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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF VENTURA

OSCAR EDUARDO GOMEZ and JOSE ADULFO GOMEZ, individually, and on behalf of all others similarly situated,

Plaintiffs,

v.

PRODUCTION PLUS PLUMBING, INC., a California corporation; and DOES 1 through 10, inclusive,

Defendants.

Case No. 2023CUOE017974

[Assigned for all purposes to: Hon. Charmaine H. Buehner, Dept. 44]

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

Preliminary Approval Hearing:
Date: September 2, 2026
Time: 1:30 p.m.
Dept.: 44

Complaint filed: December 21, 2023
Trial date: None set

TO THE HONORABLE COURT AND ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on September 2, 2026, at 1:30 p.m., or as soon thereafter as the matter may be heard in Department 44 of the Superior Court of California, County of Ventura, located at 800 South Victoria Avenue, Ventura, CA 93009, Plaintiffs Oscar Eduardo Gomez and Jose Adulfo Gomez ("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 Agreement");
2. Conditionally certifying the proposed Class for settlement purposes only;
3. Appointing Plaintiffs as the Class Representatives;
4. Appointing Wilshire Law Firm, PLC as Class Counsel;
5. Appointing Phoenix Settlement Administrators as the 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, Declarations of Arrash T. Fattahi, Oscar Eduardo Gomez, and Jose Adulfo Gomez, all records and documents on file, together with such oral and documentary evidence that may be presented at the hearing on this matter.

Respectfully submitted,

Dated: August 11, 2026

WILSHIRE LAW FIRM, PLC

By: ______________________________

Arrash T. Fattahi
Arman A. Salehi
Karen L. Wallace

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 Oscar Eduardo Gomez and Jose Adulfo Gomez ("Plaintiffs") seek preliminary approval of the instant proposed Settlement of wage and hour claims, including representative claims brought under the Private Attorneys General Act ("PAGA"), Lab. Code § 2698, *et seq*., against Defendant Production Plus Plumbing, Inc. ("Defendant"). Pursuant to the proposed Class Action and PAGA Settlement Agreement ("Agreement"), the "Class" or "Class Members" are defined as all persons who worked for any Defendant in California as an hourly-paid or non-exempt employee at any time during the "Class Period," beginning June 26, 2019, and ending on the date the Court grants Preliminary Approval of this Settlement. Declaration of Arrash T. Fattahi in Support of Plaintiffs' Motion for Preliminary Approval of Class Action and PAGA Settlement ("Motion") ("Fattahi Decl.") ¶ 8. "PAGA Members" are defined as all persons who worked for any Defendant in California as an hourly-paid or non-exempt employee at any time during the "PAGA Period," beginning January 15, 2023, and ending on the date the Court grants Preliminary Approval of this settlement. *Id*. ¶ 9.

The main provisions of the Settlement are as follows:

1. A Gross Settlement Payment ("Settlement Sum") of $1,350,000.00;
2. Class Counsel's attorneys' fees of up to $450,000.00 (one third (1/3) of the Settlement Sum) and reimbursement of Class Counsel's litigation costs up to $35,000.00 ("Attorneys' Fees and Costs");
3. A Class Representative Service Payment of up to $10,000.00 to each Plaintiff ($20,000.00 total);
4. Administration costs up to $8,000.00;
5. PAGA Penalties of $50,000.00 to settle PAGA claims, allocated 75% ($37,500.00) to the Labor and Workforce Development Agency ("LWDA") and 25% ($12,500.00) to PAGA Members; and
6. A Net Settlement Sum, the remainder of the Settlement Sum, is estimated to be $787,000.00 and will be distributed to approximately 363 Class Members on a pro

rata basis according to the total workweeks each Class Member worked during the Class 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, adversarial arm's length bargaining between experienced attorneys with the assistance of an experienced mediator. Accordingly, Plaintiffs request that the Court grant preliminary approval of the Settlement, conditionally certify the Class for settlement purposes only, appoint Plaintiffs as the Class Representatives, appoint Plaintiffs' counsel as Class Counsel, appoint Phoenix Settlement Administrators ("Phoenix") as the Administrator, authorize the Administrator to administer notice of the Settlement to the Class, and set a final approval hearing date.

II. PROCEDURAL HISTORY

On December 21, 2023, Plaintiffs filed this putative class action against Defendant alleging the following claims: (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 Wage Statements, (7) Failure to Indemnify Employees for Expenditures, and (8) Unfair Business Practices in violation of the Unfair Competition Law ("UCL"), Bus. & Prof. Code § 17200, *et seq*. (the "Action"). Fattahi Decl. ¶ 3.

On January 15, 2024, Plaintiffs provided written notice to the LWDA and Defendant of the specific provisions of the Labor Code alleged to have been violated, including the facts and theories in support ("PAGA Notice"). *Id*. ¶ 4, Ex. 1. The LWDA did not notify Plaintiffs that it intended to investigate within 65 days of this written notice. *Id*. Therefore, on August 7, 2026, Plaintiffs filed a First Amended Complaint adding a cause of action for PAGA civil penalties. *Id.* ¶ 6.

On February 12, 2025, the Parties participated in a private mediation with Tripper Ortman, Esq. ("Mediator"). While Settlement negotiations were adversarial and conducted at arm's length, the mediation was successful and eventually resulted in the proposed Agreement, which was fully executed on June 8, 2026. *Id.* ¶ 5, Ex. 2. On August 10, 2026, Plaintiffs submitted a copy of the

Agreement to the LWDA. *Id.* ¶ 7, Ex. 3.

III. SUMMARY OF SETTLEMENT TERMS

A. Material Settlement Terms

The Parties have agreed to settle the claims alleged in the Action for a Settlement Sum of $1,350,000.00. Fattahi Decl. ¶ 10. Subject to Court approval, the following payments will be deducted therefrom: 1) a Class Representative Service Payment of up to $10,000.00 to each Plaintiff ($20,000.00 total); 2) Class Counsel attorneys' fees of up to one third (1/3) of the Settlement Sum (currently $450,000.00) and reimbursement of Class Counsel litigation costs up to $35,000.00 ("Attorneys' Fees and Costs"); 3) administration costs of up to $8,000.00 to the Administrator; and (4) PAGA Penalties in the amount of $50,000.00, allocated 75% ($37,500.00) to the LWDA and 25% ($12,500.00) to PAGA Members. *Id.* ¶ 11. After all requested payments are deducted, the amount remaining ("Net Settlement Sum") is estimated to be $787,000.00, which will be distributed to Participating Class Members as Individual Class Payments. *Id*. ¶ 12.

Individual Class Payments to be paid from the Net Settlement Sum will be calculated based on the number of Workweeks each Class Member worked during the Class Period. For tax purposes, the Individual Class Payments will be allocated 10% to wages and 90% to penalties and interest. *Id*. ¶ 13. The Parties agree that the employers' share of any payroll taxes associated with any payments made to Class Members under this Agreement shall be paid by Defendant separately from the Settlement Sum. Furthermore, Plaintiffs and Class Members shall be responsible for any and all tax obligations, other than the employer's share of any payroll taxes, that are associated with any payment they receive from the Settlement Sum. *Id*. ¶ 14.

Individual PAGA Payments to PAGA Members shall be divided among them on a pro rata basis based on the number of pay periods each PAGA Member worked during the PAGA Period. For tax purposes, the individual PAGA payments will be allocated 100% to penalties. *Id*. ¶ 15.

Any payments from the Settlement Sum not approved by the Court, or the remainder of any payment approved in an amount less than requested, will be retained by the Administrator in the Net Settlement Sum. In addition, funds from any uncashed checks will be transmitted by the Administrator to the California Controller's Unclaimed Property Fund in the name of the Class

Member. None of the Settlement Sum will revert to Defendant. *Id.* ¶¶ 16, 17.

B. Proposed Releases

After the Judgment is final and Defendant has fully funded the Settlement Sum and separately paid all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs, Participating Class Members, and Class Counsel will release claims against all Released Parties as provided in the Agreement. *Id*. ¶ 18.

1. <u>Released Parties</u>

"Released Parties" means Defendant and each of Defendant's past, present and future parent companies, subsidiaries, affiliates, principals, and any other person, corporation, association or partnership responsible or potentially responsible for any claims made or that could have been made in the Action, and the past, present and future shareholders, directors, officers, agents, employees, attorneys, insurers, predecessors, and successors and assigns of any of the foregoing. *Id*. ¶ 19.

2. <u>Plaintiffs' Release</u>

In addition to the claims released by all Participating Class Members and PAGA Members, *infra*, Plaintiffs agree to a waiver of Civil Code § 1542 related to any claims they may have against any Released Party. *Id*. ¶ 20.

3. <u>Participating Class Members Release</u>

As a condition of participating in this Settlement, Participating Class Members, including Plaintiffs, release and forever discharge the Released Parties from any and all class action claims made, or which could have been made, in the Action based on the facts alleged therein, including, but not limited to, any claims for failure to pay wages, failure to pay minimum wages, failure to pay overtime wages, failure to pay meal period penalties, failure to pay rest period penalties, failure to provide meal periods, failure to provide rest breaks, failure to pay wages upon separation, failure to provide accurate wage statements, failure to reimburse business expenses, unfair competition, PAGA violations, violations of the California Industrial Welfare Commission's ("IWC's") Wage Orders, violations of California Labor Code §§201, 202, 203, 204, 206, 210, 218.6, 226, 226.7, 246, *et seq*., 351, 510, 512, 558, 1174, 1194, 1194.2, 1197, 1198, 2698, et seq., 2699, 2800, and 2802, the UCL, and all claims for costs, attorneys' fees, civil penalties, statutory penalties, premium pay, and liquidated damages related thereto. This release shall not extend to any claims outside of the Class Period. Fattahi Decl. ¶ 21.

4. PAGA Members' Release:

As a condition of participating in this Settlement, PAGA Members release and forever discharge the Released Parties from any and all claims under PAGA that were alleged or which could have been alleged in the Action based on the Notice including, but not limited to, claims arising from failure to pay wages, failure to pay minimum wages, failure to pay overtime wages, failure to pay meal period penalties, failure to pay rest period penalties, failure to provide meal periods, failure to provide rest breaks, failure to pay wages upon separation, failure to provide accurate wage statements, failure to reimburse business expenses, and all claims for costs, attorney's fees, and civil penalties related thereto. This release shall not extend to any claims outside of the PAGA Period. PAGA Members shall not have the right to opt out of this release. *Id*. ¶ 22.

C. Proposed Settlement Administration

The Parties' proposed Notice of Class Action and PAGA Settlement and Hearing Date for Final Court Approval ("Class Notice") complies with the requirements of California Rules of Court, Rule 3.766(d). *See* Fattahi Decl. ¶ 5, Ex. 2 (Ex. A). The Class Notice will be mailed to approximately 363 Class Members by First-Class Mail in both English and Spanish and provides information regarding: the nature of this lawsuit; a summary of the settlement terms, including the amounts requested for the Class Representative Service Payments, Attorneys' Fees and Costs, and the Administrator's fees; the formula used for calculating Individual Class and PAGA Payments; how to dispute workweek calculations or opt out of or object to the Settlement; and the date, time, and location of the final approval or fairness hearing. The Class Notice also advises Class Members that they do not need to submit a claim in order to participate in the Settlement and receive a payment. *Id*. ¶¶ 23, 24.

The Administrator will re-mail any Class Notice returned as undeliverable within three (3) business days to the forwarding address provided. If no forwarding address is provided, the Administrator will conduct a National Change of Address ("NCOA") check and re-mail the Class Notice to the most current address obtained. The deadline to opt out of the Settlement or to submit an objection or dispute will be extended by fourteen (14) days for all Class Members whose Class Notice was remailed. *Id*. ¶ 25.

IV. THE AGREEMENT MEETS ALL CRITERIA FOR PRELIMINARY APPROVAL

A. Provisional Certification of the Class is Appropriate

"The party advocating class treatment must demonstrate the existence of an ascertainable and sufficiently numerous class, a well-defined community of interest, and substantial benefits from certification that render proceeding as a class superior to the alternatives." *Brinker Rest. Corp. v. Superior Ct*. (2012) 53 Cal. 4th 1004, 1021 (citations omitted). A lesser standard is used for settlement certification, although courts still need to review and consider the relevant factors. *Glob. Mins. & Metals Corp. v. Superior Ct*. (2003) 113 Cal. App. 4th 836, 859 ("[N]o trial is anticipated in a settlement class case, so the case management issues inherent in the ascertainable class determination need not be confronted.") (citations omitted).

1. <u>The Proposed Class is Ascertainable and Numerous</u>

"An ascertainable class is one defined in objective terms that make the eventual identification of class members possible." *Noel v. Thrifty Payless, Inc*. (2019) 7 Cal. 5th 955, 980. In addition, "a class must be numerous in size such that it is impracticable to bring them all before the court," but there is no minimum requirement. *Hendershot v. Ready to Roll Transportation, Inc*. (2014) 228 Cal. App. 4th 1213, 1222 (internal quotations and citations omitted).

Here, the Class consists of approximately 363 members identified by Defendant from its business records based on the Parties' definition. Fattahi Decl. ¶¶ 8, 27. As Class Members are readily ascertainable and joinder would be impracticable, these requirements are met.

2. <u>A Well-Defined Community of Interest Exists</u>

"[T]he 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." *Ayala v. Antelope*

Valley Newspapers, Inc. (2014) 59 Cal. 4th 522, 530 (internal quotations and citations omitted).

a. *Common Questions Predominate*

In determining whether common issues "predominate," courts consider both the plaintiff's legal theories and the defendant's affirmative defenses. *Duran v. U.S. Bank Nat'l Ass'n* (2014) 59 Cal.4th 1, 28-29. "Generally, if the defendant's liability can be determined by facts common to all members of the class, a class will be certified even if the members must individually prove their damages." *Cortina v. N. Am. Title Co*. (2026) 120 Cal. App. 5th 1030, 1075, *reh'g denied* (June 23, 2026), *review filed* (July 8, 2026) (internal quotations and citation omitted). Moreover, predominance does not require that all class members have identical claims; the focus is on whether issues shared by the class members are sufficiently uniform to permit class-wide assessment. *Ayala,* 59 Cal.4th at 53.

Plaintiffs have alleged that Defendant maintained common employment policies and/or practices that unlawfully deprived Class Members of wages, meal periods, rest periods, reimbursement for business expenses, accurate wage statements, and timely payment of wages, including upon separation of employment. Fattahi Decl. ¶ 28. These allegations present common factual and legal questions of, *inter alia*, whether Defendant applied the same scheduling, timekeeping, pay, meal period, rest period, and reimbursement policies to all Class Members, whether these policies and practices resulted in Labor Code violations, whether Defendant's conduct was 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*. Accordingly, the Court can and should exercise its discretion to grant conditional class certification for settlement purposes.

b. *Plaintiffs are Typical of the Class*

"The test of typicality 'is whether other members have the same or similar injury [as the named plaintiffs], whether the action is based on conduct which is not unique to the named plaintiffs, and whether other class members have been injured by the same course of conduct.'" *Martinez v. Joe's Crab Shack Holdings* (2014) 231 Cal. App. 4th 362, 375, *as modified on denial* *of reh'g* (Dec. 3, 2014) (quoting *Seastrom v. Neways, Inc*. (2007) 149 Cal.App.4th 1496, 1502).

Plaintiffs alleged that they and Class Members were employed by Defendant in California during the Class Period and were injured in the same ways by Defendant's uniform wage and hour policies and practices, including with respect to compensation, scheduling, timekeeping, meal periods, rest periods, and reimbursement. *See* Fattahi Decl. ¶¶ 26-28. Through informal discovery, Plaintiffs confirmed that these challenged policies and practices applied to Plaintiffs and Class Members alike, subject to common proof. *Id.* ¶¶ 30-37. Accordingly, Plaintiffs' claims are aligned with Class Members', arising from the same alleged employment policies and practices and based on the same legal theories.

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

Certification requires that both the named plaintiff and his or her counsel are adequate to represent the proposed class. Cal. Code Civ. Proc. § 382. However, "[o]nly 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* (1981) 29 Cal.3d 462, 470. In other words, only conflicts that are "irreconcilable" can defeat adequacy. *Nat'l Solar Equip. Owners' Ass'n v. Grumman Corp.* (1991) 235 Cal.App.3d 1273, 1286. Plaintiffs, the proposed class representatives, and Class Counsel have no such conflict. *See* Declarations of Oscar Eduardo Gomez and Jose Adulfo Gomez in Support of the MPA ("Oscar Decl." and "Jose Decl.") ¶¶ 5-7; Fattahi Decl. ¶ 49.

Plaintiffs' interests are coextensive with Class Members'. Oscar Decl. ¶¶ 4-5; Jose Decl. ¶¶ 4-5. Each Plaintiff has demonstrated his advocacy for the interests of Class Members over his own by initiating this lawsuit, communicating with Class Counsel regarding the claims, being available to answer questions, including the day of mediation, and reviewing the proposed Settlement and other relevant documents. Oscar Decl. ¶¶ 8-13; Jose Decl. ¶¶ 8-13.

Likewise, Class Counsel, who have demonstrable experience and success with complex litigation like the instant Action, have expended considerable time and effort on this case and will continue to do so through final approval. Fattahi Decl.¶¶ 3-7, 26-49. Accordingly, Plaintiffs are adequate to serve as Class Representatives, and Class Counsel should be preliminarily approved as such.

3. A Class Action is the Superior Method for Efficient Adjudication

"Public policy has long favored the 'full and prompt payment of wages due an employee.'" *Sav-On Drug Stores, Inc. v. Superior Court* (2004)34 Cal.4th 319, 340. Even so, class treatment must be "superior to the other available methods for the fair and efficient adjudication of the controversy." *Dean Witter Reynolds, Inc. v. Superior Court* (1989) 211 Cal.App.3d 758, 773. Accordingly, section 382 of the Code of Civil Procedure provides in pertinent part: "[W]hen the question is one of a common or general interest, of many persons, or when the parties are numerous, and it is impracticable to bring them all before the court, one or more may sue or defend for the benefit of all." *Id*. at 773, fn. 5.

Here, a class action is superior to a multitude of individual lawsuits. Given the size and amount of their respective potential claims, each Class Member has little incentive to litigate on an individual basis because the out-of-pocket expenses and personal commitment necessary to litigate each claim likely exceed any potential recovery. Fattahi Decl. ¶ 27. A class action is thus superior to other methods for the efficient adjudication of the claims at issue.

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.* (2008) 168 Cal.App.4th 116, 126. In making that determination, "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 v. Apple Computer, Inc*. (2001) 91 Cal. App. 4th 224, 244–45, *disapproved of by Hernandez v. Restoration Hardware, Inc*. (2018) 4 Cal. 5th 260 (quoting *Dunk v. Ford Motor Co*. (1996) 48 Cal. App. 4th 1794, 1801, *as modified* (Sept. 30, 1996)).

1. <u>The Settlement is Entitled to a Presumption of Fairness</u>

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*, 48 Cal.App.4th at 1801. 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.* (2008) 162 Cal.App.4th 43, 52-53. The Settlement in this matter was the product of a full-day mediation with the Mediator, and the negotiations were adversarial, conducted at arm's length and tempered by the efforts of both sides to serve the interests of their clients. Fattahi Decl. ¶ 5.

b. *Sufficient Investigation and Discovery Have Been Conducted*

Before mediation, Class Counsel thoroughly investigated the claims and defenses at issue and all applicable law. Fattahi Decl. ¶ 26. Class Counsel assessed the potential value of the class claims using the data and documents produced by Defendant in informal discovery, including Plaintiffs' personnel files and employment records, the number of Class Members, the total number of Class Period workweeks, and the total number of PAGA Period pay periods, a random sampling of approximately 10% of Class Members' manual time and payroll records, Defendant's written wage-and-hour policies, including an employee handbook and meal and rest period guidelines. *Id.*

c. *Class Counsel is Experienced in Similar Litigation*

Plaintiffs are represented by Wilshire Law Firm, PLC. Fattahi. Decl. ¶ 1. Class Counsel have extensive experience litigating wage and hour class actions on behalf of employees. *Id.* ¶¶ 39-48. Class Counsel have been involved as counsel in numerous class actions that have resulted in millions of dollars in recovery. *Id.* ¶ 46.

2. <u>The Settlement is Reasonable Given the Risks of Further Litigation</u>

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

29.

Minimum and Overtime Wages: Plaintiffs alleged that Defendant required Class Members to perform work duties while off the clock ("OTC"), without compensation, which resulted in unpaid minimum and overtime wages. Fattahi Decl. ¶ 30. For example, Plaintiffs alleged that Defendant required them and other Class Members to perform work-related tasks while they were supposed to be on breaks. *Id*. For purposes of liability, Class Counsel assumed one (1) hour of OTC per workweek, with 99.2% of that time eligible for the overtime rate of pay. Defendant's maximum potential exposure for this claim is approximately $1,353,897.47 ([31,021.824 workweeks (31,272 x .992) x 1 hour/workweek x $43.41 ($28.94 average hourly rate of pay x 1.5 overtime rate)] + [250.176 workweeks (31,272 x .008) x 1 hour/workweek x $28.94 average hourly rate]). Because this claim would not be evidenced in Defendant's time and payroll records and thus require Class Member testimony, the risk of failing to certify a class or prevail at trial was substantial. Accordingly, Class Counsel discounted this figure based on a 40% chance of certifying a class and a 40% chance of prevailing at trial on the merits, yielding a realistic damages estimate of approximately **$216,623.60** ($1,353,897.47 x .4 x .4). *Id*.

Meal Periods: Plaintiffs alleged that Defendant failed to provide Class Members with legally compliant meal periods or pay meal period premiums in lieu thereof. Fattahi Decl. ¶ 31. For example, Plaintiffs alleged that, due to non-compliant policies and a heavy workload, Defendant required them and other Class Members to take their meal periods late or perform work when they were supposed to be off duty. Additionally, Plaintiffs' consultant analyzed the sampling of Defendant's time and payroll records, finding a violation rate of at least 90% for meal period-eligible shifts, where meal periods were short, late, or missed. Therefore, Defendant's potential maximum exposure for the meal period claim is approximately $3,568,562.46 (137,010 shifts over 5 hours x .9 (90% violation rate) x $28.94 average hourly rate). Taking into account Defendant's contentions that a 90% violation rate is unrealistic and that the claim generally lacks merit, as well as the difficulty of certifying and proving meal period claims, Class Counsel discounted this figure based on a 50% chance of certifying a class and a 40% chance of prevailing at trial, yielding a realistic damages estimate of approximately **$713,712.49** ($3,568,562.46 x .5 x .4). *Id*.

Rest Periods: Plaintiffs alleged that Defendant failed to provide Class Members with legally compliant rest periods or pay rest period premiums in lieu thereof. Fattahi Decl. ¶ 32. For example, as with meal periods, Plaintiffs alleged that Defendant's deficient policies and practices resulted in Class Members' working while they were supposed to be off duty. Based on Plaintiffs' allegations and all available evidence, Class Counsel assumed a 100% violation rate for all qualifying shifts during the Class Period. Therefore, Defendant's potential liability for the rest period claim is approximately $3,977,484.66 (137,439 shifts of 3.5 hours or longer x 1 (100% violation rate) x $28.94 average hourly rate). However, Class Counsel took into account the difficulty of certifying and proving rest period claims, not only because rest periods do not have to be recorded, but also because Class Members may elect to forego them. Moreover, because it would have relied exclusively on Class Member testimony, Class Counsel discounted this claim based on a 30% chance of certifying a class and a 20% chance of prevailing at trial, yielding a realistic damages estimate of approximately **$238,649.08** ($3,977,484.66 x .3 x .2). *Id*.

Reimbursements: Plaintiffs alleged that Defendant failed to indemnify Class Members for expenses necessarily incurred in the performance of their duties, including for use of their personal cell phones and vehicles. Fattahi Decl. ¶ 33. Class Counsel estimated that Defendant failed to reimburse each Class Member for $50 in expenses per month (approximately $12.50 per workweek), for a total of approximately $390,900.00 ($12.50 x 31,272 workweeks). However, Defendant contends that these expenditures were not mandatory and that Defendant could not have known that they were being incurred. Therefore, Class Counsel discounted this claim based on a 30% chance of certifying a class and a 30% chance of prevailing at trial, yielding a realistic damages estimate of approximately **$35,181** ($390,900 x .3 x .3). *Id*.

In sum, Class Counsel estimated that Defendant's maximum exposure for off-the-clock work and meal period and rest period violations (i.e., the wage claims) is approximately $8,899,944.59. Fattahi Decl. ¶ 34. However, after factoring in the risk and uncertainty of certifying a class and prevailing at trial, Class Counsel estimates that Defendant's estimated realistic exposure for these non-penalty wage claims is approximately **$1,168,985.17**. *Id*.

Derivative Penalties: Plaintiffs alleged that as a result of Defendant's failure to pay all wages owed, Defendant owed waiting time penalties and wage statement penalties. Fattahi Decl. ¶ 35. With respect to Plaintiffs' derivative claims for statutory penalties, Class Counsel estimated that Defendant's realistic potential liability is approximately $152,149. Based on approximately 187 formerly employed Class Members during the 3-year statute of limitations period working an average shift of 8 hours, Defendant's maximum potential exposure for waiting time penalties is approximately $1,298,827.20 (187 employees x $28.94 average hourly rate of pay x 8 hours/day x 30 days). Based on approximately 202 Class Members who worked during the 1-year statute of limitations period and approximately 12,471 pay periods in that timeframe, Defendant's maximum potential exposure for inaccurate wage statements is approximately $1,237,000 (202 employees x 1 x $50 for an initial violation] + [(12,471 pay periods - 202 initial violation) x $100 for each subsequent violation]). In light of the foregoing, Class Counsel believe that it would be unrealistic to expect the Court to award the full $2,535,827.20 in statutory penalties given Defendant's defenses, the contested nature of Plaintiffs' claims, the challenges of establishing willfulness, and the discretionary nature of penalties. Considering that the underlying wage claims are realistically estimated to be approximately $1,168,985.17, such a disproportionate award would also raise due process concerns. As such, Class Counsel discounted these figures to account for the risk and uncertainty of certifying a class and prevailing at trial, resulting in a realistic evaluation of approximately $77,929.63 for waiting time penalty claims ($1,298,827.20 x .3 x .2), and approximately $74,220 for wage statement penalty claims ($1,237,000 x .3 x .2), or approximately **$152,149** total realistic exposure for statutory penalties. *Id.*

PAGA: For the PAGA claim, Class Counsel determined that Defendant's maximum potential exposure could reach $1,247,100, assuming the initial $100 penalty would apply for each of the 12,471 pay periods in the PAGA Period. Fattahi Decl. ¶ 36. 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. Accordingly, Class Counsel discounted this figure to account for the risk and uncertainty of prevailing at trial, resulting in a realistic valuation of approximately

$124,710 for PAGA penalties ($1,247,100 x .1). The PAGA allocation of $50,000 amounts to 3.7% of the Settlement Sum and approximately 40% of the realistic maximum damages for PAGA penalties ($50,000 / $124,710). *Id.*

Using these estimated figures, Class Counsel predicted that the realistic maximum recovery for all claims, including penalties, would be approximately $1,481,025.80. *Id*. ¶ 37. This means that the Settlement Sum represents approximately 91% of the realistic maximum recovery ($1,350,000 / $1,481,025.80). Considering the risk and uncertainty of prevailing at class certification and at trial, this is an excellent result for the Class. Indeed, because of the proposed Settlement, Class 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 Sum available for class settlement payments is currently estimated to be $787,000.00 for approximately 363 Class Members. As a result, each Class Member would be eligible to receive an average net benefit of approximately $2,168.04. Based on the estimated Net Settlement Sum available for individual class payments and there being approximately 31,272 workweeks in the Class Period, the estimated weekly valuation for Individual Class Payments is $25.17 ($787,000 / 31,272 workweeks). *Id*. ¶ 38.

C. The Requested Service Awards are Reasonable

A named plaintiff is eligible for payment or service award that reasonably compensates him or her for undertaking and fulfilling a fiduciary duty to represent absent class members. *See Cellphone Termination Fee Cases*, 186 Cal.App.4th 1380, 1393 (2010); *Bell v. Farmers Ins. Exch.*, 115 Cal.App.4th 715, 726 (2004). Here, Plaintiffs seek Class Representative Service Payments of up to $10,000.00 each ($20,000.00 total) for taking on the litigation and representing the interests of the Class as a whole, despite concomitant potential costs not borne by any other Class Member. *See* Fattahi Decl. ¶ 51.

Plaintiffs assisted their attorneys throughout this case, providing information necessary to prosecute the claims, communicating with their attorneys regarding the claims and defenses at issue, staying in regular contact, making themselves available the day of mediation to answer questions, and, among other documents, reviewing the Settlement to ensure it was fair and reasonable for the Class. Oscar Decl. ¶¶ 13-15; Jose Decl. ¶¶ 13-15. No action would likely have been taken by Class Members individually, and no compensation recovered, but for Plaintiffs' efforts and service on their behalf. Plaintiffs elected to pursue this action actively, despite reputational and financial risks, and thereby promoting California's public policy and goal of enforcing the State's wage-and-hour laws. *See Sav-On Drug Stores,* 34 Cal.4th at 340. The requested Class Representative Service Payments are reasonable and should be preliminarily approved. Plaintiffs have provided declarations 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.").

Plaintiffs seek preliminary approval 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. Fattahi Decl. ¶ 39. Class Counsel also seek preliminary approval for up to one third (1/3) of the Settlement Sum in attorneys' fees, currently estimated to be $450,000.00 and up to $35,000.00 to reimburse reasonable litigation costs. Class Counsel achieved a settlement and the substantial recovery obtained on behalf of the Class through efficient and diligent work. *See generally*, Fattahi Decl. At final approval, Class Counsel will fully brief the merits of the request for Attorneys' Fees and Costs.

E. The Administration Fees Are Reasonable

The Parties selected Phoenix to administer this Settlement, and Plaintiffs seek preliminary approval of $8,000.00 for Phoenix to administer this Settlement pursuant to Phoenix's will-not-exceed bid, which was the lowest of the three (3) bids Plaintiffs received. Fattahi Decl. ¶ 53, Ex.

4. The services covered by this payment are extensive and necessary to carry out the Settlement administration.

V. CONCLUSION

The Settlement negotiated by the Parties is fair, adequate, and reasonable in light of the risks presented in this case. For the reasons presented above, Plaintiffs submit that the requirements for preliminary approval have been met, and therefore respectfully request that the Court preliminarily approve the Settlement and schedule a date for the final approval hearing.

Respectfully submitted,

Dated: August 11, 2026

WILSHIRE LAW FIRM, PLC

By: ______________________________

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