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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SACRAMENTO

STEVE ROSENBAUM, on behalf of himself and all others similarly situated, Plaintiff, v. AMTEL, LLC., a Texas Limited Liability Company; and DOES 1-50, inclusive. Defendants.	CASE NO.: 24CV006052 *Assigned to the Hon. Lauri A. Damrell* **PLAINTIFF'S UNOPPOSED MOTION TO APPROVE THE SETTLEMENT PURSUANT TO THE PRIVATE ATTORNEYS GENERAL ACT OF 2004; MEMORANDUM OF POINTS AND AUTHORITIES** **<u>Hearing Information:</u>** Date: March 13, 2026 Time: 9:00 a.m. Dept.: 22

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on March 13, 2026, at 9:00 a.m., or as soon thereafter as the matter may be heard in Department 22 of the Sacramento County Superior Court, located at 720 Ninth Street, Sacramento, California 95814, before the Honorable Lauri A. Damrell, Plaintiff Steve Rosenbaum will, and hereby does, move the Court for an order approving a settlement pursuant to the Private Attorneys General Act of 2004, Labor Code § 2698 *et seq*.

This unopposed motion seeks approval of a non-reversionary $118,000 settlement reached after mediation, which resolves all PAGA claims alleged in this action on behalf of non-exempt employees who worked for Defendant in California during the PAGA period. The settlement allocates:

- 75% (presently estimated to be $32,695.01) to the Labor and Workforce Development Agency,
- 25% (presently estimated to be $10,898.34) to the Aggrieved Employees, distributed pro rata based on pay periods worked,
- up to $39,333 in Attorneys' Fees and $21,573.65 in Litigation Costs,
- a Service Payment of $10,000 to the Plaintiff,
- and up to $3,500 in Settlement Administration Costs.

This motion is based on the Memorandum of Points and Authorities, the Declarations of Plaintiff's Counsel Mehrdad Bokhour and Joshua Falakassa, the Declaration of Plaintiff Steve Rosenbaum, the PAGA Settlement Agreement, the proposed Order Granting Approval of Settlement, all pleadings and papers on file, and any argument or evidence presented at the hearing.

Dated: February 13, 2026

BOKHOUR LAW GROUP, P.C.
FALAKASSA LAW, P.C.

By: ______________________________
Mehrdad Bokhour, Esq.
Joshua Falakassa, Esq.
Attorneys for Plaintiff and the Aggrieved Employees

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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Plaintiff Steve Rosenbaum ("Plaintiff")—individually and on behalf of other allegedly aggrieved employees, and acting as a representative of the State of California—brought this representative action for civil penalties against his former employer, Defendant Amtel, LLC ("Defendant") under the Private Attorneys General Act of 2004, California Labor Code § 2698 *et seq*. ("PAGA"). (Declaration of Mehrdad Bokhour in Support of Plaintiff's Motion to Approve Settlement Pursuant to PAGA ("Bokhour Decl."), ¶ 41.)

A PAGA action is a type of qui tam proceeding that enables private citizens to assist the State of California in enforcing labor laws. (*Iskanian v. CLS Transp. Los Angeles, LLC* (2014) 59 Cal.4th 348, 380–382.) In such an action, the State of California is the real party in interest. (*Id.* at 382.)

As required by statute, the State of California was timely served with a copy of the executed Settlement Agreement and this Motion for Approval. (Declaration of Mehrdad Bokhour in Support of Plaintiff's Motion for Approval of PAGA Settlement (Bokhour Decl., ¶ 41).

Plaintiff's operative claims are brought on behalf of all non-exempt employees who worked for Defendant in California between January 17, 2023, and May 1, 2024 (the "Aggrieved Employees"). (Bokhour Decl. ¶ 9.)

Plaintiff alleges that during the relevant period:

- Defendant failed to properly calculate and pay overtime and sick time wages to Plaintiff and the Aggrieved Employees due to its improper adoption of an Alternative Workweek Schedule ("AWS"), and violations of the "regular rate of pay" requirements. (Bokhour Decl. ¶ 10.)
- Plaintiff and the Aggrieved Employees were denied compliant meal and rest periods, as a result of Defendant's policies, practices, and operational requirements. (Bokhour Decl. ¶ 10.)
- Defendant failed to reimburse necessary business expenses, failed to timely pay wages, failed to pay timely wages at separation, and issued inaccurate itemized wage statements

or otherwise failed to maintain records, thereby incurring civil penalties under PAGA. (Bokhour Decl. ¶ 11.)

Following informal discovery—including the exchange and review of workplace policies, a sampling of time and payroll data, and an exposure analysis based on the Aggrieved Employees' pay periods—the Parties participated in private mediation before Todd Smith, Esq., an experienced wage-and-hour and employment mediator. (Settlement Agreement, Recitals ¶ 2.4.) With the assistance of Mr. Smith, the Parties reached a resolution of the action. (*Id.*)

With a comprehensive Settlement Agreement now in place, Plaintiff seeks—without opposition from Defendant—the Court's approval of a $118,000 non-reversionary settlement resolving all claims alleged in this action pursuant to the Private Attorneys General Act of 2004, Labor Code § 2698 et seq. ("PAGA"). The settlement covers approximately 120 Aggrieved Employees and approximately 2,317 PAGA Pay Periods. (Settlement Agreement §§ 4.1, 8.)

Following the proposed deduction of:

- Attorneys' Fees of $39,333 (1/3 of the Gross Settlement Amount),
- Litigation Costs of $21,573.65,
- Settlement Administration expenses capped at $3,500, and
- A Service Payment of 10,000 to Plaintiff for his service in pursuing the action and assisting with settlement efforts,

The balance of $43,593.35 will be allocated as PAGA penalties in accordance with Labor Code § 2699(i). (Settlement Agreement § 3.24.) Of that amount:

- 75% ($32,695.01) will be paid to the California Labor and Workforce Development Agency (LWDA), and
- 25% ($10,898.34) will be distributed to Aggrieved Employees on a pro rata basis based on the number of PAGA Pay Periods worked during the PAGA period. (Settlement Agreement § 3.2.4.)

This results in an average PAGA-only payment of approximately $90.81 per employee, which is meaningful relief for aggrieved employees, given that the settlement does not release any individual damages or statutory claims, and the value is being distributed solely for representative penalties under PAGA. (Settlement Agreement § 5.1.)

This settlement merits full approval because it furthers the statutory goals of PAGA:

- To deter future Labor Code violations,
- To incentivize employer compliance with wage and hour laws,
- And to provide meaningful enforcement of California labor standards for the public benefit. (*See* Labor Code § 2698 et seq.; *Arias v. Superior Court* (2009) 46 Cal.4th 969, 980.)

Approval of the settlement is governed by Labor Code section 2699(l)(2), which provides that "[t]he superior court shall review and approve any settlement of any civil action filed pursuant to this part." Consistent with California Supreme Court precedent, PAGA settlements are not subject to the requirements of class certification (such as numerosity, typicality, adequacy, or commonality), and there is no preliminary/final two-step process as is required in class actions. (*See Arias*, supra, at pp. 975–976; *Iskanian v. CLS Transp. Los Angeles, LLC* (2014) 59 Cal.4th 348, 380–382.)

For these reasons—and those discussed in more detail below—Plaintiff respectfully requests that the Court grant approval of the PAGA Settlement as fair, reasonable, and in the public interest.

II. FACTUAL BACKGROUND AND PROCEDURAL HISTORY

Defendant is a wireless company that provides wireless broadband, tablet solutions, and accessories, and is the fastest-growing T-Mobile authorized retailer in the State of California. (Bokhour Decl. ¶ 13).

Plaintiff Steve Rosenbaum, along with the other Aggrieved Employees, was employed in a non-exempt position at Defendant's facilities in California during the relevant PAGA period. (Bokhour Decl. ¶ 14).

After retaining counsel, on March 29, 2024, Plaintiff commenced this Action against Defendant, alleging causes of action based on purported Labor Code violations. Plaintiff's complaint alleges that Defendant failed to pay all overtime wages and sick time wages; failed to provide compliant meal and rest periods; failed to reimburse business expenses; failed to issue accurate itemized wage statements and/or maintain records; and failed to timely pay wages during and upon separation of employment. (Bokhour Decl. ¶¶ 15-17; Exhibit A to Bokhour Decl.).

Defendant subsequently presented an arbitration agreement purportedly binding the parties and moved to compel arbitration in accordance therewith. Defendant's motion was granted, whereby the court ordered Plaintiff to arbitrate his claims against Defendant on an individual basis, including his individual PAGA claims, and stayed Plaintiff's non-individual PAGA claims. Plaintiff thereafter submitted his individual claims to arbitration. (Bokhour Decl. ¶ 18).

The parties selected Anthony R. Strauss, Esq., as arbitrator, engaged in arbitration proceedings, and were prepared to proceed to an arbitration hearing on the merits.

However, the Parties agreed to explore resolution through private mediation. (Bokhour Decl. ¶ 19).

In advance of mediation, the Parties engaged in an informal exchange of relevant information and documents. Defendant produced policy documents and a sampling of time and payroll records, which enabled Plaintiff's counsel to conduct a thorough analysis of liability exposure, identify representative violations, and formulate a damages and penalties model. (Bokhour Decl. ¶ 20).

As part of this informal discovery, Plaintiff's counsel analyzed issues including, but not limited to, "regular rate of pay" issues, meal and rest period violations, expense reimbursements, wage statement violations, and late payment penalties. Plaintiff also reviewed Defendant's applicable policies, practices, and pay data to evaluate the risks and potential recovery at trial. (Bokhour Decl. ¶ 20.) (See also Declaration of Joshua Falakassa in Support of Plaintiff's Motion for Approval of PAGA Settlement ("Falakassa Decl."))

Following these efforts, the Parties participated in a full-day mediation on October 6, 2025, before Todd Smith, Esq., a respected and experienced mediator of complex wage-and-hour class and PAGA actions. With Mr. Smith's assistance, the Parties reached a negotiated resolution of the claims asserted in this action. (Settlement Agreement, Recitals ¶ 2.4; Bokhour Decl. ¶ 21.) The Parties thereafter memorialized the material terms in a formal Private Attorneys General Act Settlement Agreement, which is now presented to the Court for review and approval. (Bokhour Decl. ¶ 22; Ex. B.)

III. THE PAGA AND ITS REQUIREMENTS

The Private Attorneys General Act of 2004 ("PAGA"), codified at Labor Code § 2698 *et seq*., provides a mechanism for aggrieved employees to recover civil penalties on behalf of the State of California for violations of the Labor Code committed by their employers. Before PAGA, the enforcement of such civil penalties was vested exclusively in California's labor enforcement agencies. (*Arias v. Superior Court* (2009) 46 Cal.4th 969, 980.).

However, recognizing both the limited resources of enforcement agencies and the prevalence of Labor Code violations, the California Legislature determined it was in the public interest to deputize private individuals as "private attorneys general" to enforce the law. (*Id.*) As the Legislature explained: "The only meaningful deterrent to unlawful conduct is the vigorous assessment and collection of civil penalties as provided in the Labor Code." (Stats. 2003, ch. 906, § 1(b).) Labor Code § 90.5(a) reinforces that California's labor laws exist to prevent employees from being "required or permitted to work under substandard unlawful conditions," and protect compliant employers from unfair competition by those who cut corners on labor standards. The Legislature further found that: Labor enforcement agencies had insufficient staffing, unlikely to keep pace with growth in the labor market, and allowing private enforcement through PAGA was a necessary supplement, while retaining agency primacy over enforcement. (Stats. 2003, ch. 906, § 1(c).)

Under Labor Code § 2699(i), civil penalties recovered in a PAGA action are distributed: 75% to the Labor and Workforce Development Agency (LWDA) for enforcement and education efforts, and 25% to the aggrieved employees.

Before bringing a PAGA action, the employee must satisfy notice and exhaustion requirements under Labor Code § 2699.3(a) by submitting written notice to both the employer and the LWDA identifying the specific Labor Code provisions allegedly violated. The LWDA may then investigate or respond; if it declines to investigate or does not act within the statutory period, the aggrieved employee may proceed. (*See* Lab. Code §§ 2699.3(a)(2), 2699(h).)

In this case, Plaintiff submitted a timely PAGA Notice Letter on January 17, 2024, notifying the LWDA and Defendant of the alleged violations. The LWDA did not intervene, thereby authorizing Plaintiff to proceed with this enforcement action on behalf of the State. (Bokhour Decl. ¶¶ 15–18.) Thus, the entire recovery in this case (the $118,000 PAGA Settlement) is the result of enforcement efforts undertaken solely by Plaintiff and his counsel. The LWDA was provided with notice of the proposed Settlement Agreement and of this Motion, in accordance with Labor Code § 2699(l)(2). (Bokhour Decl. ¶ 41.)

PAGA also requires that any settlement of a PAGA claim brought by an aggrieved employee must be approved by the Court. (*Ibid.*) In *Arias*, the California Supreme Court held that PAGA representative actions are not subject to class certification requirements, nor is notice required for other employees. (*Arias*, 46 Cal.4th at 975–76, 980–88.) The plaintiff is deemed to act as a proxy or agent of California's labor law enforcement agencies. (*Id.* at 986.)

Accordingly, the Court's role is to review the terms of the PAGA settlement to ensure they are fair, reasonable, and in the public interest—goals that this proposed Settlement fully satisfies, as discussed below.

IV. THE SETTLEMENT AND DISTRIBUTION OF PAGA PENALTIES

The following is a summary of the principal terms of the Settlement Agreement.

A. TERMS OF THE SETTLEMENT AND DISTRIBUTION OF PAGA PENALTIES

The Settlement provides that Defendant will pay a non-reversionary Gross Settlement Amount of $118,000 (the "Gross Settlement Amount"), which is inclusive of:

- Civil penalties payable to the Labor and Workforce Development Agency ("LWDA") and Aggrieved Employees,
- Attorneys' Fees and Costs,
- Settlement Administration Expenses, and
- A Service Payment to Plaintiff (*See* Settlement Agreement ("S.A.") ¶¶ 3.1–3.2; Bokhour Decl., Ex. B.)

Following deduction of up to $39,333 in attorneys' fees, $21,573.65 in litigation costs, $3,500 in settlement administration fees, and a $10,000 Service Payment to Plaintiff, the remaining amount—approximately $43,593.35 —constitutes the PAGA Fund. (*See* S.A. ¶ 3.2.4.).

Pursuant to Labor Code § 2699(i) and the terms of the Settlement:

- 75 percent of the PAGA Fund ($32,695.01) will be paid to the LWDA, to be used for labor law enforcement and education;

- The remaining 25 percent ($10,898.34) will be distributed to the Aggrieved Employees on a pro-rata basis based on the number of PAGA Pay Periods worked during the PAGA period. (*See* S.A. ¶ 3.2.4.)

This structure complies with the statutory distribution scheme and provides meaningful recovery to the State and to employees, without the possibility of reversion to Defendant. Uncashed settlement checks will escheat to the State of California Unclaimed Property Fund in accordance with California law. (*See* S.A. ¶ 4.6.)

The following chart reflects the estimated payments from the Settlement Agreement:

	Amount
Gross Settlement Amount	$118,000
PAGA Counsel Fees Payment	$39,333
PAGA Counsel Litigation Expenses Payment	$21,573.65
Administration Expenses Payment	$3,500.00
Plaintiff's Service Payment	$10,000.00
PAGA Fund	**$43,593.35**
75% to the LWDA	$32,695.01
25% to Aggrieved Employees	$10,898.34

As such, the LWDA will receive approximately $32,695.01 (75 percent of the PAGA Fund) and the Aggrieved Employees will collectively receive approximately $10,898.34 (25 percent of the PAGA Fund), which will be paid on a pro-rata basis according to the number of pay periods worked during the PAGA Period. The average payment to the Aggrieved Employees is approximately $90.81 (Bokhour Decl. ¶ 29).

B. Payment and the Notice

Defendant will fund the Gross Settlement Amount to the Settlement Administrator no later than 21 days after the Effective Date. (*See* S.A. ¶ 4.3.) The Effective Date is defined as the date on which it enters a Judgment on its Order Approving the PAGA Settlement and the judgment is no longer appealable. (*See* S.A. ¶ 1.9.)

Within fourteen (14) days after Defendant funds the Gross Settlement Amount, the Settlement Administrator will issue payments to:

- The Aggrieved Employees (25% of the PAGA Fund),
- The LWDA (75% of the PAGA Fund),
- The Settlement Administrator (for administration costs),
- Plaintiff's Service Payment, and
- Plaintiff's counsel (approved Attorneys' Fees and Costs).

(*See* S.A. ¶¶ 4.3-4.5.)

Each Aggrieved Employee will have one hundred eighty (180) days from the date of issuance to cash their settlement checks. (*See* S.A. ¶ 4.5.1.) If any checks remain uncashed after that time, those funds will be voided and submitted to the California State Controller's Office – Unclaimed Property Fund in the name of the respective Aggrieved Employee. (*See* S.A. ¶ 4.5.3.)

C. SETTLEMENT ALLOCATION TO THE AGGRIEVED EMPLOYEES

As set forth in the Settlement Agreement, twenty-five percent (25%) of the PAGA Fund—or $10,898.34—will be allocated to the Aggrieved Employees. (*See* S.A. § 3.2.4.) According to data provided by Defendant, approximately 120 Aggrieved Employees will share in this allocation on a pro rata basis, based on the number of PAGA Pay Periods each individual worked during the applicable PAGA Period. (*See* S.A. §§ 1.6, 1.21.).

The PAGA Period is defined in the Settlement Agreement to cover all non-exempt employees who worked for Defendant in California from January 17, 2023, to May 1, 2024. (*See* S.A. § 1.4, 1.19.)

The portion of each Aggrieved Employee's share of the PAGA Fund will be treated as non-wage income and, to the extent required by law, will be reported on an IRS Form 1099 by the Settlement Administrator. (*See* S.A. §§ 3.2.4.2.)

D. THE RELEASE

The California Supreme Court has held that a judgment in "a representative action brought by an aggrieved employee under the Labor Code Private Attorneys General Act of 2004 ... is binding not only on the named employee plaintiff but also on government agencies and any aggrieved employee not a party to the proceeding." (*Arias v. Superior Court* (2009) 46 Cal.4th 969, 985–986.)

Here, the release in the Settlement Agreement is narrowly tailored and binds only the LWDA, the State of California, and the Aggrieved Employees—and only as to PAGA civil penalty claims. The release is triggered upon the Defendant's full funding of the Gross Settlement Amount. (*See* S.A. § 5.2.)

The relevant language provides:

> 5.1. Upon entry of final judgment and full funding of the settlement, Plaintiff and the State of California on behalf of Aggrieved Employees shall release and discharge the Released Parties from any and all claims for civil penalties under the California Private Attorneys General Act of 2004 (Labor Code §§ 2698–2699.5) that were alleged, or that reasonably could have been alleged, based on the facts and theories set forth in the PAGA Notice and Operative Compliant, including claims under California Labor Code sections 201-204, 210, 226, 226.3, 226.7, 227.3, 246, 510, 512, 516, 1174, 1174.4, 1199, 2802-2804, and 2699, as well as applicable Industrial Welfare Commission Wage Orders and related California Code of Regulations, which accrued at any time during the PAGA Period.

Given these parameters, the release is appropriately narrow and consistent with California law governing representative PAGA actions and related to claims alleged and identified in the Plaintiff's PAGA Notice Letter. Accordingly, the Parties respectfully submit that the scope of the release is both reasonable and enforceable.

V. <u>THE SETTLEMENT IS FAIR AND REASONABLE AND WARRANTS COURT APPROVAL</u>

In 2016, the California Legislature amended PAGA to require that "[t]he superior court shall review and approve any settlement of any civil action filed pursuant to this part." (Lab. Code § 2699(l)(2).) The same provision requires that the proposed settlement be submitted to the Labor and Workforce Development Agency (LWDA) at the same time it is submitted to the Court. Plaintiff has complied with this requirement. The Settlement Agreement and this Motion for Approval have been concurrently submitted to the LWDA. (Bokhour Decl. ¶ 41; Ex. C.)

Beyond procedural compliance, courts must evaluate whether a proposed PAGA settlement is fair, reasonable, and consistent with PAGA's statutory purpose—namely, to deter Labor Code violations, incentivize employer compliance, and serve the State's interest in enforcing labor standards. (See *Arias v. Superior Court* (2009) 46 Cal.4th 969, 980.) Courts have held that a PAGA settlement should be approved where it represents a genuine and informed compromise, particularly when the parties have participated in arm's-length negotiations (such as mediation), exchanged relevant data or discovery, and thoroughly evaluated liability, exposure, and litigation risks. (*See Moniz v. Adecco USA, Inc*. (2021) 72 Cal.App.5th 56, 76.)

Here, the Parties engaged in meaningful pre-settlement litigation and arbitration efforts. They conducted discovery and factual investigation through arbitration proceedings and informal exchanges regarding Defendant's policies, as well as a statistically significant sampling of time and payroll records. Plaintiff's counsel reviewed this data and conducted an exposure analysis to assess penalties and litigation risks. The Parties then participated in a full-day private mediation with experienced wage-and-hour mediator Todd Smith, Esq., and reached a negotiated resolution only after extensive analysis and good-faith negotiations. (Bokhour Decl. ¶¶ 19–21.)

The resulting non-reversionary $118,000 settlement reflects a fair and reasonable compromise. It accounts for Defendant's asserted as well as the challenges of proving liability and penalties, and the Court's discretion to reduce penalties under Labor Code § 2699(e)(2). Of the PAGA Fund, $32,695.01 will be paid to the LWDA, and $10,898.34 will be distributed to approximately 120 Aggrieved Employees on a pro rata basis based on PAGA Pay Periods. Given the strength of Plaintiff's claims, the risks of further litigation, and the real and meaningful recovery for both the State and employees, the proposed settlement is fair, adequate, reasonable, and in the public interest. Accordingly, the Parties respectfully request that the Court grant approval.

A. <u>EVALUATION OF THE PAGA SETTLEMENT</u>

Although PAGA and its legislative history do not expressly require courts to evaluate settlements against the theoretical "maximum value" of the claims, courts routinely assess whether the penalties recovered are reasonable in light of the potential exposure and litigation risks. Here, even under that framework, the penalties provided under the Settlement are fair and reasonable.

Plaintiff estimates that Defendant's maximum potential penalty exposure was approximately $231,700, based on approximately 2,317 PAGA Pay Periods and the statutory $100 per-pay-period penalty for a first violation. (Bokhour Decl. ¶ 30.) This figure is grounded in Plaintiff's core theories—namely, underpaid overtime and sick pay due to improper regular rate calculations, meal and rest break violations, and derivative penalties for inaccurate wage statements, untimely wages, and untimely final wages.

However, Plaintiff's analysis revealed that not all pay periods involved a violation. For example, meal period violations occurred in approximately 24% of pay periods, and only a very limited subset of pay periods were impacted by "regular rate of pay" miscalculations affecting overtime or sick pay. Thus, while the theoretical maximum represents an upper bound, the actual exposure—if liability were established—would likely be substantially lower.

Plaintiff based this estimate on civil penalties available under Labor Code § 2699(f)(2), which generally provides $100 for an initial violation and $200 for each subsequent violation, per aggrieved employee, per pay period. Citing *Amaral v. Cintas Corp.* (2008) 163 Cal.App.4th 1157, Plaintiff asserted that Defendant's notice of the alleged violations through the PAGA notice letters justified applying at least the $100 rate for each pay period after the notice was served. However, Plaintiff acknowledges that some courts have held that the $200 "subsequent violation" rate applies only after an employer has been put on notice of a violation by a court or commission, not merely by the PAGA letter. (See, e.g., *Amalgamated Transit Union Local 1309 v. Laidlaw Transit Servs.*, 2009 U.S. Dist. LEXIS 69842, *26 (C.D. Cal.).) Defendant asserts that only the $100 rate applies, not the higher $200 rate.

However, this maximum amount does not account for the various risks and potential defenses to the claims herein. Moreover, Defendant disputes liability altogether and argues that, even if violations occurred, the Court has discretion under Labor Code § 2699(e)(2) to significantly reduce any penalties "based on the facts and circumstances of the particular case," including where an award might otherwise be "unjust, arbitrary and oppressive, or confiscatory." Defendant further asserts that any violations were unintentional, isolated, or de minimis and that any penalties should be mitigated due to the absence of "willfulness" or based on their good-faith compliance efforts. Defendant also argues that stacking penalties for multiple derivative violations (e.g., wage statements and final pay) would be improper and excessive.

Despite these defenses and the litigation risks, Plaintiff secured a $118,000 PAGA penalty fund, representing approximately 50% of the total maximum exposure. This result reflects a meaningful compromise following a thorough investigation, discovery, arbitration, and private mediation. Plaintiff's counsel analyzed time and pay data, reviewed Defendant's policies and procedures, and modeled potential penalty outcomes using the data provided for approximately 120Aggrieved Employees. (Bokhour Decl. ¶¶ 20, 30.)

The agreed-upon penalty fund ensures meaningful recovery to the State and affected employees while avoiding the uncertainty and cost of further litigation. It advances the goals of PAGA and is neither unjust, arbitrary, nor excessive. Accordingly, the Settlement is a fair and reasonable resolution of the disputed claims and warrants the Court's approval.

B. THE REQUEST SERVICE PAYMENT TO PLAINTIFF IS FAIR AND REASONABLE

Plaintiff respectfully requests that the Court approve a $10,000 Service Payment in recognition of his time, effort, and commitment in prosecuting this action on behalf of the State of California and Aggrieved Employees. The award is reasonable given Plaintiff's active role in the case, including assisting counsel in preparing pleadings and declarations, participating in discovery and arbitration-related proceedings, attending status conferences, reviewing Defendant's policy documents and payroll data, and providing input throughout the settlement negotiations.

Courts routinely approve service or enhancement awards in PAGA-only cases to compensate plaintiffs who invest time and energy in advancing claims for the benefit of others. Such awards reflect the burden representative plaintiffs undertake and the critical role they play in enforcing the Labor Code where state resources may be limited. (See, e.g., *Gonzalez v. CoreCivic of Tennessee, LLC* (E.D. Cal. Mar. 30, 2022) 2022 WL 1050300, at *6 [approving 10,000 Service Payment in PAGA-only settlement].)

Here, Plaintiff helped initiate this enforcement action, litigated through arbitration and supported resolution of the case following extensive discovery and analysis. These efforts ultimately led to a significant, non-reversionary PAGA settlement. As the California Supreme Court has explained, a PAGA plaintiff "represents the same legal right and interest as state labor law enforcement agencies," and acts as a proxy for the State in vindicating public rights. (*Arias v. Superior Court* (2009) 46 Cal.4th 969, 986; *Iskanian v. CLS Transp.* (2014) 59 Cal.4th 348, 387.)

In light of Plaintiff's meaningful contributions to this matter and the strong result obtained on behalf of the State and Aggrieved Employees, the requested $10,000 Service Payment is fair, reasonable, and appropriate. Accordingly, Plaintiff respectfully requests that the Court approve the award as part of the overall settlement.

VI. THE REQUESTED ATTORNEYS' FEES AND LITIGATION COSTS ARE FAIR AND REASONABLE

For their efforts and the risk they undertook in obtaining a common fund settlement that benefits the LWDA and Aggrieved Employees, the Parties allocated $39,333 to Plaintiff's Counsel for reasonable attorneys' fees, which is one-third of the Gross Settlement Amount. Additionally, the Parties agreed to reimburse Plaintiff's Counsel for its actual litigation costs. These fees are warranted under the law and within the range of fees commonly awarded in similar cases.

A. PLAINTIFF'S COUNSEL ARE ENTITLED TO RECOVER ATTORNEYS' FEES UNDER THE COMMON FUND DOCTRINE IN THIS QUI TAM ACTION

PAGA provides that a plaintiff is entitled to recover reasonable attorneys' fees, expenses, and costs under section 2699(g)(1) of the California Labor Code, which provides that, "Any employee who prevails in any action shall be entitled to an award of reasonable attorney's fees and costs, including any filing fee paid pursuant to subparagraph (B) of paragraph (1) of subdivision (a) or subparagraph (B) of paragraph (1) of subdivision (c) of Section 2699.3." As discussed below, in a qui tam action, reasonable attorneys' fees and costs are typically awarded under the common fund doctrine where, as here, the litigation creates a common fund of money in a specific amount for the benefit of others.

"A qui tam action is one brought under a statute that allows a private person to sue as a private attorney general to recover damages or penalties, all or part of which will be paid to the government." *People ex rel. Stratham v. Acacia Research Corp.* (2012) 210 Cal.App.4th 487, 491-492. "A qui tam action 'is a type of private attorney general lawsuit' (citation), in which 'the qui tam Plaintiff stands in the shoes of the state or political subdivision (citation).'" *Id.* at 501. As the name of the PAGA statute makes clear (e.g., "Labor Code Private Attorney General Act"), a PAGA action is a qui tam action because the statute allows the employee plaintiff, acting as the proxy of the state's labor law enforcement agency, to sue his or her employer for Labor Code violations and recover civil penalties that otherwise would have been assessed and collected by the LWDA. *Iskanian*, 59 Cal.4th at 380. "A PAGA representative action is therefore a type of *qui tam* action." *Id.* at 382. Indeed, the majority of the civil penalties recovered in a PAGA action are paid to the state, with a smaller portion paid to the aggrieved employees (*e.g.*, 75% paid to the state; 25% paid to the aggrieved employees). See Labor Code § 2699(i).

As here, where a common fund is created in a qui tam action by the successful litigation of a plaintiff and his attorneys, the attorneys are entitled to recover their fees from the common fund. *Bank of America v. Cory* (1985) 164 Cal.App.3d 66, 89-91. In *Bank of America*, California taxpayers compelled the State Controller to enforce the Unclaimed Property Law against banks that were retaining accounts that should have been turned over to the State. Because of the success of the taxpayers' lawsuit, a common fund was created in favor of some depositors and the State of California. *Id.* When the taxpayers' attorneys sought recovery of their attorney's fees from the judgment under the common fund doctrine, the Controller opposed the request. The Court of Appeal affirmed the trial court's fee award to the taxpayers' counsel under the common fund doctrine, stating:

> "Those benefiting from the recovery of the fund, in this case some depositors and eventually the People of the State of California, must bear their share of the cost of litigation. Fees for taxpayers' attorneys will be deducted from the judgment, and each claimant's share reduced proportionately. To the extent the judgment relies upon section 1021.5 for recovery of attorney fees, it must be modified to confine the award of fees to the common fund theory." *Id*. at p. 91.

In this case, the PAGA Settlement created a common fund for the benefit of the employees and the State of California. Thus, these beneficiaries must bear their share of the costs and attorneys' fees, which fees and costs must be deducted from the settlement amount under the common fund theory. *Id*. Moreover, such fees are deducted as a percentage of the settlement amount. *Boeing Co. v. Van Gemert* (1980) 444 U.S. 472, 478-482; *Six (6) Mexican Workers v. Arizona Citrus Growers* (9th Cir. 1990) 904 F.2d 1301, 1311; *Williams v. MGM-Pathe Communications Co.* (9th Cir. 1997) 129 F.3d 1026, 1027; *Staton v. Boeing Co.*(9th Cir. 2003) 327 F.3d 938, 967.

The California Supreme Court upheld the use of the common fund theory of recovery for attorneys' fees in *Laffitte v. Robert Half Int' l Inc. (2016) 1 Cal.* 5th 480, 506. In *Laffitte*, the settlement created a common fund of $19 million. This ruling is consistent with the Court's prior rulings recognizing that "when a number of persons are entitled in common to a specific fund, and an action brought by … Plaintiff for the benefit of all results in the creation or preservation of that fund, such … Plaintiff may be awarded attorneys' fees out of the fund." *Serrano III v. Priest* (1977) 20 Cal.3d 25, 34; *Boeing Co. v.*

Van Gemert, 444 U.S. 472, 478 (1980) ["(A) lawyer who recovers a common fund . . . is entitled to reasonable attorneys' fees from the fund as a whole"]; *Mills v. Electric Auto-Lite Co.* (1970) 396 U.S. 375, 393-394 [discussing the acceptance of awarding attorneys' fees and expenses from a settlement where "litigation has conferred a substantial benefit on the members of an ascertainable class"]; see also *Lealao v. Beneficial California, Inc.* (2000) 82 Cal.App.4th 19, 26 ["(f)ee spreading occurs when a settlement or adjudication results in the establishment of a separate or so-called common fund for the benefit of the class."].)

Accordingly, the common fund doctrine allows a court to award attorneys' fees based upon a percentage of the total fund that is created for the satisfaction of beneficiaries' claims when the fund consists of a "certain or easily calculable sum of money." *Dunk v. Ford Motor, Co.* (1996) 48 Cal.App.4th 1794, 1809; *Jutkowitz v. Bourns, Inc.* (1981) 118 Cal.App.3d 102, 1,282.91 [application of the percentage of the fund recovery depended on "(t)he critical point" that "a fund was created from which attorneys' fees could be paid"]; A. Conte & H. Newberg, *Newberg on Class Actions*, § 14:6 (4th ed. 2002).

California law has long upheld, and continues to uphold, the percentage of the recovery method for awarding attorneys' fees where a fund is established. See e.g., *Serrano v. Priest* (1977) 20 Cal.3d 25, 34; *Bell v. Farmers Insurance Exchange* (2004) 115 Cal.App.4th 715, 726; *Chavez v. Netflix, Inc.* (2008) 162 Cal.App.4th 43, 563 ["fees based on a percentage of the benefits are in fact appropriate in large class actions…"]; *Sanders v. City of Los Angeles* (1970) 3 Cal.3d 252, 261, 263 [affirming award of attorneys' fee based on percentage of recovery]; *Chavez v. Netflix, Inc.*, *supra*, 162 Cal.App.4th at pp. 65-66; see also *Consumer Cause, Inc. v. Mrs. Gooch's Natural Food Markets, Inc.* (2005) 127 Cal.App.4th 387, 397 [the common fund doctrine is "frequently applied in class actions when the efforts of the attorney for the named class representatives produce monetary benefits for the entire class"]; *Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 254 ["courts recognize two methods for calculating attorney fees in class actions: the lodestar/multiplier method and the percentage of recovery"].

Based on the foregoing, awarding attorneys' fees of one-third of the Gross Settlement Amount is fair and warranted in light of the PAGA settlement that was reached on behalf of the State of California and Aggrieved Employees. Accordingly, awarding fees on this basis in this amount is reasonable and appropriate.

B. THE PERCENTAGE FEE OF THE GROSS SETTLEMENT AMOUNT IS FAIR AND REASONABLE

An award of fees from the Gross Settlement Amount under the common fund doctrine prevents unjust enrichment of those who benefit from the common fund created through the successful efforts of Plaintiff's counsel and furthers the important goal of attracting competent counsel to handle representative actions enforcing minimum labor standards. *Laffitte*, 1 Cal.5th at 503. In affirming the use of the common fund doctrine in California, the California Supreme Court summarized the benefits of the percentage method of recovery stating: "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 (citations)—convince us the percentage method is a valuable tool that should not be denied our trial courts." *Id*.

Among the factors considered in determining whether the requested fee percentage is reasonable are: (1) the results achieved; (2) the risk of further litigation; (3) the skill required of Plaintiff's counsel and the quality of work performed by Plaintiff's counsel; (4) the contingent nature of the fee and the financial burden carried by the Plaintiff; and (5) awards made in similar cases. *Vizcaino v. Microsoft Corp*. (9th Cir. 2002) 290 F.3d 1043, 1048-50. All these factors support an award of one-third of the common fund.

First, Plaintiff's counsel achieved a superb PAGA settlement in a case that involved highly contested issues that were primarily related to small, alleged underpayments, as well as limited meal and rest break violation rates. Notably, Defendant had prevailed on its motion to compel arbitration, and the Legislature was actively discussing reforming the PAGA statute at the time the Parties reached a settlement.

Second, Plaintiff faced significant risks going forward with the litigation. As discussed above, Defendant raised various defenses, and, as a result, Plaintiff faced significant risks going forward in this litigation, and it would have taken significant time to realize any recovery in this action.

Third, Plaintiff's Counsel are experienced representative PAGA action litigators, including having been selected as a "Super Lawyer" in employment litigation and having achieved some of the largest PAGA awards in the State of California (Bokhour Decl. ¶¶ 3-8). This experience and expertise, combined with the high quality of work performed by Plaintiff's Counsel, resulted in the settlement achieved in this case.

Fourth, as discussed above and as set forth in the Declaration of Plaintiff's Counsel, the request for attorneys' fees falls well within the norms accepted by state and federal courts in California in comparable wage and hour actions actually handled by Plaintiff's Counsel.

For all of the above reasons, a fee award of one-third of the Gross Settlement Amount is fair and reasonable.

C. A LODESTAR CROSS-CHECK CONFIRMS THE REASONABLENESS OF THE FEE AWARD

Despite recognized limitations of the lodestar method, California and federal courts often find it useful as a "cross-check" on the reasonableness of percentage-based attorneys' fee requests.[1] *Lealao*, *supra*, 82 Cal.App.4th at 46-47. Under this approach, the court calculates counsel's total lodestar by multiplying the hours reasonably expended by each attorney or legal staff member by that person's respective hourly rate. The resulting figure may then be adjusted using a multiplier based on factors such as the novelty or difficulty of the issues, the contingency risk, and the results achieved. (*See PLCM Group, Inc. v. Drexler* (2000) 22 Cal.4th 1084, 1095–96; *Press v. Lucky Stores, Inc.* (1983) 34 Cal.3d 311, 322; *Lealao*, supra, at 43.)

Here, Plaintiff's counsel requests fees in the amount of $39,333—representing one-third of the gross settlement amount. As set forth in the declarations of Plaintiff's counsel submitted herewith, this fee represents a negative multiplier when cross-checked against their actual lodestar, which totals $64,325. The table below summarizes the lodestar calculation:

[1] In practice, the lodestar method is difficult to apply, time-consuming to administer, inconsistent in result, and capable of manipulation. In addition, the lodestar creates inherent incentive to prolong the litigation until sufficient hours have been expended. Herr, David F., *Manual for Complex Litigation,* § 14.121 (1988); *see also In re Activision* (N.D. Cal 1989) 723 F.Supp 1373.

Lodestar Summary

Attorney	Experience	Hourly Rate	Total Hours	Lodestar
Mehrdad Bokhour	13 years	$750	50[2]	$37,500
Joshua Falakassa	12 years	$725	35	$26,820
		TOTAL		$64,325

(*See* Bokhour Decl. ¶ 36; Falakassa Decl. ¶ 29.)

The requested fee of $39,333 represents a lodestar negative multiplier. This is well within the range routinely approved by California courts, particularly in wage and hour litigation involving significant litigation risk, meaningful relief, and substantial investment of attorney time. The requested fee is thus reasonable and appropriate under both the percentage-of-recovery method and the lodestar cross-check.

The hourly rates requested by Plaintiff's counsel are consistent with rates approved by California courts for attorneys of similar skill, experience, and reputation in complex wage-and-hour matters. The starting point for determining a reasonable hourly rate is the prevailing market rate in the relevant legal community. (*See PLCM Group, Inc. v. Drexler* (2000) 22 Cal.4th 1084, 1095; *Chavez v. City of Los Angeles* (2010) 47 Cal.4th 970, 985.)

Given that Mr. Bokhour (14 years) requests $750 per hour and Mr. Falakassa (13+ years) requests $725 per hour, their rates fall squarely within the approved and prevailing range for experienced counsel handling complex representative employment matters in California.

Thus, the hourly rates used in Plaintiff's lodestar calculation are well-supported by recent authority and further confirm that the requested attorneys' fees are fair, reasonable, and consistent with market standards.

D. THE REQUESTED LITIGATION COSTS ARE FAIR AND REASONABLE

Plaintiff's Counsel respectfully requests reimbursement of their actual out-of-pocket litigation expenses incurred in prosecuting this action. These costs were both reasonable and necessary to the effective representation of Plaintiff and the Aggrieved Employees. Courts routinely allow prevailing

[2] Includes an estimated 25 hours of additional work in preparation for and attending the hearing, as well as work that is anticipated to be performed after the hearing with counsel, administrator, employees, and the court.

plaintiffs to recover such costs under the common fund doctrine, which applies equally to representative PAGA actions. (*See Serrano v. Priest* (1977) 20 Cal.3d 25, 35 [common fund doctrine permits recovery of fees and costs from the fund]; *Rider v. County of San Diego* (1992) 11 Cal.App.4th 1410, 1424 n.6 [litigation costs may be recovered for the same reasons supporting a fee award].)

Additionally, courts recognize that counsel is entitled to recover "those out-of-pocket expenses that would normally be charged to a fee-paying client." (*Harris v. Marhoefer* (9th Cir. 1994) 24 F.3d 16, 19.) Such reimbursable expenses may include filing fees, mediation costs, court reporting, research, and related case administration expenses.

Here, the Settlement Agreement authorizes recovery of litigation costs of up to $21,573.65. (S.A. § 3.2.1.) However, Plaintiff's Counsel seeks reimbursement of $21,573.65, which reflects their actual costs through the anticipated approval hearing. (*Bokhour Decl. ¶ 39.*) These costs are modest in relation to the size and complexity of the case and are uncontested by Defendant.

Because the requested costs are well-documented, reasonably incurred, and fall below the cap set by the Settlement, Plaintiff respectfully requests that the Court approve reimbursement in the amount of $21,573.65. The remaining balance of the Gross Settlement Amount will be directed to the PAGA Fund, benefiting the LWDA and Aggrieved Employees.

VII. SUBMISSION TO THE LWDA

As required by Labor Code § 2699(l)(2), Plaintiff has concurrently submitted the Settlement Agreement and this Motion for Approval to the California Labor and Workforce Development Agency (LWDA). (*See* Bokhour Decl. ¶ 41.) Proof of the electronic submission to the LWDA is attached as Exhibit C to the Bokhour Declaration.

VIII. THE SETTLEMENT ADMINISTRATOR

ILYM Group, Inc. ("ILYM") has been selected to serve as the Settlement Administrator. ILYM will be responsible for issuing settlement payments, providing notice to Aggrieved Employees, handling tax reporting, and performing other standard administrative functions related to the Settlement. ILYM submitted an all-inclusive bid to administer the Settlement for $3,500, which will be paid from the Gross Settlement Amount. (*See* S.A. § 4.3.)

IX. CONCLUSION

For the foregoing reasons, Plaintiff respectfully requests—without opposition from Defendant—that the Court grant approval of the Parties' PAGA Settlement Agreement pursuant to Labor Code § 2699(l)(2). The Settlement is fair, adequate, and reasonable, and it advances the enforcement goals of the PAGA by providing meaningful relief to the State of California and the Aggrieved Employees.

Dated: February 13, 2026

BOKHOUR LAW GROUP, P.C.
FALAKASSA LAW, P.C.

By: ______________________________

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