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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SACRAMENTO

BENJERMINE MCATEE, on behalf of himself and all others similarly situated, Plaintiff, v. NISSAN NORTH AMERICA, INC., a Tennessee Corporation; and DOES 1-50, inclusive. Defendants.	CASE NO.: 24CV000492 *Assigned to the Hon. Jill H. Talley* **PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT** [*Declarations of Mehrdad Bokhour, and [Proposed] Order filed concurrently herewith*] **<u>HEARING INFORMATION</u>** Date: July 17, 2026 Time: 9:00 a.m. Dept.: 8A

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on July 17, 2026, at 9:00 a.m., or as soon thereafter as the matter may be heard, in Department 8A of the Sacramento County Superior Court, located at 500 G Street, Sacramento, California 95814, before the Honorable Jill H. Talley, Plaintiff Benjermine McAtee, individually and on behalf of all others similarly situated, will and hereby does move the Court for an order:

1. Certifying the proposed Settlement Class for settlement purposes only;
2. Preliminarily appointing Plaintiff Benjermine McAtee as the Class Representative for settlement purposes only;
3. Appointing Mehrdad Bokhour of Bokhour Law Group, P.C. and Joshua S. Falakassa of Falakassa Law, P.C. as Class Counsel for settlement purposes only;
4. Preliminarily approving the Class Action and PAGA Settlement Agreement as fair, reasonable, and adequate;
5. Approving the form and manner of the Class Notice and directing its dissemination to Class Members, including notice of their rights to request exclusion from or object to the Settlement;
6. Setting a date for the Final Approval Hearing to determine whether the Settlement should be granted final approval.

This Motion is based upon this Notice of Motion and Motion, the accompanying Memorandum of Points and Authorities, the Declarations of Mehrdad Bokhour, Joshua S. Falakassa, and Plaintiff Benjermine McAtee, the Class Action and PAGA Settlement Agreement and Release of Claims, the Proposed Order Granting Preliminary Approval, the pleadings and records on file in this action, and such other oral or documentary evidence as may be presented at the hearing.

Pursuant to Local Rule 1.06(A), the Court will issue a tentative ruling by 2:00 p.m. on the court day before the hearing. Tentative rulings may be accessed online via the Court's website. Parties without internet access may obtain the ruling by calling the department's dedicated telephone number, listed in the local telephone directory, between 2:00 p.m. and 4:00

p.m. on the court day before the hearing. If no party contacts the Court and opposing counsel by 4:00 p.m. the day before the hearing, the matter will be deemed submitted, and no oral argument will be heard.

Dated: June 23, 2026,

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

BY: ______________________________

Mehrdad Bokhour, Esq.
Joshua Falakassa, Esq.
Attorneys for Plaintiff and the Putative Class

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I. INTRODUCTION

Through this Motion, Plaintiff Benjermine McAtee ("Plaintiff"), individually and on behalf of all others similarly situated, seeks preliminary approval of the Class Action Settlement Agreement. Subject to Court approval, Plaintiff and Defendant Nissan North America, Inc. ("Defendant") (collectively the "Parties") have agreed to settle the claims asserted in this Action and the proposed Class Members' claims against Defendant for a Gross Settlement Amount of $700,000.

Plaintiff seeks to represent a settlement Class consisting of all persons who are or were employed by Defendant as nonexempt employees at Defendant's Parts Distribution Centers ("PDCs") in California at any time during the Class Period, defined as January 12, 2020, through December 26, 2025 (the "Class" or "Class Members"). Likewise, the PAGA Members include all persons who are or were employed by Defendant as nonexempt employees at Defendant's PDCs in California at any time during the PAGA Period, defined as January 12, 2023, through December 26, 2025 ("PAGA Members").[1]

Under the terms of the Settlement Agreement, Defendant will not oppose Class Counsel's application for an award of attorneys' fees not to exceed $233,333.33, representing one third of the Gross Settlement Amount, reimbursement of Class Counsel's litigation expenses not to exceed $35,000, Settlement Administration Expenses not to exceed $6,000, PAGA penalties in the total amount of $20,000, of which $15,000 or 75 percent will be paid to the California Labor and Workforce Development Agency and $5,000 or 25 percent will be paid to the PAGA Members, and a Class Representative Service Payment not to exceed $10,000 to Plaintiff Benjermine McAtee. (Settlement Agreement ¶¶ 3.2 *et seq.*):

	Total Amount
Gross Settlement Amount	$700,000
Class Counsel Fees Payment	$233,333.33
Class Counsel Litigation Expenses Payment	$35,000.00

[1] The Class Action and PAGA Settlement Agreement and Release of Claims is attached as **Exhibit "A"** to the Declaration of Mehrdad Bokhour ("Bokhour Declaration") submitted herewith and is referred to herein as the Settlement Agreement or the Settlement. The proposed Class Notice is attached as **Exhibit "B"** to the Bokhour Declaration.

Administration Expenses Payment	$6,000.00
PAGA Penalties to LWDA (75% of $20 award)	$15,000.00
PAGA Penalties to PAGA Members	$5,000.00
Class Representative Service Payment	$10,000.00
Net Settlement Amount	**$395,666.67**

The Settlement Class consists of approximately 136 non-exempt hourly employees who worked for Defendant in California during the Class Period. Plaintiff alleges that, regardless of job title or position, all non-exempt hourly employees were subject to the same wage and hour policies and practices.

Individual Class Payments will be distributed on a pro rata basis based on the number of Workweeks each Participating Class Member worked during the Class Period, as reflected in Defendant's payroll records. Class Members who worked more Workweeks during the Class Period will receive proportionally larger Individual Class Payments.

Based on Defendant's records, Class Members collectively worked approximately 20,384 Workweeks during the Class Period. After deductions approved by the Court, the Net Settlement Amount will be distributed on a pro rata basis according to each Participating Class Member's number of Workweeks. Based on these figures, the average Individual Class Payment is conservatively estimated at $2,500 to $3,500. A Class Member who worked the entire Class Period would receive the highest Individual Class Payment, which is estimated to be approximately $5,750 to $6,000. Class Members who worked fewer Workweeks will receive proportionally smaller payments.

The Settlement is non-reversionary, and Settlement Class Members are not required to submit claim forms to receive payment. Each Settlement Class Member will be mailed a Court-approved Class Notice containing information regarding the estimated Individual Class Payment, the opportunity to challenge the number of Workweeks credited during the Class Period, and instructions for submitting a Request for Exclusion or an Objection to the Settlement.

All Settlement Class Members who do not timely submit a valid Request for Exclusion will automatically receive their Individual Class Payment following the Court's grant of Final Approval. PAGA Members eligible for Individual PAGA Payments may not opt out of the

PAGA portion of the Settlement and will receive their share of the PAGA Penalties regardless of whether they participate in the class settlement.

Because the Settlement is fair, reasonable, and adequate, and is the result of arm's-length negotiations between experienced counsel with the assistance of an experienced mediator, following a thorough exchange of relevant information and documents, it warrants preliminary approval. Plaintiff respectfully requests that the Court enter an order: (1) preliminarily approving the Settlement; (2) conditionally certifying the Settlement Class pursuant to California Code of Civil Procedure section 382 for settlement purposes only; (3) approving the form and manner of dissemination of the proposed Class Notice; (4) appointing Plaintiff Benjermine McAtee as Class Representative and appointing Mehrdad Bokhour of Bokhour Law Group, P.C. and Joshua S. Falakassa of Falakassa Law, P.C. as Class Counsel for settlement purposes only; (5) appointing CPT Group as the Settlement Administrator; and (6) scheduling a Final Approval Hearing. (Bokhour Decl. ¶ 12.)

II. BACKGROUND

A. THE PARTIES AND THE PROPOSED CLASS

Defendant Nissan North America, Inc. manufactures and sells Nissan and Infiniti brand cars, sport utility vehicles, and pickup trucks. (Bokhour Decl. ¶ 14.)

Plaintiff was employed by Defendant as a non-exempt employee with the title of "Warehouse Specialist" at its Parts Distribution Center in Sacramento, California. Plaintiff began working for Defendant on December 9, 2021, and continued until his separation from employment on December 8, 2023. Plaintiff, along with other non-exempt hourly employees, including, but not limited to, Warehouse Clerk, Automotive Parts Delivery Driver, Automotive Technician, Service Technician, Lube Technician, and all other non-exempt positions, were responsible for supporting various aspects of Defendant's business operations in California. Plaintiff alleges that, in performing these duties, Defendant failed to consistently provide Plaintiff and other non-exempt hourly employees with all wages, meal and rest periods, and other protections required by the California Labor Code and applicable wage orders. (Bokhour Decl. ¶ 15.)

The proposed Settlement Class consists of all individuals who are or were employed by Defendant in California as non-exempt hourly employees at any time during the Class Period, defined as January 12, 2020, through December 26, 2025. (Settlement Agreement ¶¶ 1.8, 1.11, 1.13.)

B. PROCEDURAL HISTORY

On January 12, 2024, Plaintiff filed this class action in Sacramento County Superior Court, asserting claims for: (1) failure to pay overtime wages; (2) failure to pay sick wages; (3) failure to pay all vacation wages; (4) wage statement violations; (5) waiting time penalties; and (6) violation of California's Unfair Competition Law. On March 19, 2024, Plaintiff filed a First Amended Complaint adding a representative claim under the Private Attorneys General Act ("PAGA"). On January 30, 2025, Plaintiff filed a Second Amended Complaint adding claims for failure to pay minimum wages and meal and rest break violations. (Settlement Agreement, § 2.1.)

Prior to mediation, the Parties engaged in substantial informal discovery and investigation. Defendant produced, among other things, relevant policies and procedures, payroll and timekeeping records, wage statements, and data regarding the size of the putative class and the number of workweeks worked during the Class Period. Plaintiff and Class Counsel analyzed the information produced, evaluated the claims and defenses at issue, and assessed the risks associated with continued litigation. (Bokhour Decl., ¶¶ 17, 26.)

On January 26, 2026, the Parties participated in a full day mediation before experienced wage and hour mediator Kelly Knight, Esq. Following arm's length negotiations conducted under the mediator's supervision, the Parties accepted a mediator's proposal and reached the Settlement now before the Court. (Bokhour Decl., ¶ 18; Settlement Agreement, § 2.4.)

Defendant denies all material allegations in the Action, denies that it violated any provision of the California Labor Code, denies that class or representative treatment would be appropriate if the Action were litigated, and contends that it has numerous factual and legal defenses to Plaintiff's claims. (Settlement Agreement, § 2.3.)

Plaintiff and Class Counsel, after investigating the facts and applicable law, evaluating the strengths and weaknesses of the claims and defenses, and considering the risks, expense, and delay associated with further litigation, concluded that the Settlement is fair, reasonable, and adequate and in the best interests of the Settlement Class and PAGA Members. (Bokhour Decl., ¶¶ 45-46.)

C. <u>SUMMARY OF PLAINTIFF'S CLAIMS</u>

Plaintiff alleges various wage and hour violations on behalf of non-exempt employees who worked for Defendant at its Parts Distribution Centers in California during the Class Period.

First, Plaintiff alleges that Defendant failed to properly calculate and pay overtime wages and paid sick leave by excluding non-discretionary remuneration from the regular rate of pay. Plaintiff contends that this resulted in the underpayment of overtime wages and sick pay owed to Settlement Class Members.

Plaintiff further alleges that Defendant failed to provide compliant meal periods and rest periods, or premium compensation in lieu thereof, in violation of the California Labor Code and applicable Industrial Welfare Commission Wage Orders.

Plaintiff additionally alleges that Defendant failed to timely pay all wages due upon separation of employment and failed to furnish accurate itemized wage statements in violation of Labor Code section 226. Plaintiff further asserts representative claims under the Private Attorneys General Act seeking civil penalties for the alleged Labor Code violations described above.

D. <u>SUMMARY OF DEFENDANT'S DEFENSES</u>

Defendant contested and denied all material allegations raised by Plaintiff, both on the merits and with respect to the propriety of class certification and PAGA representative treatment.

Defendant asserted that it paid all wages owed, and its timekeeping practices were lawful and neutrally applied, that it properly calculated and paid all overtime and sick pay using the correct "regular rate of pay" calculation, and that its meal and rest period policies complied with California law and were implemented in practice. Defendant denied requiring employees to remain on duty or on the premises during rest periods.

Moreover, Defendant contended that Plaintiff's derivative claims for wage statement violations, waiting time penalties, and PAGA penalties failed in the absence of any underlying Labor Code violations, and denied any obligation to pay such penalties. Defendant also asserted that the use of personal cell phones was not required for business purposes and that a reimbursement policy was available for qualifying expenses.

Finally, Defendant argued that the Action was unsuitable for class or representative treatment because liability would require individualized inquiries into employees' job duties, break practices, and managerial oversight. Defendant contended that these differences defeated the typicality and predominance requirements.

III. SUMMARY OF THE PROPOSED SETTLEMENT

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

A. SETTLEMENT CONSIDERATION AND ALLOCATION

Defendant will separately pay the employer's share of payroll taxes owed on the portion of Individual Class Payments allocated as wages. (Settlement Agreement §§ 3.2.1.5, 3.2.3.)

After all court approved deductions from the Gross Settlement Amount, it is estimated that approximately $395,666.67 will remain as the Net Settlement Amount available for distribution to Participating Class Members. Based on Defendant's records, Settlement Class Members collectively worked approximately 20,384 Workweeks during the Class Period. Accordingly, the Net Settlement Amount will be distributed on a pro rata basis based on each Participating Class Member's number of Workweeks. (Settlement Agreement §§ 3.2.1.4, 3.2.2.) . (Bokhour Decl. ¶ 7.)

B. NOTICE PROCEDURES

Upon Court approval, the proposed Class Notice will be distributed to Settlement Class Members and will include, among other information, the number of Workweeks and PAGA Pay Periods credited to each individual, as well as the estimated Individual Class and Individual PAGA Payments. (Settlement Agreement §§ 3.2.2, 7.4.2; Bokhour Decl., Ex. B.)

No later than 21 days after the Court grants Preliminary Approval, Defendant will provide the Settlement Administrator with the Class Data, including each Settlement Class Member's name, last known mailing address, Social Security number, and the number of Workweeks and PAGA Pay Periods worked during the Class Period and PAGA Period. (Settlement Agreement ¶¶ 1.7, 4.2.)

Within 15 days after receiving the Class Data, the Settlement Administrator will update addresses using the National Change of Address database and mail the Court-approved Class Notice to Settlement Class Members via first-class U.S. Mail. (Settlement Agreement ¶¶ 7.4.2, 7.4.4.)

If a Class Notice is returned as undeliverable with a forwarding address, the Settlement Administrator will re-mail the Notice within five business days. If no forwarding address is provided, the Settlement Administrator will conduct a Class Member Address Search and re mail the Notice to the most current address identified. (Settlement Agreement ¶¶ 1.9, 7.4.3.) For any Class Notice that is re-mailed, the deadline to submit a Request for Exclusion, Objection, or Challenge to credited Workweeks or PAGA Pay Periods will be extended by fourteen calendar days beyond the standard Response Deadline, and the re-mailed Notice will inform Class Members of the extended deadline. (Settlement Agreement ¶¶ 1.43, 7.4.4.)

The most recently confirmed address maintained by the Settlement Administrator will be presumed to be the best available address for purposes of mailing settlement checks and any further notices. (Settlement Agreement ¶ 4.4.1.)

C. <u>Exclusion and Objection Procedures</u>

Settlement Class Members who do not timely submit a valid Request for Exclusion will be deemed Participating Class Members and will be bound by the terms of the Settlement without the need to submit a claim form or take any other affirmative action. The Court-approved Class Notice will inform Settlement Class Members of their right to exclude themselves from the Settlement by submitting a written Request for Exclusion to the Settlement Administrator, postmarked no later than 45 calendar days after the initial mailing of the Class Notice, defined as the Response Deadline. (Settlement Agreement ¶¶ 1.43, 7.5.1, 7.5.2.)

The Class Notice will also inform Settlement Class Members of their right to object to the Settlement. Any Settlement Class Member who wishes to object may submit a written objection to the Settlement Administrator no later than the Response Deadline. Settlement Class Members may also appear at the Final Approval Hearing, either personally or through counsel retained at their own expense, to present an objection to the Settlement. Settlement Class Members who submit timely written objections will remain members of the Settlement Class and will be bound by the Settlement if it receives final approval. (Settlement Agreement ¶ 7.5.4.)

D. <u>SETTLEMENT ALLOCATION FORMULA FOR SETTLEMENT SHARES</u>

Individual Class Payments will be calculated by the Settlement Administrator based on the Class Data provided by Defendant. After accounting for any approved challenges to credited Workweeks and excluding individuals who timely submit valid Requests for Exclusion, the Settlement Administrator will determine the total number of Workweeks worked by all Participating Class Members during the Class Period. Each Participating Class Member's share of the Net Settlement Amount will then be calculated on a pro rata basis according to the number of Workweeks worked during the Class Period, as a proportion of the total Workweeks worked by all Participating Class Members. (Settlement Agreement §§ 3.2.1.4, 3.2.2.)

The Class Notice will inform each Settlement Class Member of the estimated number of Workweeks credited during the Class Period. Any Settlement Class Member who believes the credited number of Workweeks is inaccurate may submit documentation to the Settlement Administrator by the Response Deadline to challenge the calculation. The Settlement Administrator will review any such challenge, consult with Class Counsel and Defense Counsel as appropriate, and issue a final and binding determination. (Settlement Agreement ¶ 7.6.2.)

E. <u>TIMING OF SETTLEMENT DISBURSEMENTS</u>

Defendant shall fund the Settlement by making a one time deposit of the Gross Settlement Amount into a Qualified Settlement Fund maintained by the Settlement Administrator. The Settlement Administrator will provide Defendant with wire transfer instructions no more than 3 days after the Effective Date, and Defendant shall fully fund the

Gross Settlement Amount within 16 calendar days after the Effective Date, unless that day falls on a weekend or holiday, in which case funding shall occur on the next court day. Defendant shall separately fund and pay the employer share of payroll taxes owed on the portion of Individual Class Payments allocated as wages, as calculated and directed by the Settlement Administrator. (Settlement Agreement §§ 4.3, 3.2.3.)

The Settlement Administrator shall deposit the Gross Settlement Amount into an interest bearing Qualified Settlement Fund. All payments under the Settlement shall be made from the Qualified Settlement Fund in accordance with the Settlement Agreement. (Settlement Agreement §§ 4.3, 4.4.)

Within 7 calendar days after Defendant funds the Gross Settlement Amount, the Settlement Administrator shall issue and mail the following payments: ... (Settlement Agreement § 4.4.)

F. TAX TREATMENT

The Individual Class Payments paid to Participating Class Members for Class Claims will be allocated for tax purposes based on the nature of the allegations in the Action as follows: 20 percent of each Individual Class Payment will be allocated as wages and will be subject to applicable local, state, and federal tax withholdings, and 80 percent will be allocated as interest and penalties. The Settlement Administrator shall be responsible for calculating and withholding applicable taxes on the wage portion and shall issue IRS Form W-2s for the wage portion and IRS Form 1099s for the non wage portion, along with any required state tax forms. Participating Class Members shall be solely responsible for the payment of any taxes owed on their Individual Class Payments. (Settlement Agreement § 3.2.1.5.).

G. PARTICIPATING CLASS MEMBERS' RELEASE OF CLAIMS

In consideration for their awarded Individual Settlement Payments, as of the date the Settlement becomes Final and has been fully funded, all Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release the Released Parties from all claims arising out of or related to the allegations set forth in Plaintiff's Second Amended Complaint that arose during the Class Period, including claims for: (1) failure to pay minimum wages in violation of Labor Code sections 1194, 1197, 1197.1, 1198, and the applicable IWC Wage Order(s); (2) failure to pay overtime wages, including failure to properly calculate the regular rate of pay, in violation of Labor Code sections 510 and 1194, and the applicable IWC Wage Order(s); (3) failure to provide compliant rest periods and pay missed rest break premiums in violation of Labor Code section 226.7 and the applicable IWC Wage Order(s); (4) failure to provide compliant meal periods and pay missed meal period premiums in violation of Labor Code sections 226.7 and 512, and the applicable IWC Wage Order(s); (5) failure to pay paid sick leave at the proper rate in violation of Labor Code section 246; (6) failure to pay vested vacation wages at separation in violation of Labor Code section 227.3; (7) failure to timely pay all wages due and owing during employment and at separation in violation of Labor Code sections 201–204; (8) failure to provide complete and accurate wage statements in violation of Labor Code sections 226 and 226.3; (9) deceptive, fraudulent, or otherwise unlawful business practices based on the foregoing in violation of California's Unfair Competition Law (Bus. & Prof. Code, §§ 17200–17210); and (10) all claims for liquidated damages, penalties, interest, fees, and costs based on the foregoing ("Released Class Claims"). (Settlement Agreement ¶ 5.2.)

As of the Effective Date, Plaintiff, acting as authorized proxies and agents of the LWDA/State of California, releases the Released Parties and settles the LWDA's/State's claims for civil penalties under PAGA arising out of or related to the allegations set forth in Plaintiff's Second Amended Complaint and the most recent PAGA Notice submitted to the LWDA that arose during the PAGA Period ("Released PAGA Claims"). This Settlement shall constitute, and may be pleaded as, a complete and total defense to any PAGA Released Claims if raised in the future. Each PAGA Member, the LWDA, and the State of California will be deemed to have made the foregoing Release as if by manually signing it. The PAGA Released Claims are released by Class Representative in his representative capacity as authorized proxy and agent for the State of California and the LWDA and as a private attorney general "aggrieved employee" acting on behalf of himself and all PAGA Members. The Notice will advise all PAGA Members of the binding nature of the foregoing Release and such Notice shall have the same force and effect as if the Agreement were executed by each PAGA Member. PAGA Members may not opt out of the PAGA portion of the Settlement and will be deemed to have released the PAGA Released Claims regardless of whether they opt out of the Settlement. (Settlement Agreement ¶ 5.3.)

In addition to the class and PAGA releases described above, Plaintiff, as Class Representative, has agreed to a broader General Release of all known and unknown claims against the Released Parties, including a waiver of rights under California Civil Code section 1542, as set forth in the Settlement Agreement. (Settlement Agreement ¶ 5.1.)

IV. PROVISIONAL CERTIFICATION OF THE CLASS UNDER THE LESSER STANDARD OF SCRUTINY FOR SETTLEMENT-ONLY CERTIFICATION IS APPROPRIATE FOR PURPOSES OF SETTLEMENT

California Rule of Court 3.769(d) authorizes the Court to provisionally certify a settlement class at the preliminary approval stage. It is well established that courts apply a lesser standard of scrutiny when evaluating class certification for settlement purposes only, because the manageability concerns present in a litigation class are not implicated and the Court's review of the settlement itself serves to protect absent class members. *Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1807 at n.19.

Because no trial is contemplated, the Court need not consider whether the Action would present intractable management problems if litigated. Instead, the focus is whether provisional certification is appropriate to effectuate the Settlement and ensure adequate notice to the Class. (*Officers for Justice v. Civil Service Com.* (9th Cir. 1982) 688 F.2d 615, 633.)

For purposes of this Settlement only, Plaintiff respectfully requests that the Court provisionally certify the Settlement Class under Code of Civil Procedure section 382.

A. NUMEROSITY AND ASCERTAINABILITY

Numerosity is satisfied where the class is so numerous that joinder of all members is impracticable. (Code Civ. Proc., § 382.) Ascertainability is satisfied where class members can be identified by objective criteria and provided notice without unreasonable time or expense. (*Medrazo v. Honda of N. Hollywood* (2008) 166 Cal.App.4th 89, 101.)

Here, Defendant's records reflect that the Settlement Class consists of approximately 136 non-exempt hourly employees who worked for Defendant in California during the Class Period. Joinder of this many individuals would be impracticable, and the class is readily ascertainable through Defendant's payroll and employment records, which identify Class Members by objective criteria. Accordingly, numerosity and ascertainability are satisfied.

B. <u>WELL-DEFINED COMMUNITY OF INTEREST</u>

1. <u>Commonality</u>

Commonality is satisfied where questions of law or fact common to the class predominate over questions affecting individual members. *Washington Mut. Bank v. Superior Court* (2001) 24 Cal.4th 906, 913.

Plaintiff alleges that Settlement Class Members were subject to common wage and hour policies and practices, including policies governing timekeeping, calculation of the "regular rate of pay," meal and rest periods, wage statements, and reimbursement of business expenses. While the Parties dispute whether common issues would predominate if the Action were litigated, they agree that commonality is satisfied for purposes of settlement only.

2. <u>Typicality</u>

Typicality examines whether the claims of the proposed class representative are reasonably coextensive with those of the class. (Newberg on Class Actions § 3:13.)

The Parties agree that Plaintiff's claims arise from the same alleged wage and hour policies and practices challenged on a classwide basis, and that typicality is satisfied under the lesser standard applicable to settlement only certification.

3. <u>Adequacy of Representation</u>

Adequacy requires that the class representative's interests are aligned with those of the class and that class counsel are qualified and experienced. *Barboza v. West Coast Digital GSM, Inc.* (2009) 179 Cal.App.4th 540, 546.

Plaintiff was employed by Defendant during the Class Period, was subject to the same challenged policies as other Class Members, understands his responsibilities as Class Representative, and has no conflicts of interest with the Settlement Class. Plaintiff is represented by Class Counsel with extensive experience litigating wage and hour class actions and PAGA representative actions. (Bokhour Decl. ¶¶ 2–5; Falakassa Decl. ¶¶ 2–11.) Adequacy is therefore satisfied.

4. *Superiority*

Certification of the Settlement Class is superior to individual litigation because it permits a global resolution of the claims in a single proceeding, promotes judicial economy, and provides meaningful relief to Class Members whose individual claims would be impractical to litigate on a standalone basis. Settlement only certification is therefore appropriate.

V. THE COURT SHOULD PRELIMINARILY APPROVE THE SETTLEMENT, WHICH IS FAIR, ADEQUATE, AND REASONABLE

A. CLASS ACTION SETTLEMENTS ARE SUBJECT TO JUDICIAL REVIEW AND APPROVAL UNDER THE CALIFORNIA RULES OF COURT

California law favors the settlement of disputes, particularly in the class action context, where settlement conserves judicial resources and avoids the expense, delay, and uncertainty of continued litigation. (*Bush v. Superior Cour*t (1992) 10 Cal.App.4th 1374, 1385.) Nevertheless, a class action may not be compromised or dismissed without court approval. (Cal. Rules of Court, rule 3.769(a).)

The California Rules of Court establish a three step process for approval of a class action settlement: (1) preliminary approval of the proposed settlement; (2) notice to the class in the manner directed by the court; and (3) a final approval hearing at which the court determines whether the settlement is fair, adequate, and reasonable. (Cal. Rules of Court, rule 3.769(c), (e)–(g).)

The decision whether to approve a proposed settlement lies within the court's sound discretion. (*Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 234.) In exercising that discretion, however, the court is not to conduct a trial on the merits or resolve disputed factual or legal issues underlying the claims. (*Officers for Justice v. Civil Service Com.* (9th Cir. 1982) 688 F.2d 615, 625.)

At the preliminary approval stage, the court's task is limited to determining whether the settlement appears to be within the range of possible approval and whether notice to the class is warranted. (*Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1801–1802.) Preliminary approval is appropriate where there are no obvious deficiencies and no grounds to doubt the settlement's fairness. (Manual for Complex Litigation (Third) § 30.41.)

B. The Settlement is the Result of Serious, Informed, Non-Collusive Negotiations

The Settlement was reached through extensive arm's length negotiations between experienced counsel and was facilitated by an experienced mediator with substantial expertise in wage and hour class and PAGA actions. The negotiations were adversarial and non collusive, and followed a thorough investigation of the factual and legal issues in the Action.

Although Plaintiff and Class Counsel believe the claims have merit, they also recognized the substantial risks associated with continued litigation, including the risk of an adverse ruling on class certification, summary judgment, trial, or appeal. Defendant vigorously denied liability and asserted multiple defenses that, if successful, could have significantly limited or eliminated any recovery for the Class. (Bokhour Decl. ¶ 35.) These risks were appropriately considered in reaching the Settlement.

C. The Extent of the Investigation was More than Sufficient to Permit Preliminary Approval of the Settlement

Prior to reaching the Settlement, Plaintiff and Class Counsel conducted a thorough investigation into the factual and legal bases of the claims. As described above, this investigation included interviews with putative class members, review of Defendant's policies and practices, and the informal exchange of relevant payroll, timekeeping, and compensation data. Class Counsel also conducted extensive legal research and developed damages models to assess potential exposure and litigation risk. (Bokhour Decl. ¶¶ 14, 26.)

This level of investigation was more than sufficient to permit Class Counsel and the Court to evaluate the strengths and weaknesses of the claims and to support preliminary approval of the Settlement.

D. <u>THE SETTLEMENT IS A REASONABLE COMPROMISE OF CLAIMS</u>

In evaluating a proposed class settlement, the court must have sufficient information to understand the nature and magnitude of the claims and to determine whether the settlement represents a reasonable compromise in light of the risks of continued litigation. *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 133. Kullar does not require an explicit statement of the maximum theoretical recovery in every case. Rather, the record must permit an understanding of the amount in controversy and the realistic range of possible outcomes. *Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles* (2010) 186 Cal.App.4th 399, 409.

Here, Defendant disputed both liability and class certification, arguing that it complied with California law, maintained compliant written policies, and that any alleged violations were individualized and not amenable to class treatment. Defendant also asserted defenses that could have significantly reduced or eliminated recovery. While Plaintiff believes the claims are suitable for class treatment, he recognizes that class certification and liability determinations are inherently uncertain.

Considering the risks, expense, and delay associated with continued litigation, the Settlement represents a reasonable and fair compromise that provides meaningful relief to Class Members now, rather than the possibility of a greater recovery years later or no recovery at all. (Bokhour Decl. ¶¶ 39–40.)

Based upon Class Counsel's independent investigation and detailed data obtained through informal discovery and information exchanges, and factoring in claim certification probabilities and liability probabilities, Class Counsel formulated detailed damages models to evaluate the claims in preparation for mediation and in order to reach a realistic and reasonable resolution as further detailed below. (Bokhour Decl. ¶ 26.)

1. <u>Failure to Properly Calculate and Pay the Correct "Regular Rate of Pay"</u>

Plaintiff alleged that Defendant failed to properly calculate the "regular rate of pay" by excluding certain non-discretionary bonuses, commissions, and incentive payments when calculating overtime and sick pay wages, resulting in alleged underpayment in violation of California law. (Bokhour Decl. ¶ 27.)

Based on a review of payroll and paystub data produced during the investigation, Plaintiff estimated that the alleged exclusion of certain incentive payments may have resulted in underpayment of overtime and sick pay wages for some Class Members. (Bokhour Decl. ¶ 28.)

Defendant disputed these allegations and asserted that it properly paid all wages and many of the incentive payments at issue were discretionary and therefore properly excluded from regular rate calculations. Defendant further contended that it made adjustments and offset payments where appropriate, that overtime and sick pay were lawfully calculated and paid in good faith, and that any potential underpayments, to the extent they occurred at all, were limited, de minimis, and not widespread across the Class. (Bokhour Decl. ¶ 29.)

While Plaintiff maintains that certain bonuses and incentive payments were non-discretionary and should have been included in the regular rate of pay, Plaintiff also acknowledges the significant litigation risks associated with this claim. Those risks include the possibility that the Court could deny class certification due to individualized variations in compensation structures and incentive programs, as well as risks on the merits, including summary judgment or an unfavorable trial result. Plaintiff further acknowledges that the estimated lost wages attributable to this theory were relatively modest. (Bokhour Decl. ¶ 30)

In light of these risks and uncertainties, Plaintiff applied a substantial discount to the estimated value of this claim in evaluating the Settlement. (Bokhour Decl. ¶ 31.)

2. <u>Waiting Time Penalties</u>

Plaintiff alleged that Defendant failed to timely pay all wages due upon separation from employment, thereby entitling former employees to waiting-time penalties under Labor Code sections 201 through 203. Based on Defendant's records, approximately 66 Settlement Class Members were separated from employment during the applicable statutory period. Assuming the statutory maximum penalty of thirty (30) days, an 8-hour workday, and an average hourly rate of $23.42, Plaintiff estimated a maximum theoretical exposure of approximately $370,972 for waiting time penalties. (66 employees × 8 hours per day × $23.42 per hour × 30 days.) (Bokhour Decl. ¶ 32.)

Defendant disputed this claim and asserted that any alleged failure to pay wages in a timely manner at separation was not willful and therefore did not give rise to waiting-time penalties. Defendant further contended that it maintained compliant payroll practices and that any waiting-time penalty claim was derivative of underlying wage claims. Defendant contended that the claims lacked merit or were unsuitable for class treatment. (Bokhour Decl. ¶ 33.)

To account for these risks, including the risk of denial of class certification and the risk of an adverse ruling at summary judgment or trial, Plaintiff applied a combined 50% discount to the maximum theoretical exposure. Applying this discount, Plaintiff estimates a risk-adjusted value of approximately $185,486 for the waiting time penalties claim. (Bokhour Decl. ¶ 34.)

3. <u>Failure to Provide Meal and Rest Periods or Compensation in Lieu Thereof at the "Regular Rate of Pay"</u>

With respect to Plaintiff's meal and rest period claims, Settlement Class Members collectively worked approximately 82,521 shifts during the Class Period. Based on an analysis of a representative sample of Defendant's timekeeping and payroll records produced prior to mediation, Plaintiff applied an estimated 40 percent violation rate for meal periods and a 33 percent violation rate for rest periods. Using an applicable premium rate of $23.42 per missed break, Plaintiff estimated a maximum theoretical exposure of approximately $773,056 for the meal period claim (82,521 shifts × 40 percent × $23.42) and approximately $637,771 for the rest period claim (82,521 shifts × 33 percent × $23.42). (Bokhour Decl. ¶ 35.)

However, Defendant disputed liability on both claims and asserted that meal and rest-period compliance presented highly individualized issues that were inappropriate for class treatment. Defendant maintained that its written policies were facially compliant with California law, that employees were afforded flexibility to take breaks, and that compliance varied based on job duties, location, management practices, and individual employee choice. Defendant also argued that it had a *Donohue* attestation procedure in place that disproved Plaintiff's allegations and provided common proof of a lack of violations. Defendant further argued that these individualized issues created a substantial risk that the Court would deny class certification. (Bokhour Decl. ¶ 36.)

Defendant also contended that, even if certification were granted, it would prevail on the merits by demonstrating that compliant meal and rest periods were provided or that premium compensation was paid when required. Defendant asserted that Plaintiff would be unable to present reliable representative evidence sufficient to establish liability or damages on a classwide basis.

In light of these risks, Plaintiff applied a 50% discount to the maximum theoretical exposure for these claims. Applying this discount, Plaintiff estimates a risk-adjusted value of approximately $386,528 for the meal period claims and approximately $318,885 for the rest period claims. (Bokhour Decl. ¶ 37.)

4. Failure to Provide Accurate Itemized Wage Statements

Plaintiff further alleged that Defendant issued non-compliant itemized wage statements in violation of Labor Code section 226, based on the same alleged conduct underlying Plaintiff's claims for unpaid wages, meal and rest period premiums, and failure to include all required forms of compensation in the regular rate of pay. Based on Defendant's records, Plaintiff estimates that approximately 10,361 allegedly non-compliant wage statements were issued during the Class Period.

In calculating Defendant's maximum potential exposure, Plaintiff conservatively assumed that only the initial statutory penalty of fifty dollars per violation would apply, consistent with Labor Code section 226(e) and authority holding that higher penalties apply only after notice of a violation. (*Amaral v. Cintas Corp. No. 2* (2008) 163 Cal.App.4th 1157, 1207.) Using this conservative assumption, Plaintiff estimated a maximum theoretical exposure of approximately $518,050 (10,361 wage statements multiplied by $50). (Bokhour Decl. ¶ 38.)

Defendant disputed this claim and asserted that its wage statements fully complied with Labor Code section 226. Defendant further argued that, even if any technical deficiencies existed, they were not knowing and intentional and did not result in the injury required to recover penalties. Defendant also relied on its defenses to the underlying wage and hour claims and to class certification. (Bokhour Decl. ¶ 39.)

In light of these risks, including the risk of denial of class certification and the risk of an adverse ruling on the merits, Plaintiff applied an 80% discount to the maximum theoretical exposure. Applying this discount, Plaintiff estimates a risk-adjusted value of approximately $103,610 for the wage statement penalty claim. (Bokhour Decl. ¶ 40.)

5. <u>PAGA Penalties</u>

Plaintiff also sought civil penalties under the Private Attorneys General Act of 2004 ("PAGA") for alleged Labor Code violations for which PAGA penalties are available, and asserted that such penalties could be assessed on a cumulative basis. Assuming application of the default penalty of $100 per pay period under Labor Code section 2699(f)(2), and assuming no reduction or exercise of judicial discretion, Plaintiff estimated a maximum theoretical exposure of approximately $1,036,100, based on approximately 10,361 pay periods. (Bokhour Decl. ¶ 41.)

This theoretical maximum, however, does not account for significant legal and practical uncertainties. Courts are divided as to whether PAGA penalties may be stacked across multiple violations within a single pay period, particularly where the violations are derivative of one another. In addition, Labor Code section 2699(e)(2) grants courts broad discretion to reduce civil penalties where necessary to avoid awards that are unjust, arbitrary, oppressive, or confiscatory. Courts routinely exercise this discretion, particularly where an employer did not act willfully or where the legal obligations were unsettled. *See Cotter v. Lyft, Inc.* (2016) 193 F. Supp. 3d 1030, 1037. (Bokhour Decl. ¶ 42.)

In light of these risks, the Parties agreed to allocate $20,000 of the Gross Settlement Amount to the resolution of the PAGA claim, which Plaintiff submits is fair, reasonable, and adequate under the circumstances. (Bokhour Decl. ¶ 43.)

In sum, when factoring in defenses and risks of ongoing litigation, Plaintiff estimates the risk-adjusted class recovery as follows:

- Regular Rate of Pay Claim: $0 (*discounted*)
- Labor Code §§ 201 – 203 Claims: $185,486

- Meal Period Claims: $386,528
- Rest Break Claims: $318,885
- Wage Statement Claims: $103,610
- PAGA Penalties $20,000
- **Total Risk-Adjusted Penalties and Damages**: **$1,014,509**

Given the realistic value of Plaintiff's claims, the $700,000 Settlement Amount is an excellent result for the Class, considering that the Settlement Amount totals approximately 69% of Plaintiff's risk-adjusted value of the case. Preliminary approval is appropriate since the Settlement will provide significant monetary relief to the Class. For these reasons, Plaintiff submits that the agreed-upon Settlement is fair and reasonable.

E. CLASS COUNSEL IS EXPERIENCED IN SIMILAR WAGE-AND-HOUR LITIGATION

The views of experienced counsel are entitled to significant weight in determining whether a proposed class settlement is fair, adequate, and reasonable. *Ellis v. Naval Air Rework Facility* (N.D. Cal. 1980) 87 F.R.D. 15, 18, *aff'd* (9th Cir. 1981) 661 F.2d 939; *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 128 (court must take into account "the experience and view of counsel") (internal quotation and citation omitted).

Class Counsel are highly experienced in wage and hour class actions and PAGA representative actions. Collectively, Class Counsel have litigated over one hundred wage and hour class and PAGA cases, have been repeatedly recognized as Super Lawyers in employment litigation, an honor awarded to only a small percentage of attorneys statewide, and have achieved substantial class action settlements on behalf of California employees. (Bokhour Decl. ¶¶ 2–5; Falakassa Decl. ¶¶ 2–10.)

After conducting an independent investigation and engaging in arm's-length negotiations, Class Counsel carefully evaluated the strengths and weaknesses of the claims, the defenses asserted by Defendant, the risks associated with class certification and liability, and the realistic risk-adjusted value of the case. Based on that analysis, Class Counsel believes that the Settlement represents a fair, reasonable, and adequate resolution of the Action and is in the best interests of the Settlement Class and PAGA Members.

F. THE CLASS NOTICE CONFORMS TO ALL APPLICABLE STATUTES AND RULES

The proposed Class Notice fully and fairly informs Settlement Class Members of the nature of the Action, the material terms of the Settlement, and their rights and options under the Settlement Agreement and applicable law. The notice program is reasonably calculated to reach all or nearly all Settlement Class Members and therefore satisfies due process.

The content and dissemination of the Class Notice comply with California Rules of Court 3.766 and 3.769. The Class Notice describes the material settlement terms, the proposed attorneys' fees and costs and Settlement Administration Expenses, the Final Approval Hearing, and the procedures and deadlines for requesting exclusion or submitting an objection, and informs Class Members of their estimated Individual Class Payments. (Ex. B.)

The Class Notice will be mailed by the Settlement Administrator via first-class U.S. Mail to the last known addresses of Settlement Class Members, using Defendant's records, with address updating and re-mailing procedures for undeliverable notices. This method constitutes meaningful notice with a reasonable likelihood of reaching a substantial percentage of the Class. (*Archibald v. Cinerama Hotels* (1976) 15 Cal.3d 853, 861.)

The 45-day response period provides Class Members with a reasonable opportunity to evaluate the Settlement, seek advice if desired, and elect whether to participate, object, or request exclusion. Settlement Class Members who do not request exclusion will be bound by the Settlement and will automatically receive settlement payments upon Final Approval

G. THE NON-REVERSIONARY "CHECKS CASHED" DISTRIBUTION ENSURES MAXIMAL RECOVERY FOR CLASS MEMBERS

Under the Settlement, all Settlement Class Members who do not request exclusion will automatically receive an Individual Settlement Payment without submitting a claim form. This structure maximizes participation and ensures that Class Members receive payment unless they affirmatively opt out.

The Settlement is non-reversionary, meaning that no portion of the Settlement Amount will revert to Defendant. Any settlement checks that are not negotiated within the applicable check-cashing period will be sent to the California Controller's Unclaimed Property Fund, subject to Court approval. These terms are favored by courts because they promote class recovery and without collusion.

H. <u>THE ATTORNEYS' FEES ALLOCATION UNDER THE SETTLEMENT AGREEMENT IS FAIR</u>

Under the terms of the Settlement Agreement, Class Counsel requests an amount not exceeding one-third of the Settlement Amount in attorneys' fees. (S*ee, e.g., Laffite v. Robert Half Int'l Inc.* (2016) 1 Cal.5th. 480 (approving 1/3 fee in the amount of $6.33 million at a 2.13 lodestar multiplier, when class action litigation establishes a monetary fund for the benefit of the Class Members, the trial court may determine the amount of a reasonable fee by choosing an appropriate percentage of the fund created); *see also Stuart v. RadioShack Corp*. (N.D. Cal. Aug. 9, 2010) No. C-07-4499 EMC, 2010 WL 3155645 (approving fee award of 1/3 of the total maximum settlement amount of $4.5 million) (the court noted that the fee award of 1/3 of the total settlement was "well within the range of percentages which courts have upheld as reasonable in other class action lawsuits"); *Singer v. Becton Dickinson and Co*. (S.D. Cal. June 1, 2010) No. 08-cv-1501-IEG (BLM), 2010 WL 2196104, at *8 (approving fee award of 33.33% of the common fund); *Romero v. Producers Dairy Foods, Inc.* (E.D. Cal. Nov. 14, 2007) No. 1:05cv0484 DLB, 2007 WL 3492841, at *4 (awarding fees of 1/3 of common fund in a wage and hour class action, noting: "[f]ee awards in class actions average around one-third of the recovery."); *Martin v. FedEx Ground Package System, Inc*. (N.D. Cal. Dec. 31, 2008) No. C 06-6883 VRW, 2008 WL 5478576, at *8 (approving fees of 1/3 of common fund). (Bokhour Decl. ¶¶ 54.)

Once the Court grants preliminary approval of the Settlement Agreement and the Class Notice is disseminated, Class Counsel will submit a request for attorneys' fees and costs with its final approval motion.

I. <u>THE CLASS REPRESENTATIVE SERVICE PAYMENTS ARE FAIR AND APPROPRIATE</u>

The Settlement Agreement provides for a Service Award to Plaintiff Benjermine McAtee in an amount not to exceed $10,000. The requested Service Award is reasonable in light of Plaintiff's substantial time, effort, and personal risk undertaken on behalf of the Class and PAGA Members.

Plaintiff actively assisted Class Counsel throughout the litigation, including by providing detailed factual information supporting the class and PAGA claims, producing documents, participating in strategy discussions and mediation preparation, remaining available throughout the litigation to analyze claims and defenses, attending and assisting during mediation, and reviewing the Settlement documents. Plaintiff also assumed the risk associated with serving as Class Representative, including potential exposure to costs and workplace retaliation. (See Declaration of Plaintiff in Support of Preliminary Approval.)

The requested Service Award is within the range approved by courts in comparable cases. See, e.g., *Bond v. Ferguson Enterprises, Inc.* (E.D. Cal. 2011) No. 1:09 cv 1662 OWW MJS, 2011 WL 2648879 (approving $11,250 service award); *Ross v. U.S. Bank National Association* (N.D. Cal. 2010) No. C 07 02951 SI, 2010 WL 3833922, at *2 (approving $20,000 service award); *Vasquez v. Coast Valley Roofing, Inc.* (E.D. Cal. 2010) 266 F.R.D. 415, 493 (approving $15,000 service awards).

Accordingly, the requested Service Award is fair, reasonable, and appropriate under the circumstances.

VI. THE COURT SHOULD APPOINT CPT GROUP, INC. AS THE SETTLEMENT ADMINISTRATOR

Subject to Court approval, the Parties have stipulated that CPT Group, Inc. be appointed as the Settlement Administrator. CPT Group, Inc. is experienced in administering class action settlements and is well qualified to administer the notice and distribution process in this Action. Pursuant to the Settlement Agreement, Settlement Administration Costs shall not exceed $6,000, subject to Court approval. (Bokhour Decl. ¶ 46.)

VII. TIMELINE AND SCHEDULING A FINAL APPROVAL HEARING

The final step in the approval process is a hearing at which the Court considers the terms of the Settlement and hears any timely objections and arguments from the Parties in support of final approval.

VIII. CONCLUSION

For all of the foregoing reasons, Plaintiff respectfully requests that the Court grant his Motion for Preliminary Approval of Class Action Settlement.

Dated: June 23, 2026

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

BY: ______________________________

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