class Notice, provided the Parties with regular status updates throughout the notice period, and otherwise administered the Settlement. *See generally* Paris Decl. Accordingly, the requested administration costs are fair, reasonable, and consistent with the scope of work required under the Settlement and should be finally approved.

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F. The Court Should Approve the Requested Enhancement Payment

Courts routinely approve service payments to compensate named plaintiffs for their efforts and the risks they assume in class action litigation. *See, e.g., Bell v. Farmers Ins. Exchange* (2004) 115 Cal.App.4th 715, 726 (upholding service payments for efforts in bringing the case); *Van Vranken v. Atlantic Richfield Co.* (N.D. Cal. 1995) 901 F.Supp. 294 (approving a $50,000.00 service payment). The Court may award service awards "to compensate [Plaintiffs] for work done on behalf of the class, to make up for financial or reputational risk undertaken in bringing the action." *Id.*, at 958-59. The common law in both California state and federal courts has long recognized the important function of enhancement payments to incentivize plaintiffs to bring class actions to vindicate others' rights. *See Cellphone Termination Fee Cases* (2010) 186 Cal.App.5th 1380, 1394 (stating that the question of whether a class representative was entitled to a service award was answered in the affirmative in *Clark v. American Residential Services, LLC*, (2009) 175 Cal.App.4th 785).

Here, Plaintiff seeks a Class Representative Service Payment in the amount of $7,500.00, which is reasonable given Plaintiff's substantial efforts in this case, the risks he undertook on behalf of the Settlement Class, and his agreement to a general release of claims, including a waiver of California Civil Code § 1542. Moen Decl., ¶ 27; Moran Decl., ¶¶ 4-5; Settlement Agreement, §§ 3.2.1, 5.1. This amount is well within the range of service awards regularly approved by this Court and courts throughout California. *See, e.g., Target Wage and Hour Cases*, Case No. JCCP 5259, Lead Case No. CIVSB2209126, San Bernardino County Superior Court, Hon. Wilfred J. Schneider, Jr., presiding (awarding $10,000 enhancement awards to each of fourteen (14) named plaintiffs); *Arthur Barnes, et al. v. Target Corporation*, Case No. CIVDS2007761, San Bernardino County Superior Court, Hon. David S. Cohn, presiding (awarding $10,000 enhancement payments to each of three named plaintiffs); *Aaron Hallum, et al. v. FCA US, LLC*, Case No. CIVDS1936782, San Bernardino County Superior Court, Hon. Joseph T. Ortiz, presiding (awarding $10,000 enhancement payments to two named plaintiffs); *Jesse B. Quiroz v. Martinez Trucking & Logistics, Inc.*, Case No. CIVRS1304596, San Bernardino County Superior Court, Hon. Keith D. Davis, presiding (awarding $12,500 enhancement to named plaintiff);

Fidelina Rangel v. Forest River, Inc., Case No. CIVD1706616, San Bernardino County Superior Court, Hon. David Cohn, presiding (awarding $10,000 enhancement to the named plaintiff); *Anthony Controulis, et al. v. Anheuser-Busch, LLC*, Case No. BC518518, Los Angeles County Superior Court (awarding $10,000 enhancement payments to each of two named plaintiffs); *Damontae Levinston, et al. v. Commerce Distribution Company LLC, et al.*, Case No. 22STCV05730, Los Angeles County Superior Court (awarding $10,000 enhancement to each of four named plaintiffs); and *Briana McCulin v. South Coast Children's Society, Inc.*, Case No. 25STCV09319, Los Angeles County Superior Court (awarding $7,500 enhancement to each of two named plaintiffs).

Plaintiff's contributions to this case were extensive. Specifically, Plaintiff searched for and provided relevant documents for use in the lawsuit, provided factual information to his attorneys, held numerous phone calls with his attorneys to discuss the claims in the lawsuit and Defendants' policies and practices, assisted his attorneys to help them prepare for mediation, made himself available during the full-day mediation to answer any questions posed by the mediator, discussed the status of the case with his attorneys, reviewed the settlement agreement and assisted his attorneys in finalizing its terms, and otherwise assisted his attorneys in moving this case towards resolution. Moran Decl., ¶ 5. Plaintiff's Service Payment is also requested due to the significant risks that Plaintiff undertook by agreeing to serve as the named Plaintiff in this case and agreed to a general release of all claims subject to a waiver of California Civil Code § 1542, which is a broader general release than what other Settlement Class Members provided. *Id.*, at ¶ 4; Moen Decl., ¶ 27; Settlement Agreement, §§ 3.2.1, 5.1.

Plaintiff has invested significant time and effort into performing these duties for the benefit of the Settlement Class. Plaintiff's participation directly benefited the Settlement Class, as they would not be receiving compensation absent his decision to pursue these claims. Moen Decl., ¶ 27. Moreover, after receiving notice of the proposed Service Payment, no Settlement Class Member objected to the proposed award. Paris Decl., ¶ 13. Accordingly, given Plaintiff's significant contributions to this case, the risks he undertook, and the lack of any objection from

Settlement Class Members, Plaintiff's request for a Service Payment in the amount of $7,500.00 is fair, reasonable, and justified, and should be finally approved.

V. CONCLUSION

For the foregoing reasons, Plaintiff respectfully requests the Court grant this Motion in its entirety and enter the [Proposed] Order Granting Final Approval of Class and PAGA Action Settlement, Attorney's Fees and Costs, and Class Representative Service Payment, and Final Judgment, submitted herewith.

Respectfully submitted,

Dated: July 28, 2026

HAINES LAW GROUP, APC

By: ______________________

Matthew K. Moen
Attorneys for Plaintiff