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**SUPERIOR COURT OF THE STATE OF CALIFORNIA**

**FOR THE COUNTY OF SACRAMENTO**

JACOB FILLMORE, individually, and on behalf of all others similarly situated,

*Plaintiff*,

v.

INTER-STAT, INC. dba INTER-STAT COOPERATIVE, INC., a California corporation; and DOES 1 through 10, inclusive,

*Defendants*.

Case No.: 23CV009170

*[Assigned for All Purposes to the Hon. Lauri A. Damrell, Dept. 22]*

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

Preliminary Approval Hearing:
Date: February 20, 2026
Time: 9:00 a.m.
Div.: 22

Action Filed: September 27, 2023

**TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:**

**PLEASE TAKE NOTICE** that on February 20, 2026, at 9:00 a.m., or as soon thereafter as the matter may be heard in Department 22 of the Superior Court of California, County of Sacramento, Gordon D. Schaber Superior Court, located 720 9th Street, Sacramento, California 95814, Plaintiffs Jacob Fillmore, Natalie Bolton, Kevon Moore, Benito Ramirez, Ezell Gardner, and Keana Darrett (collectively "Plaintiffs") will and hereby do move this Court for an Order:

1. Granting preliminary approval of the proposed Class Action and PAGA Settlement Agreement ("Settlement");
2. Conditionally certifying the proposed Class for settlement purposes only;
3. Appointing Plaintiffs Jacob Fillmore, Natalie Bolton, Kevon Moore, Benito Ramirez, Ezell Gardner, and Keana Darrett as class representatives;
4. Appointing John G. Yslas, Diego Aviles, Harry Erganyan, Mariam Nazaretyan, Emily K. Borman, and Courtney M. Miller of Wilshire Law Firm, PLC as Class Counsel;
5. Appointing Phoenix Settlement Administrators as the Settlement Administrator; and
6. Setting a final approval hearing date.

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

This Motion is based on this Notice of Motion; the accompanying Memorandum of Points and Authorities; the Declaration of John G. Yslas, the Declaration of Plaintiff Jacob Fillmore, the Declaration of Plaintiff Natalie Bolton, the Declaration of Plaintiff Kevon Moore, the Declaration of Plaintiff Benito Ramirez, the Declaration of Plaintiff Ezell Gardner, the Declaration of Plaintiff Keanna Darrett, the Declaration of Jodey Lawrence; and on all records and documents on file, together with such oral and documentary evidence that may be presented at the hearing on this matter.

Pursuant to Local Rule 1.06 (A), the Court will make a tentative ruling on the merits of this matter by 2:00 p.m., the court day before the hearing. The complete text of the tentative ruling may be downloaded off the Court's website. If the party does not have online access, they may call the dedicated phone number for the department as referenced in the local telephone directory between the hours of 2:00 p.m. and 4:00 p.m. on the court day before the hearing and receive the tentative ruling. If you do not call the Court and the opposing party by 4:00 p.m. the court day before the hearing, no hearing will be held.

Respectfully submitted,

Dated: February 18, 2026 **WILSHIRE LAW FIRM, PLC**

By: /s/ Courtney M. Miller
Courtney M. Miller
Attorneys for Plaintiffs

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## MEMORANDUM OF POINTS AND AUTHORITIES

### I. INTRODUCTION

Pursuant to California Rules of Court, Rule 3.769(d) and (e), Plaintiffs seek preliminary approval of a class action settlement of wage and hour claims, including representative claims brought under the Private Attorneys General Act of 2004 ("PAGA"), against Defendant Inter-Stat, Inc. DBA Inter-Stat Cooperative, Inc. ("Defendant") (Plaintiffs and Defendant collectively, the "Parties"). The proposed Class is defined as all persons who worked for Defendant in California as an hourly-paid or non-exempt employee ("Class Members") at any time during the period from September 27, 2019, through August 28, 2025 ("Class Period"). The main terms of the Settlement are as follows:

1. A Gross Settlement Amount of $498,330.00, which will be distributed to approximately 506 Class Members on a pro rata basis according to the total workweeks worked by each Class Member during the Class Period;
2. Attorneys' fees of up to one third (1/3) of the Gross Settlement Amount (currently $166,110.00) and up to $35,000.00 in reimbursement of litigation costs to Plaintiffs' Counsel;
3. A class representative service payment of up to $7,500.00 to Plaintiff Jacob Fillmore and class representative service payments of up to $5,000.00 each to Plaintiffs Natalie Bolton, Kevon Moore, Benito Ramirez, Ezell Gardner, and Keana Darrett;
4. Costs of settlement administration of up to $10,000.00; and
5. Allocation of $30,000.00 to PAGA penalties, sixty-five percent (65%) of which ($19,500.00) will be paid to the Labor and Workforce Development Agency ("LWDA"), and thirty-five percent (35%) of which ($10,500.00) will be paid to all persons who worked for Defendant in California as an hourly-paid or non-exempt employee ("PAGA Members") at any time during the period from January 16, 2023, through August 28, 2025 ("PAGA Period").

The Settlement meets all criteria for preliminary approval and falls within the range of reasonableness given the risks and expenses of further litigation. The Settlement was reached through informed, arm's length bargaining between experienced attorneys with the assistance of an experienced neutral. As such, Plaintiffs request that the Court grant preliminary approval of the Settlement, conditionally certify the Class for settlement purposes only, appoint Plaintiffs Jacob Fillmore, Natalie Bolton, Kevon Moore, Benito Ramirez, Ezell Gardner, and Keana Darrett as class representatives, appoint Plaintiffs' Counsel as Class Counsel, appoint Phoenix Settlement Administrators as the Settlement Administrator, authorize the Settlement Administrator to administer notice of the Settlement to the Class, and set a final approval hearing date.

## II. PROCEDURAL HISTORY

On September 27, 2023, Plaintiff Jacob Fillmore filed this putative class action against Defendant Inter-Stat, Inc. DBA Inter-Stat Cooperative, Inc. ("Defendant") alleging: (1) failure to pay minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay final wages at termination; (6) failure to provide accurate itemized wage statements; (7) failure to indemnify employees for expenditures; (8) failure to produce requested employment records; and (9) unfair business practices ("Class Action"). Declaration of John G. Yslas in Support of Plaintiffs' Motion for Preliminary Approval of Class Action and PAGA Settlement ("MPA") ("Yslas Decl.") at ¶ 3.

On January 16, 2024, Plaintiff Jacob Fillmore provided written notice to the LWDA and Defendant of the specific provisions the Labor Code alleged to have been violated, including the facts and theories in support ("PAGA Notice"). Yslas Decl. at ¶ 4, Exhibit 1. The LWDA did not notify Plaintiff Jacob Fillmore that it intended to investigate within 65 days of the PAGA Notice. Yslas Decl. at ¶ 4. Therefore, on June 11, 2024, Plaintiff Jacob Fillmore filed a separate complaint against Defendant for civil penalties under PAGA in the Superior Court of California, County of Sacramento, Case No. 24CV011626 ("PAGA Action"). *Id.*

On June 4, 2024, Plaintiffs Jacob Fillmore and Natalie Bolton provided an amended written notice to the LWDA and Defendant of the specific provisions the Labor Code alleged to have been violated, including the facts and theories in support ("Amended PAGA Notice"). Yslas Decl. at ¶ 4, Exhibit 2. The LWDA did not notify Plaintiffs Jacob Fillmore and Natalie Bolton that it intended to investigate within 65 days of the Amended PAGA Notice. Yslas Decl. at ¶ 4. Therefore, on

August 8, 2024, Plaintiffs Jacob Fillmore and Natalie Bolton filed a First Amended Complaint in the PAGA Action which added Natalie Bolton as a named plaintiff. *Id*.

On August 4, 2025, Plaintiffs provided a further amended notice to the LWDA and Defendant of the specific provisions the Labor Code alleged to have been violated, including the facts and theories in support ("Further Amended PAGA Notice"). Yslas Decl. at ¶ 4, Exhibit 3. The LWDA did not notify Plaintiffs that it intended to investigate within 65 days of the Further Amended PAGA Notice. Yslas Decl. at ¶ 4. Therefore, on October 8, 2025, Plaintiffs filed a First Amended Complaint in this Class Action, which added Plaintiffs Kevon Moore, Benito Ramirez, Ezell Gardner, and Keana Darrett as named plaintiffs and added a cause of action for civil penalties under PAGA. *Id*. On December 10, 2025, the Court entered Plaintiffs Jacob Fillmore and Natalie Bolton's request for dismissal of the PAGA Action without prejudice. *Id*.

On July 28, 2025, the Parties participated in a private full-day mediation with a respected mediator, Nikki Tolt, Esq. ("Ms. Tolt"). Yslas Decl. at ¶ 5. The negotiations were adversarial, conducted at arm's length, and tempered by the efforts of both sides to serve the interests of their clients. *Id*. The Parties accepted a mediator's proposal that day and agreed on general settlement terms. *Id*. The Parties memorialized their agreement in a Memorandum of Understanding on July 28, 2025. *Id*. The Parties negotiated the terms of the Settlement over several months then finalized and fully executed the Settlement in November 2025. *Id*. at ¶ 6, Exhibit 4 ("Settlement Agreement"). On February 18, 2026, Plaintiffs submitted a copy of the Settlement Agreement to the LWDA. *Id.* at ¶ 7, Exhibit 5.

## III. SUMMARY OF THE SETTLEMENT TERMS

### A. Terms of the Proposed Settlement

The Parties have agreed to settle the claims alleged in this Class Action and the PAGA Action for a Gross Settlement Amount of $498,330.00. Settlement Agreement at § 1.23. Subject to Court approval, the following payments will be deducted from the Gross Settlement Amount: (1) a class representative service payment of up to $7,500.00 to Plaintiff Jacob Fillmore and class representative service payments of up to $5,000.00 each to Plaintiffs Natalie Bolton, Kevon Moore, Benito Ramirez, Ezell Gardner, and Keana Darrett; (2) attorneys' fees of up to one third (1/3) of the Gross Settlement Amount (currently $166,110.00) and reimbursement of litigation costs of up to $35,000.00 to Plaintiffs' Counsel; (3) costs of settlement administration of up to $10,000.00 to Phoenix Settlement Administrators; (4) individual class payments to Class Members; and (5) PAGA penalties in the amount of $30,000.00, which will be allocated 65% to the LWDA ($19,500.00) and 35% to PAGA Members ($10,500.00). *Id.* at §§ 3.1, 3.2. After all requested deductions are made, the portion of the Net Settlement Amount available for individual class payments is currently estimated to be $224,720.00. Yslas Decl. at ¶ 19.

Individual class payments will be calculated based on the number of workweeks worked by each Class Member during the Class Period. *Id*. at § 3.24. For tax purposes, the individual class payments will be allocated 20% to wages and 80% to interest, reimbursement, and penalties. *Id*. at § 3.2.4.1. Defendant will separately pay any and all employer payroll taxes owed on the wage positions of the individual class payments separate from the Gross Settlement Amount. *Id*. at § 3.1.

Individual PAGA payments to PAGA Members will be calculated based on the number of pay periods worked by each Aggrieved Employee during the PAGA Period. *Id*. at § 3.2.5.1. For tax purposes, the individual PAGA payments will be allocated 100% to penalties. *Id*. at § 3.2.5.2.

Any deductions not approved by the Court will be retained by the Settlement Administrator in the Net Settlement Amount. *Id.* at §§ 1.29, 3.2. Funds from any uncashed checks will be transmitted by the Settlement Administrator to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue." *Id.* at § 4.4.3. None of the Gross Settlement Amount will revert to Defendant. *Id*. at § 3.1.

**B. Proposed Settlement Administration**

The Parties' proposed class notice complies with the requirements of California Rules of Court, Rule 3.766(d). *See* Exhibit A to Settlement Agreement. It provides information regarding the nature of this lawsuit, a summary of the settlement terms, the formula used for calculating individual class and PAGA payments and instructions to dispute the calculations, instructions on how to opt-out of or object to the Settlement, the date, time, and location of the final approval hearing, and the amounts sought for the class representative service payment, attorneys' fees and litigation costs, and settlement administration costs. *See generally, id*. The class notice also notifies

Class Members that they do not need to submit a claim in order to participate in the Settlement and receive a payment. *See id*. The Settlement Administrator will mail Class Members the class notice by first-class mail in English and in Spanish. Settlement Agreement at §§ 1.12, 7.4.2; Declaration of Jodey Lawrence of Phoenix Settlement Administrators in Support of Plaintiffs' MPA ("Lawrence Decl.") at ¶ 22, Exhibit B.

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

**C. Proposed Releases**

<u>Released Class Claims</u>: Effective on the date when Defendant fully funds the Gross Settlement Amount and all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, "[a]ll Participating Class Members will release all claims, rights, demands, liabilities, and causes of action, alleged or which could have reasonably been alleged based on the facts alleged in the operative Complaint, including but not limited to: (1) failure to pay minimum and straight time wages (pursuant to Cal. Labor Code §§ 204, 1194, 1194.2, 1197 and 1197.1); (2) failure to pay overtime wages (pursuant to Cal. Labor Code §§ 510, 1194, and 1198); (3) failure to provide meal periods (pursuant to Cal. Labor Code §§ 226.7 and 512); (4) failure to authorize and permit rest periods (pursuant to Cal. Labor Code §§ 226.7); (5) failure to timely pay final wages at termination (pursuant to Cal. Labor Code §§ 201-203); (6) failure to provide accurate itemized wage statements (pursuant to Cal. Labor Code §§ 226); (7) failure to indemnify employees for expenditures (pursuant to Cal. Labor Code §§ 2802); (8) failure to produce requested employment records (pursuant to Cal. Labor Code §§ 226, 432, and 1198.5); and (9) unfair business practices (pursuant to Cal. Bus. & Prof. Code §§ 17200, et seq.). The enumeration of these specific claims shall neither enlarge nor narrow the scope of res judicata based on the claims that were asserted in the Action or could have been asserted in the Action based on the facts and circumstances alleged

in the Complaint. The Released Class Claims are those that accrued during the Class Period." Settlement Agreement at § 5.2.

Released PAGA Claims: Effective on the date when Defendant fully funds the Gross Settlement Amount and all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, "[a]ll Aggrieved Employees will release all claims for PAGA civil penalties that are alleged or reasonably could have been alleged based on the facts alleged in the operative Complaint and in Plaintiffs' January 16, 2024, June 4, 2024, and August 4, 2025 PAGA Notices, including but not limited to: (1) failure to pay minimum and straight time wages (pursuant to Cal. Labor Code §§ 204, 210, 510, 1194, 1194.2, 1197 and 1197.1); (2) failure to pay overtime wages (pursuant to Cal. Labor Code §§ 510, 1194 and 1198); (3) failure to provide meal periods (pursuant to Cal. Labor Code §§ 210, 226.7 and 512); (4) failure to authorize and permit rest periods (pursuant to Cal. Labor Code §§ 210 and 226.7); (5) failure to timely pay final wages at termination (pursuant to Cal. Labor Code §§ 201 – 203 and 213(d)); (6) failure to provide accurate itemized wage statements (pursuant to Cal. Labor Code §§ 226 and 226.3); (7) failure to indemnify employees for expenditures (pursuant to Cal. Labor Code § 2802); (8) failure to produce requested employment records (pursuant to Cal. Labor Code §§ 226, 432, and 1198.5); (9) failure to pay all earned wages twice per month and unlawfully withholding accrued wages (pursuant to Cal. Labor Code §§ 204, 210 and 216); (10) failure to maintain accurate records of hours worked and meal periods (pursuant to Cal. Labor Code §§ 1174, and 1174.5); (11) recordkeeping requirement violations (pursuant to Cal. Labor Code §§ 226.6, 558.1, 1174, 1174.5, 1198 and 1199); (12) willful misclassification (pursuant to Cal. Labor Code § 226.8); (13) retaliation (pursuant to Cal. Labor Code § 1102.5); and (14) civil penalties for wage and hour violations (pursuant to Cal. Labor Code § 558). The Released PAGA Claims are those that accrued during the PAGA Period." Settlement Agreement at § 5.3.

Only Plaintiffs will agree to a general release and a waiver of Civil Code § 1542. Settlement Agreement at §§ 5.1, 5.1.1.

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

**A. Provisional Certification of the Class is Appropriate**

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

**1. The Proposed Class is Numerous and Ascertainable**

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

The class here consists of all persons who worked for Defendant in California as an hourly-paid or non-exempt employee at any time during the Class Period. *See* Settlement Agreement at § 1.5. The Class is also readily ascertainable from Defendant's business records, because all Class Members are or were employees of Defendant. *Id*. Defendant's records show there are approximately 506 Class Members, making joinder of all Class Members impracticable. Yslas Decl. at ¶ 9.

**2. A Well-Defined Community of Interest Exists**

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

**a. Common Questions Predominate**

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

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

**b. Plaintiffs are Typical of the Class**

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

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

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

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

Plaintiffs' interests are coextensive with Class Members' interests. Declaration of Kevon Moore in Support of Plaintiffs' MPA ("Moore Decl.") at ¶¶ 4-6. Plaintiffs have demonstrated an ability to advocate for the interests of Class Members by initiating these lawsuits, providing information to their attorneys, meeting with their attorneys in advance of mediation to discuss their claims, and reviewing the proposed Settlement. Moore Decl. at ¶ 7.

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

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

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

### B. The Settlement Meets the Standards for Preliminary Approval

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

#### 1. The Settlement is Entitled to a Presumption of Fairness

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

##### a. The Settlement is the Result of Arm's Length Negotiation

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

**b. Sufficient Investigation and Discovery Have Been Conducted**

Prior to attending mediation, Plaintiffs' Counsel thoroughly investigated the claims, applicable law, and potential defenses. Yslas Decl. at ¶ 8. Plaintiffs' Counsel assessed the value to the class claims using the data and documents Defendant produced in informal discovery. *Id.* The data and documents produced by Defendant included the number of Class Members and Aggrieved Employees, the number of workweeks in the Class Period, and the number of pay periods in the PAGA Period, the average rate of pay, documents concerning Plaintiffs, wage-and-hour policy documents, Defendant's handbooks that were operative during the Class Period, and a random sampling of Class Members' time and payroll records. *Id*. Plaintiffs' Counsel engaged an expert to quantify the potential exposure using the time and payroll records, and then assessed the risks associated with each claim meriting reductions in the likely success at class certification and likely recovery at trial. *Id*.

**c. Plaintiffs' Counsel is Experienced in Similar Litigation**

Plaintiffs are represented by Wilshire Law Firm, PLC. Yslas Decl. at ¶ 1. Plaintiffs' Counsel has extensive experience litigating wage-and-hour class actions on behalf of employees. *See id.* at ¶¶ 20-32. Plaintiffs' Counsel has been involved as counsel in numerous class actions that have resulted in millions of dollars in recovery. *See id.*

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

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

<u>Minimum and Overtime Wages</u>: Plaintiffs' unpaid minimum and overtime wage claims were based on the allegation that Defendant required Class Members to perform work duties while off the clock, without compensation. Yslas Decl. at ¶ 12. For example, Plaintiffs allege that Defendant required them and other Class Members to perform extensive pre-shift tasks and to work through recorded meal periods, all without compensation. *Id*. Based on these allegations, Plaintiffs' Counsel conservatively estimated that Class Members worked one (1) hour off the clock per week in calculating potential exposure for these claims to be approximately $494,343.36 (16,611 workweeks x $19.84 average hourly rate of pay x 1.00 hour/workweek x 1.5 overtime rate of pay). *Id*. Because this claim would have relied heavily on Class Member testimony and would not be evidenced in Defendant's time and payroll records, the risk of succeeding at class certification was substantial. *Id*. Accordingly, Plaintiffs' Counsel applied a risk discount based on a 40% chance of succeeding at class certification and a 40% chance of succeeding at trial on the merits, yielding a realistic damage estimate of approximately $79,094.94 ($494,343.36 x 40% x 40%). *Id*.

<u>Meal Periods</u>: Plaintiffs' meal period claim was based on the allegation that Defendant failed to provide Class Members with legally compliant meal periods or pay meal period premiums in lieu thereof. Yslas Decl. at ¶ 13. For example, Plaintiffs allege that Defendant required Plaintiffs and Class Members to keep a walkie talkie on them during meal periods, which resulted in meal periods that were on-duty, interrupted, and/or less than 30 minutes. *Id*. The time and payroll records produced by Defendant in advance of mediation reflected late, short, and missed meal periods. *Id*. Plaintiffs' Counsel's expert determined there was a 27.1% meal period violation rate from the sampling of Defendant's time and payroll records. *Id*. Thus, Plaintiffs' Counsel calculated potential exposure on this claim to be approximately $375,090.54 (69,763 shifts greater than 5 hours x $19.84 average hourly rate of pay x 27.1% violation rate). *Id*. However, Defendant argued that Class Members were covered by meal period waivers. *Id*. Accordingly, Plaintiffs' Counsel applied a risk discount based on a 50% chance of succeeding at class certification and a 40% chance of succeeding at trial on the merits, yielding a realistic damage estimate of approximately $75,018.11 ($375,090.54 x 50% x 40%). *Id*.

<u>Rest Periods</u>: Plaintiffs' rest period claim was based on the allegation that Defendant failed

to provide Class Members with legally compliant rest periods or pay rest period premiums in lieu thereof. Yslas Decl. at ¶ 14. For example, Plaintiffs allege that Defendant required Plaintiffs and Class Members to keep a walkie talkie on them during rest periods, which resulted in rest periods that were on-duty, interrupted, and/or less than 10 minutes. *Id*. Based on such allegations, Plaintiffs' Counsel applied a 100% violation rate to all shifts of 3.5 hours or longer and thus calculated potential exposure on this claim to be approximately $1,495,499.52 (75,378 shifts of 3.5 hours or longer x $19.84 hourly rate x 100% violation rate). *Id*. Plaintiffs' Counsel discounted this figure to account for the difficulty of certifying and proving rest period claims, particularly because rest periods do not have to be recorded, and to account for the possibility of Class Members voluntarily choosing to forego a rest period. *Id*. Because this claim would have relied exclusively on Class Member testimony, Plaintiffs' Counsel discounted this claim based on a 30% chance of succeeding at class certification and a 20% chance of succeeding at trial, yielding a realistic damage estimate of approximately $89,729.97 ($1,495,499.52 x 30% x 20%). *Id*.

In sum, Plaintiffs' Counsel estimated that Plaintiffs' maximum recovery for the off-the-clock claim, meal period violations, and rest period violations (i.e. wage claims) is approximately $2.36 million, but after factoring in the risk and uncertainty of prevailing at certification and trial, Plaintiffs' Counsel estimates that Plaintiffs' realistic estimated recovery for the wage claims is approximately $243,843.02. Yslas Decl. at ¶ 15.

<u>Reimbursements</u>: Plaintiffs' reimbursement claim was based on the allegation that Defendant failed to indemnify Class Members for expenses incurred as a direct result of performing their job duties for Defendant. Yslas Decl. at ¶ 16. For example, Plaintiffs allege that Defendant required them and Class Members to use their personal cell phones for work-related purposes and to bring their own notepads and pens to use during the meetings they had several times per week, all without reimbursement. *Id*. For purposes of calculating Defendant's liability based on a best-case scenario for Plaintiffs and the Class, Plaintiffs' Counsel estimated that Defendant was liable to each class member for $30 per month, or $7.50 per workweek, in unreimbursed expenses, for a total amount of approximately $124,582.50 ($7.50 x 16,611 workweeks). *Id*. Plaintiffs' Counsel discounted this figure based on an evaluation of a 30% chance of succeeding at class certification

and a 30% chance of succeeding at trial to account for the difficulty of certifying and proving expense reimbursement claims, yielding a realistic damage estimate of approximately $11,212.43 ($124,582.50 x 30% x 30%). *Id*.

Derivative Penalties: Plaintiffs alleged that as a result of Defendant's failure to pay all wages and meal and rest period premiums owed, Defendant owed waiting time penalties and wage statement penalties. Yslas Decl. at ¶ 17. With respect to Plaintiffs' derivative claims for statutory penalties, Plaintiffs' Counsel estimated that Defendant's realistic potential liability is approximately $116,010.10. *Id*. Plaintiffs' Counsel calculated Defendant's maximum potential liability for waiting time penalties to be approximately $1,537,401.60 (369 employees x $19.84 hourly rate x 7 hours/day x 30 days) based on approximately 369 formerly employed class members during the 3-year statute of limitations period and an average shift length of 7 hours. Defendant's maximum potential liability for inaccurate wage statements is approximately $396,100.00 ([324 employees during the 1-year statute of limitations period x 1 initial violation/employee x $50 for an initial violation] + [(4,123 pay periods in the 1-year statute of limitations period - 324 initial violations) x $100 for each subsequent violation]). *Id*. In light of the foregoing, Plaintiffs' Counsel believes that it would be unrealistic to expect the Court to award the full $1,933,501.60 in statutory penalties given Defendant's defenses, the contested nature of Plaintiffs' claims, the challenges of establishing willfulness as applicable, and the discretionary nature of penalties. *Id*. Considering that the underlying wage claims are realistically estimated to be approximately $243,843.02, such a disproportionate award would also raise due process concerns. *Id*. As such, Plaintiffs' counsel discounted these figures to account for the risk and uncertainty of prevailing at trial, resulting in a realistic evaluation of approximately $92,244.10 for waiting time penalty claims ($1,537,401.60 x 30% x 20%), and approximately $23,766.00 for wage statement penalty claims ($396,100.00 x 30% x 20%), or approximately $116,010.10 total for statutory penalties. *Id*.

PAGA: For the PAGA claim, Plaintiffs' Counsel determined that Defendant's potential exposure could potentially reach $387,100.00, assuming the initial $100 penalty would apply for each of the 3,871 pay periods in the PAGA Period. Yslas Decl. at ¶ 18. However, even assuming success on the merits of each claim, PAGA gives the Court discretion to reduce penalties for a variety of reasons, including where to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory. *Id*. Therefore, Plaintiffs' Counsel discounted this figure to account for the risk and uncertainty of prevailing at trial, resulting in a realistic evaluation of approximately $38,710.00 for PAGA penalties ($387,100.00 x 10%). *Id*. The allocation of $30,000.00 of the Gross Settlement Amount to PAGA Penalties amounts to approximately 6% of the Gross Settlement Amount and represents approximately 77% of the realistic maximum recovery ($30,000.00 / $38,710.00). *Id*.

Using these estimated figures, Plaintiffs' Counsel predicted that the realistic maximum recovery for all claims, including penalties, would be approximately $409,775.54. Yslas Decl. at ¶ 19. This means that the $498,330.00 gross settlement figure represents approximately 122% of the realistic maximum recovery ($498,330.00 / $409,775.54). *Id*. Considering the risk and uncertainty of prevailing at class certification and at trial, this is an excellent result for the Class. *Id*. Indeed, because of the proposed Settlement, Cass Members will receive timely, guaranteed relief and will avoid the risk of an unfavorable judgment. *Id*.

Based on the figures in the Settlement Agreement, the Net Settlement Amount available for individual class payments is estimated to be approximately $224,720.00 for a class of approximately 506 persons. *Id*. As a result, each Settlement Class Member is eligible to receive an average individual class payment of approximately $444.11. *Id*. Based on the estimated Net Settlement Amount available for individual class payments and there being approximately 16,611 workweeks in the Class Period, the estimated weekly valuation for individual class payments is $13.53 ($224,720.00 / 16,611 workweeks). *Id*. Based on these current estimates, the lowest estimated individual class payment could be $13.53 ($13.53 x 1 week) and the highest estimated individual class payment could be $4,180.27 ($13.53 x approximately 309 weeks in the Class Period). *Id*.

**C. The Requested Service Payment is Reasonable**

Plaintiffs seek a class representative service payment of up to $7,500.00 to Plaintiff Jacob Fillmore and class representative service payments of up to $5,000.00 each to Plaintiffs Natalie Bolton, Kevon Moore, Benito Ramirez, Ezell Gardner, and Keana Darrett for accepting the responsibilities of representing the interests of the class and potential costs that were not borne by any other Class Member. Settlement Agreement at § 3.2.1. A named plaintiff is eligible for payment that reasonably compensates him or their for undertaking and fulfilling a fiduciary duty to represent absent class members. *See Cellphone Termination Fee Cases*, 186 Cal.App.4th 1380, 1393 (2010); *Bell v. Farmers Ins. Exch.*, 115 Cal.App.4th 715, 726 (2004).

Throughout this case, Plaintiffs assisted counsel in providing information necessary to prosecute the claims, met with counsel in advance of mediation, maintained contact with counsel, and reviewed the Settlement to ensure it was fair to the Class. Moore Decl. at ¶ 7. No action would likely have been taken by Class Members individually and no compensation would have been recovered for them, but for Plaintiffs' services on behalf of the class. By actively pursuing this action, Plaintiffs furthered the California public policy goal of enforcing California's wage and hour laws. *See Sav-On*, 34 Cal.4th at 340. The requested class representative service payments are reasonable and should be preliminarily approved. Plaintiffs have provided a declaration regarding their work performed to date and will provide additional information as requested or required by the Court at final approval.

**D. The Requested Attorneys' Fees and Costs Are Reasonable**

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

Additionally, courts utilize "multipliers" to account for the risk of taking on cases where there is no guarantee of recovery, uncertainties as the amount that will be recovered, uncertainty as to the cost of litigating the case (both in effort and expenses), and uncertainty about how much time will pass before the recovery is obtained. *Ketchum v. Moses*, 24 Cal.4th 1122, 1132-33 (2001); *see also Serrano v. Priest*, 20 Cal.3d 25, 48-49 (1977) (approving the adjustment of the lodestar figure based on factors specific to the case to ensure fair market value for legal services provided on a contingency basis). Application of that rule is particularly appropriate where the case is brought to redress important rights of vulnerable persons. *Ketchum*, 24 Cal.4th at 1133.

Generally, "[m]ultipliers can range from 2 to 4 or even higher." *Wershba v. Apple Computers, Inc*., 91 Cal.App.4th at p. 255 (2001); *see also Sutter Health Uninsured Pricing Cases*, 171 Cal.App.4th 495, 512 (2009) (applying a 2.52 multiplier on a cross-check in an antitrust class action); *Chavez v. Netflix, Inc*., 162 Cal.App.4th 43, 60 (2008) (applying a 2.5 multiplier on a lodestar cross-check); *Vizcaino v. Microsoft Corp*., 290 F.3d 1043, 1051 n.6 (9th Cir. 2002) ("most" common fund cases apply a multiplier of 1.0-4.0); *Laffitte v. Robert Half Int'l*, 231 Cal.App.4th 860, 881-82 (2004) (affirming a 2.13 multiplier after finding that "2 to 4" is a reasonable range for multipliers on a cross-check). *See also Bronshteyn v. State of California – Department of Consumer Affairs*, 114 Cal.App.5th 537 (2025) (court did not abuse its discretion by awarding 1.75 multiplier for fees incurred up to and including the jury verdict and a 1.25 enhancement for hours worked after the verdict where hourly rates for plaintiff's five senior attorneys were $1,100.00 and $1,000.00); *Tran v. Golden State FC LLC, et al*. (LASC Case No. BC699931), Fee Order filed April 8, 2022 (approving hourly rate of $1,300.00 for plaintiff's 32-year attorney).

Plaintiffs seek appointment of Wilshire Law Firm, PLC as Class Counsel. The attorneys performed significant work and expended litigation costs in prosecuting this matter with no guarantee of payment. Yslas Decl. at ¶ 20. Plaintiffs' Counsel seeks preliminary approval for not more than one third (1/3) of the Gross Settlement Amount, which is currently estimated to be $166,110.00, and up to $35,000.00 in reimbursement of actual litigation costs. *See also* Yslas Decl. at ¶ 37, Exhibit 6. Given the work performed in this matter, the extensive information exchange, and the substantial recovery obtained on behalf of the class, Plaintiffs' Counsel achieved a settlement through efficient and diligent work. *See generally*, Yslas Decl. At final approval, Plaintiffs' Counsel will fully brief the merits of its request for the award of attorneys' fees and litigation costs.

## V. CONCLUSION

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

Respectfully submitted,

Dated: February 18, 2026

**WILSHIRE LAW FIRM, PLC**

By: /s/ Courtney M. Miller
Courtney M. Miller
Attorneys for Plaintiffs