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JESUS ROLDAN, JR

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

JESUS ROLDAN, JR, on behalf of himself and all others similarly situated,

Plaintiff,

vs.

MARTIN LUTHER KING JR. – LOS ANGELES (MLK-LA) HEALTHCARE CORPORATION dba MLK COMMUNITY HEALTHCARE and DOES 1-10, inclusive,

Defendants.

Case No. 24STCV01475

Class Action

Assigned to the Hon. Samantha Jessner
Dept. 7

MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF PLAINTIFF'S MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT

Date: July 11, 2025
Time: 10:00 a.m.
Dept. 7

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I. INTRODUCTION

Plaintiff Jesus Roldan, Jr. ("Plaintiff") assert class action and representative action claims against defendant Martin Luther King Jr. – Los Angeles (MLK-LA) Healthcare Corporation dba MLK Community Healthcare ("Defendant"). Plaintiff principally contends that Defendant failed to pay all the wages owed to non-exempt employees as a result of uneven rounding practices, and that Defendant failed to provide second meal periods to non-healthcare workers who worked more than 12 hours in a workday.

On February 20, 2025 the Court granted preliminary approval of the class action settlement reached by the parties (the "Settlement"). Thereafter, the Settlement Administrator mailed out notice to the class members and, in response, not a single class member objected to the Settlement or requested exclusion from the Settlement Plaintiff has provided notice of the Settlement to the Labor and Workforce Development Agency (the "LWDA") in accordance with Labor Code Section 2699(l) and does not anticipate that the LWDA will object to the Settlement either.

Pursuant to Section 382 of the Code of Civil Procedure and Rule 3.769 of the California Rules of Court, Plaintiff now moves for final approval of the Settlement. For the reasons set forth below, the Settlement is fair, reasonable and adequate and final approval should be granted.

II. LITIGATION HISTORY

Plaintiff filed the Complaint against Defendant on January 19, 2024 and a First Amended Complaint (which added claims for civil penalties under PAGA) on April 22, 2024. In the First Amended Complaint, Plaintiff asserts class action and PAGA claims against Defendant based on the principal allegations that: 1) Defendant engages in the rounding of hours worked by non-exempt employees into quarter hour increments that, over time, is not even but results in non-exempt employees not being paid all the minimum wages and overtime wages owed to them; 2) Defendant fails to pay non-exempt employees who receive a retention bonus earned over periods of time they work overtime hours all the overtime wages owed to them because Defendant does not pay them additional overtime wages owed as a result of the retention bonus increasing their regular rate of pay; 3) Defendant fails to provide second meal periods to non-exempt employees whose time clock records reflect that they work more than 12 hours in a workday because the meal period waivers signed by non-exempt employees provide that second meal periods are not waived if they work more than 12 hours in a workday. Plaintiff also asserted an addition claim under PAGA that wage statements provided to employees failed to state the correct legal name of Defendant. (Karasik Decl. ¶ 6).

At the outset of litigation, the parties agreed to an informal exchange discovery and to have an early settlement conference. Thereafter, Defendant provided Plaintiff with more than 200 pages of documents, including the following: Plaintiff's personnel file; the records of the time each day Plaintiff punched in and out from work; Plaintiff's pay records; Defendant's timekeeping policies; Defendant's policies regarding meal periods and rest periods; sample meal period waiver forms; and declarations from employees obtained by Defendant in a prior wage and hour lawsuit. Defendant also provided Plaintiff with the data needed for calculating Defendant's potential liability, including the number of employees in the Settlement Class and Meal Period Subclass, the number of workweeks worked by employees in the Settlement Class and Meal Period Subclass, and the average wage rates of employees in the Settlement Class and Meal Period Subclass. (Karasik Decl. ¶ 7).

Based on his evaluation of the documents provided by Defendant, Plaintiff decided to not pursue the claim that Defendant failed to pay overtime wages as a result of not factoring retention bonuses into the regular rate of pay (because Defendant substantiated that retention bonuses funded by the state of California do not qualify as "wages" under the Labor Code) and that Defendant had not listed its correct name on wage statements (because Defendant substantiated that the name on wage statements was one of several fictitious names for Defendant). The parties then participated in a private settlement conference on June 12, 2024. At this settlement conference, the parties, after a day of arm's length negotiations reached agreement on the material terms of a class action settlement. After further negotiations regarding settlement details, the parties executed a formal settlement agreement, which was subsequently revised to address concerns of the Court. The revised settlement (the "Settlement") was preliminarily approved by the Court on February 20, 2025. (Karasik Decl. ¶ 8).

III. THE SETTLEMENT

The material terms of the Settlement are as follows:

- The Class consists of all non-exempt employees who worked for Defendant in California during the period from June 22, 2022 through August 17, 2024 (the "Class Period"), other than

Class Members bound by the judgment in Los Angeles Superior Court Case No. 21STCV02745 who did not work for Defendant after June 22, 2023. There are 2,026 persons in the Settlement Class.

- The Settlement Class includes a Meal Period Subclass consisting of non-healthcare workers who worked shifts over twelve hours. There are approximately 186 persons in the Meal Period Subclass.
- The Settlement Class also includes Aggrieved Employees consisting of non-exempt employees who worked for Defendant in California from July 20, 2023 through August 17, 2024 (the "PAGA Period") other than those bound by the judgment in Los Angeles Superior Court Case No. 21STCV02745 who did not work for Defendant after December 1, 2023. There are 1,723 Aggrieved Employees.
- Defendant shall pay the Gross Settlement Amount of $450,000 on a non-reversionary basis. Class members will not have to submit claims to receive settlement benefits. Defendant shall also pay, separately from the Gross Settlement Amount, the employer's share of payroll taxes on the portion of settlement benefits allocated to wages.
- By approximately August 18, 2024, Defendant will discontinue its current rounding policy and adopt a policy of computing the time non-exempt employees work during each shift, when applicable, based on the actual punch-in and actual punch-out time of the non-exempt employee.
- The amount of $30,000 shall be allocated to payment of PAGA penalties, $22,500 of which shall be payable to the Labor and Workforce Development Agency ("LWDA") and $7,500 of which shall be distributed to Aggrieved Employees based on the number of pay periods they worked for Defendant during the PAGA Period.
- The Net Class Settlement Amount, estimated to be $247,915, shall be distributed to members of the Settlement Class and Meal Period Subclass as follows:

    a. Members of the Settlement Class shall receive a pro rata share of 66% of the Net Class Settlement Amount based on the number of workweeks they worked for Defendant during the Class Period.

b. Members of the Meal Period Subclass shall receive, in addition to their settlement benefit as members of the Settlement Class, a pro rate share of 34% of the Net Class Settlement Amount based on the number of workweeks they worked for Defendant during the Class Period.

- Defendant shall not object to a request by Plaintiff for an award of a Service Payment up to $5,000; an award of litigation costs of up to $2,500, or an award of attorney's fee up to $150,000 (33.3% of the Gross Settlement Amount).

IV. THE SETTLEMENT MERITS FINAL APPROVAL

The law favors the settlement of lawsuits, particularly in class actions and other complex cases. *See e.g., Neary v. Regents of Univ. of California* (1992) 3 Cal.4th 272, 277-81. Factors to be considered in evaluating a class action settlement include "the strength of plaintiffs' case, the risk, expense, complexity and likely duration of further litigation, the risk of maintaining class action status through proceedings, the experience and views of counsel, the presence of a government participant, and the reaction of the class members to the proposed settlement." *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 128. A presumption that a settlement is fair and reasonable exists where, as here, the following four factors are present: "(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." *Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224.

Questions regarding whether a class action settlement should be approved are committed to the trial court's broad discretion. *Wershba*, 91 Cal.App.4th at 234-35. In exercising its discretion, the Court should give "[d]ue regard . . . to what is otherwise a private consensual agreement between the parties." *Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1801. "The inquiry 'must be limited to the extent necessary to reach a reasoned judgment that the agreement is not the product of fraud or overreaching by, or collusion between, the negotiating parties, and that the settlement, taken as a whole, is fair, reasonable and adequate to all concerned." *Id.* (internal citations omitted)

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A. The Settlement Reflects A Reasonable Compromise

The parties have agreed to a settlement that will result in a distribution of approximately $247,915 to the class members who do not exclude themselves from the settlement. The average amount of gross settlement benefits payable to each member of the Settlement Class is approximately $81 and the average amount of additional settlement benefits payable to members of the Meal Period Subclass is approximately $431. The risk and uncertainty of continued litigation led Plaintiff's counsel to reasonably conclude that a settlement on those terms would be in the best interests of the class and they recommend that final approval of the settlement be granted. (Karasik Decl. ¶ 12).

In the opinion of Plaintiff's counsel, the Settlement reflects an extremely good result because the Gross Settlement Amount of $450,000 reflects recovery of more than 76% of the amount of allegedly unpaid wages owed to class members, which Plaintiff calculated to be approximately $590,000. (Karasik Decl. ¶ 13). Moreover, the total amount allocated to PAGA penalties in this case ($30,000), and the percentage of the gross settlement amount allocated to PAGA penalties in this case (6.67%) are higher than in many other wage and hour class action settlements. (Karasik Decl. ¶ 14).

The "most important factor" in determining the fairness of a class action settlement is "the strength of the case for plaintiffs on the merits." *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 130. In this case, Plaintiff's claims for unpaid wages were very strong. The high rate of recovery of allegedly unpaid wages reflected by the Settlement, coupled with the discontinuance of Defendant's rounding practices, reflect an excellent result commensurate with the strength of Plaintiff's claims (Karasik Decl. ¶ 16).

B. The Settlement Was Reached After Arms-Length Negotiations Following Sufficient Discovery

Although the parties were able to negotiate a settlement without the assistance of a mediator, there is no dispute that the Settlement resulted from informed, arms-length negotiations. After weighing all the competing considerations, counsel for the parties reached an informed judgment that the Settlement was fair and reasonable for their clients. (Karasik Decl. ¶ 16).

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C. Plaintiff's Counsel Has Substantial Class Action Experience

As set forth in their declarations, Plaintiff's attorneys have substantial experience in wage and hour class action litigation. Having negotiated numerous class action settlements over the course of their careers, their opinion that final approval of the Settlement would be in the best interests of class members in light of the significant risks of litigation is entitled to great weight. *See, Kullar* 168 Cal.App.4th at 129. ("The court undoubtedly should give considerable weight to the competency and integrity of counsel and the involvement of a neutral mediator in assuring itself that a settlement agreement represents an arms-length transaction entered without self-dealing or other potential misconduct").

D. There Are No Objections To The Settlement

Not a single class member has objected to the Settlement (Karasik Decl. ¶ 10). The overwhelmingly positive response from the class strongly supports final approval of the Settlement. *See, e.g., In re Lifelock, Inc. Marketing and Sales Practices Litigation* (D. Ari. 2010) 2010 WL 3715138, *6 (relatively few objections and requests for exclusion support approval). Lack of any objection from the LWDA, which Plaintiff anticipates, will also support approval of the Settlement. *See, Jordan v. NCI Group, Inc.* (C.D. Cal. 2018) 2018 WL 1409590, at *3 (lack of objection from LWDA considered "persuasive"); *Echavez v. Abercrombie & Fitch Co., Inc.* (C.D. Cal. 2017) 2017 WL 3669607, at *3 (non-response from LWDA "is tantamount to its consent to the proposed terms").

V. THE COURT SHOULD AWARD PLAINTIFFS THE REQUESTED AMOUNTS OF FEES, COSTS AND SERVICE PAYMENT

Plaintiff requests the Court to award him a service payment in the amount of $5,000; an award of litigation costs in the amount of $2,901.42; and an award of attorney's fees in the amount of $150,000. Defendant does not oppose any of these requests. Because the amounts requested are reasonable, Plaintiff should be awarded the full amounts of the costs, attorney's fees and service payment requested.

A. The Amount Of Requested Costs Is Reasonable

As reflected in the declaration submitted by Plaintiff' counsel, they have incurred at least $2,901.42 in litigation costs (Karasik Decl. ¶ 17). There is no basis for disputing the reasonableness of these litigation expenses. Although the Settlement allows for a cost award of $2,500 without objection from Defendant, Plaintiff unexpectedly incurred costs higher than that amount because preliminary approval of the Settlement, which was originally expected in September 2024, was delayed by more than 9 months as a result of the Court twice requesting technical revisions of the Settlement and class notice and supplemental briefing before preliminary approval was ultimately granted in July 2025. Plaintiff's counsel has met and conferred with Defendant's counsel and Defendant has no objection to awarding the amount of $2,901.42 requested by Plaintiff. Deducting this amount of costs from the Gross Settlement Amount, in the amount of $401.42 more than the maximum amount of costs the parties initially expected, will only reduce the average settlement payment to Class Members from the Net Settlement Amount by less than 24 cents each. Because the amount of the Settlement Administrator's fee is $14,184 – which is $816 less than the maximum amount of $15,000 allowed by the Settlement -- awarding Plaintiff's $2,901.42 in costs will result in an estimated Net Settlement Amount of approximately $247,915 -- which is $415 more than the amount of the Net Settlement Amount previously estimated. (Karasik Decl. ¶ 17).

B. The Amount Of Requested Attorney's Fees Is Reasonable

Plaintiff requests the Court to award attorney's fees calculated under the percentage of recovery method typically used in common fund cases. Under the percentage of recovery method, attorney's fees are determined by multiplying the amount of the common fund obtained for the benefit of class members (i.e., the gross value of the settlement) by an appropriate percentage (that typically ranges from 20%-50%).

The California Supreme Court confirmed in *Laffitte v. Robert Half International, Inc.* (2016) (2016) 1 Cal.5th 480 that it is appropriate for trial courts to use the percentage of the fund method for calculating reasonable attorney's fees when a class action settlement results in a common fund. As the Supreme Court explained:

> The recognized advantages of the percentage method—including 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 unnecessary litigation (citation omitted)—convince us that

the percentage method is a valuable tool.

Laffitte, 1 Cal.5th at 503.

The ultimate purpose of the common fund/percentage approach is to "spread the attorney fee among all the beneficiaries of the fund." *Ibid.* The percentage of recovery method "rests on the presumption that persons who obtain benefits of a lawsuit without contributing to its cost are unjustly enriched at the successful litigant's expense." *Staton v. Boeing* (9th Cir. 2003) 327 F.3d 938, 967. As recognized previously by the California Supreme Court, in *Quinn v. State of California* (1995) 15 Cal.3d 162, 167: "[O]ne who expends attorneys' fees in winning a suit which creates a fund from which others derive benefits may require those passive beneficiaries to bear a fair share of the litigation costs."

Similarly, in *City and County of San Francisco v. Sweet* (1995) 12 Cal.4th 105, the California Supreme Court recognized that the common fund doctrine has been applied "consistently in California when an action brought one party creates a fund in which other persons are entitled to share." The reasons for applying the common fund doctrine include: "…fairness to the successful litigant, who might otherwise receive no benefit because his recovery might be consumed by the expenses: correlative prevention of an unfair advantage to the others who are entitled to share in the fund and who should bear their share of the burden of its recovery; encouragement of the attorney for the successful litigant, who will be more willing to undertake and diligently prosecute proper litigation for the protection or recovery of the fund if he is assured that he will be properly and directly compensated should his efforts be successful." *Id.* at 110.

The amount of fees requested by Plaintiff in this case is equal to 33.3% of the gross settlement amount. The requested fee thus falls well within the historical range of attorney's fee awards under the common fund theory, which is generally from 20% to 50%. *See, e.g., In re Consumer Privacy Cases* (2009) 175 Cal.App.4th 545, 558, n.13 ("fee awards in class actions average around one-third of the recovery"). Plaintiff's requested fee of 33.3% of the common fund is eminently reasonable and comports with fee awards in other wage and hour class actions in California state courts. (Karasik Decl. ¶ 18).

The amount of attorney's fees requested by Plaintiffs is also reasonable under the lodestar approach. As set forth in the declarations from Plaintiff's counsel, the lodestar value of all the attorney time devoted to this case at least $127,360 which means that Plaintiff's request for fees reflects a multiplier of approximately 1.18 (Karasik Decl. ¶ 20-22). A multiplier of 1.18alls well below the range of lodestar multipliers, usually between 2 and 3 and sometimes greater than 4, typically approved in class actions where plaintiffs' lawyers bring risky cases on a contingency basis (Karasik Decl. ¶ 22). The small multiplier resulting from a lodestar approach cross check confirms that the amount of fees sought by Plaintiff based on the percentage of the fund approach is reasonable, as it is commensurate with the results of his attorney's efforts on behalf of the class in this case.

C. The Amount Of Requested Service Payment Is Reasonable

Plaintiff is entitled to a service payment for his service as class representative. *See e.g., In re Cellphone Termination Fee Cases* (2010) 186 Cal.App.4th 1380, 1393 (incentive payments to named plaintiffs are now "fairly typical" [quoting *Rodriguez v. West Publishing Corp.* (9th Cir. 2009) 563 F.3d 948, 958]). Service awards are "intended to compensate class representatives for work done on behalf of the class, to make up for financial or reputational risk undertaken in bringing the action, and, sometimes, to recognize their willingness to act as a private attorney general." *Id*. As stated in *Clark v. American Residential Services, LLC* (2009) 175 Cal.App.4th 785, 806 "the rationale for making enhancement or incentive awards to named plaintiffs is that he or she should be compensated for the expense or risk he has incurred in conferring a benefit on other members of the class."

As set forth in his declaration, Plaintiff risked intrusive discovery, the possibility of having to pay employer costs or attorney's fees, and the potential threat of blacklisting for suing an employer. Moreover, Plaintiff has spent more than 50 hours devoted to this case. The amount of service payment requested by Plaintiff is reasonable compared to amounts awarded in class actions settlements of similar magnitude. (Karasik Decl. ¶ 23).

VI. CONCLUSION

The Settlement is fair, adequate, and reasonable. Class members were given notice of their rights in a manner that comports with due process; the LWDA was given notice of the proposed settlement; the Settlement is non-collusive; and the Settlement was achieved as the result of informed, extensive, and arms-length negotiations conducted by counsel who are experienced in wage and hour class action litigation. Plaintiff respectfully requests that the Court grant final approval of the Settlement and award Plaintiff the full amount of costs, attorney's fees and service payment requested.

Dated: June 13, 2025

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