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SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF LOS ANGELES

PATRICIA ARELLANO, MARIA IBANEZ, on
behalf of All Aggrieved Employees only;

Plaintiffs,

v.

NORTHGATE GONZALEZ MARKETS, INC.,
and DOES 1 through 50, inclusive,

Defendants.

Case No. **24STCV10515**

**NOTICE OF MOTION AND MOTION
TO APPROVE PAGA SETTLEMENT;**

**MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT OF
MOTION TO APPROVE PAGA
SETTLEMENT**

Hearing Date: December 15, 2026

Hearing Time: 8:30am

Judge: Hon. Rupert A. Byrdsong

Dept.: 318

Action Filed: June 7, 2023

Trial Date: Not Set

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2
3 **TO ALL PARTIES AND THEIR RESPECTIVE ATTORNEYS OF RECORD:**

4 YOU ARE HEREBY NOTIFIED THAT on December 15, 2026 at 8:30am, in Department 318
5 of the above entitled Court located at 111 N. Hill St, Los Angeles CA 90012, before the Honorable
6 Rupert A. Byrdsong, Plaintiffs Patricia Arellano and Maria Ibanez (collectively “Plaintiffs”) will and
7 hereby do move for an order approving the settlement of the PAGA claim alleged against Defendant
8 Northgate Gonzalez Markets, Inc., (“Defendant”) in accordance with California Labor Code §2699(1)
9 (2016) amended by Stats. 2024, c. 44 (A.B. 2288), § 1, eff. July 1, 2024.). The proposed settlement
10 is set forth in the accompanying PAGA Settlement Agreement (“Agreement”).

11 This Motion will be based on this notice, the accompanying points and authorities, the
12 Declaration of Sergio J. Puche, Declaration of Haig B. Kazandjian, Declaration of James Clark,
13 Declaration of Plaintiff Patricia Arellano, Declaration of Plaintiff Maria Ibanez, the Agreement, and
14 the complete files and records in this action. The Labor Workforce Development Agency has been
15 served with this motion and the Agreement as set forth in the accompanying proof of service.

16 Respectfully submitted,

17 Dated: September 2, 2026

**BLUMENTHAL NORDREHAUG
BHOWMIK DE BLOUW LLP**

19 By: /s/ Sergio J. Puche
20 Sergio J. Puche

21 Attorneys for Plaintiff

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1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 Plaintiffs Patricia Arellano (“Plaintiff Arellano”) and Maira Ibanez (“Plaintiff Ibanez”)
4 (collectively “Plaintiffs”) reached a settlement of the California Private Attorneys General Act, Cal.
5 Labor Code §2699, *et seq.* (“PAGA”) claim asserted in this action against Defendant Northgate
6 Gonzalez Markets, Inc., (“Defendant”) (collectively, the “Parties”) which provides for a “Gross PAGA
7 Settlement Amount” payment in the amount of \$745,000.00. In accordance with California Labor
8 Code §2699(l) (2016), Plaintiffs now ask this Court to review and approve the settlement of Plaintiffs’
9 PAGA claims.¹ This is only a settlement of the PAGA claims for civil penalties and is not a class
10 settlement and does not release the individual wage claims, if any, of the affected employees other
11 than the Plaintiffs themselves. Cal. Labor Code § 2699(g)(1); *Iskanian v. CLS Transportation*, 59
12 Cal.4th 348, 381 (2014); *ZB, N.A. v. Superior Court*, 8 Cal.5th 175, 182 (2019) (unpaid wages are not
13 recoverable under PAGA).

14 The PAGA settlement is set forth in the accompanying PAGA Settlement Agreement
15 (“Agreement”) and the form used for the Agreement is the Los Angeles Superior Court’s model form.
16 A true and correct copy of the Agreement which sets forth the terms for the settlement of the PAGA
17 claims is attached as Exhibit #1 to the Declaration of Sergio J. Puche (“Puche Decl.”), filed herewith.
18 Capitalized terms shall have the same meaning as defined in the Agreement. The LWDA received
19 notice of this Settlement, and this motion as set forth in the accompanying proof of service.

20 A proposed order confirming review and approval of the PAGA settlement is submitted
21 herewith.

22 **II. RELEVANT FACTS**

23 PAGA Counsel sent the necessary correspondence to the California Labor and Workforce
24 Development Agency (“LWDA”) on January 5, 2024 on behalf of Plaintiff Arellano, and on July 10,
25 2024 on behalf of Plaintiff Ibanez, requesting authorization from the LWDA to seek civil penalties as
26

27 ¹ Section 2699(1)(2) provides as follows: “The superior court shall review and approve any settlement
28 of any civil action pursuant to this part.” Cal. Lab. Code § 2699 (2016) (*amended by* Stats. 2024, c. 44
(A.B. 2288), § 1, eff. July 1, 2024.).

1 provided by the Private Attorney General Act of 2004 (“PAGA”) for the wage and hour violations
2 alleged in the PAGA Notice. (Puche Decl., at ¶ 3.) The 65-day notice period for the LWDA to notify
3 of its intent to investigate Plaintiff Arellano’s claims expired on March 10, 2024, and expired on
4 September 13, 2024 with regard to Plaintiff Ibanez’s claims. On April 26, 2024, Plaintiff Arellano
5 filed a Representative Action Complaint in the Superior Court for the County of Los Angeles, alleging
6 one cause of action for civil penalties pursuant to Labor Code §§ 2699, et seq. (PAGA) for violations
7 of the California Labor Code (the “Arellano PAGA Action”). On July 10, 2024, Plaintiff Ibanez filed
8 a Class Action Complaint in the Superior Court for the County of Los Angeles. Subsequently, on
9 October 21, 2024, Plaintiff Ibanez and Defendant filed a stipulation to dismiss class claims without
10 prejudice, to arbitrate individual PAGA claims, and to stay representative PAGA claims pending
11 arbitration (the “Ibanez PAGA Action”). (Puche Decl. at ¶ 3(a).)

12 Plaintiffs and Defendant agreed to mediate with David Phillips, Esq. Prior to the mediation,
13 the Parties conducted significant investigation and discovery of the facts and law. Defendant produced
14 hundreds of pages of documents relating to its policies, practices, and procedures regarding paying
15 non-exempt employees for all hours worked, overtime, meal and rest period policies, payroll and
16 operations policies, and more. Plaintiffs were also provided with sufficient records and data to
17 determine the number of Aggrieved Employees and the number of weekly pay periods in the PAGA
18 Period. The Parties agree that the above-described investigation and evaluation, as well as the
19 information exchanged during the settlement negotiations, are more than sufficient to assess the merits
20 of the Parties’ positions and to compromise the issues on a fair and equitable basis. (Puche Decl., at ¶
21 3(a).)

22 Plaintiffs’ theory of PAGA liability as argued at mediation alleged that Defendant is liable for
23 off the clock claims due to pre-shift lockouts and restrictions on clocking in more than five minutes
24 early. Plaintiffs alleged they were required to conduct post shift duties off the clock. Moreover,
25 Plaintiffs alleged they were required to communicate on their personal cell phones off the clock as
26 evidence by a compendium of text messages provided by Plaintiffs. Plaintiffs argued that Defendant
27 failed to pad for the hours worked, reporting time premiums or reimbursement for off the clock work
28 and cell phone usage for scheduling. Plaintiffs allege Defendants failed to include additional

1 remunerations int he regular rate of pay for paying overtime. (Puche Decl., ¶¶ 3(b)).

2 At mediation, Plaintiffs argued that Defendant is liable for a myriad of PAGA Penalties,
3 including PAGA waiting time penalties for 6,523 former employees in the PAGA Period as indicated
4 in the data sample received; PAGA penalties for Unpaid Wages, Labor Code Section 226 Wage
5 Statement Violations for a total of 12,154 employees, and Failure to Reimburse a total of 12,154
6 employees for 615,543 weekly pay periods as indicated in the sample data received; PAGA penalties
7 for failure to pay sick pay at the regular rate of pay to 5,491 employees; and PAGA penalties for failure
8 to pay Meal Premiums to 4,741 employees as identified from the sample data received. (*Id.*)

9 On September 22, 2025, the Parties engaged in a mediation session before mediator David
10 Phillips, Esq., a respected and experienced mediator knowledgeable of both the wage and hour laws
11 and representative claims at issue in this action. Through arms-length negotiations with the assistance
12 of the mediator, following the mediation, the Parties reached an agreement to settle the PAGA claims
13 in this action which led to the full execution of a Memorandum of Understanding memorializing the
14 settlement on November 21, 2025.² (Puche Decl., at ¶ 3(c))

15 The settlement was negotiated in light of all known facts and circumstances and the uncertainty
16 associated with litigation – including the risk of Plaintiffs not being able to maintain representative
17 claims, the difficulty of proving Plaintiffs’ claims in a manageable trial, the merits of Defendant’s
18 potential defenses, and the significant delay and potential appellate issues inherent to litigation – and
19 was reached after extensive arm’s length negotiations, with the assistance of the Parties’ mediator.
20 (Puche Decl., at ¶¶ 3,6.).

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22
23 ² Pursuant to separate confidential settlement agreements, in addition to the Gross PAGA Settlement
24 Amount, Defendant has agreed to separately pay Plaintiffs Individual Settlements to resolve all of
25 their individual non-PAGA claims. The Individual Settlement are made in exchange for a general
26 release of all of Plaintiffs’ individual non-PAGA claims arising out of their respective employment
27 with Defendant, including a waiver of any unknown claims pursuant to California Civil Code § 1542,
28 which will be detailed in separate confidential settlement agreements. (Agreement at ¶¶ 1.12, 5.1-2).
The individual claims are not at issue in this action and exist independent and apart from the PAGA
claims at issue before the Court. *See Kim v. Reins Int’l Cal., Inc.*, 9 Cal. 5th 73, 80 (2020) (the
“[s]ettlement of individual claims does not strip an Aggrieved Employee of standing, as the state’s
authorized representative, to pursue PAGA remedies” nor resolve the PAGA claims.). (Puche Decl.,
at ¶ 3(d)).

1 **III. TERMS OF THE PAGA SETTLEMENT**

2 The PAGA settlement is subject to Court approval consistent with Labor Code §2699(1)(2)
3 (2016). (Agreement at ¶ 6). The Agreement negotiated by the Parties provides for a “Gross PAGA
4 Settlement Amount” payment in the amount of \$745,000.00 to resolve the Released PAGA Claims
5 (hereinafter referred to as the “PAGA Settlement”). From this PAGA Gross PAGA Settlement
6 Amount of \$745,000.00, there is a deduction of attorneys’ fees (“PAGA Counsel Fees Payment”) up
7 to \$260,750.00 (which is 35% of the Gross PAGA Settlement Amount) reimbursement of incurred
8 costs (“PAGA Counsel Litigation Expenses Payment”) in an amount not to exceed \$95,000.00,
9 Service Award payments to Plaintiffs of not more than \$2,500.00 each (for a total of \$5,000.00 in
10 “Service Award(s)”) and Settlement Administration Costs (“Administration Expenses Payment”) not
11 to exceed \$42,515.00 (Agreement at ¶¶ 3.1-3.2.4).³ “PAGA Counsel” means the law firms Blumenthal
12 Nordrehaug Bhowmik De Blouw LLP (“BNBD”), Haig B. Kazandjian Lawyers, APC (“HBK”); and
13 Lavi & Ebrahimian, LLP (“LE”). The PAGA Counsel Fees Payment shall be allocated among PAGA
14 Counsel as follows: 50% to BNBD, 25% to HBK, and 25% to LE. (Agreement at ¶¶ 1.19, 3.2.1). After
15 these deductions, the amount remaining is the “PAGA Payment”, which is estimated to be no less than
16 \$346,735.00.

17 Of the PAGA Payment amount, seventy-five percent (75%) (no less than \$260,051.25) will be
18 paid to the LWDA and the remaining twenty-five percent (25%) (no less than \$86,638.75) will be paid
19 to the Aggrieved Employees (Agreement at ¶¶ 1.24, 3.2.3).⁴ This 75/25 allocation is required by Labor
20

21 _____
22 ³ If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses
23 Payment less than the amounts requested, the Administrator will allocate the remainder of these
24 amounts to the PAGA Penalties. (Agreement at ¶ 3.2.3). To the extent the Administration Expenses
are less, or the Court approves payment less than \$42,515.00, the Administrator will retain the
remainder in the PAGA Payment. (*Id.* at ¶ 3.2.2).

25 ⁴ “Aggrieved Employee” means “all individuals who are or previously were employed by Defendant
26 in California and classified as a non-exempt employee at any time during the PAGA Period.” The
27 “PAGA Period” means the period from July 10, 2023 to the date determined by operation of the
28 Escalator Clause set forth herein, which will be either: (i) the date Plaintiffs file the motion for approval
of the PAGA Actions settlement, which may require a pro rata increase of the Gross PAGA Only
Settlement, or (ii) the end date of the pay period during which the Aggrieved Employees collectively
worked over 880,000 PAGA Pay Periods. (Agreement at ¶¶ 1.4, 1.24).

1 Code §2699 as explained by *ZB, N.A. v. Superior Court*, 8 Cal.5th 175 (2019), and the prior 75/25
2 split still applies because this Action was filed before June 2024. *See* Cal. Lab Code § 2699 (v) (2024).

3 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount
4 of the Aggrieved Employees' 25% share of PAGA Payment by the total number of weekly PAGA Pay
5 Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result
6 by each Aggrieved Employee's weekly PAGA Pay Periods during the PAGA Period.⁵ The PAGA
7 Period is the time period from July 10, 2023 through date determined by operation of the Escalator
8 Clause set forth herein, which will be either: (i) the date Plaintiffs file the motion for approval of the
9 PAGA Actions settlement, which may require a pro rata increase of the Gross PAGA Only Settlement,
10 or (ii) the end date of the pay period during which the Aggrieved Employees collectively worked over
11 880,000 PAGA Pay Periods. (Agreement at ¶ 1.23-1.24).

12 For Settlement, Defendant has represented that the Aggrieved Employees consist of
13 approximately 13,827 employees who collectively worked 800,000 weekly PAGA Pay Periods during
14 the PAGA Period. (Puche Decl., ¶¶ 4, 14(b)(c)); Agreement at ¶ 4.1).

15 Upon entry of final judgment, the Released Parties shall be entitled to a release from the
16 Aggrieved Employees for any "Released PAGA Claims" means "any and all claims for civil penalties
17 for alleged Labor Code violations that were alleged, or reasonably could have been alleged, based on
18 the facts stated in the Operative Complaint, and the PAGA Notices submitted by Plaintiffs to the
19 LWDA, which occurred during the PAGA Period. The Release PAGA Claims expressly exclude all
20 other claims, all non-PAGA claims, claims for vested benefits, wrongful termination, violation of the
21 Fair Employment and Housing Act, unemployment insurance, disability, social security, workers'
22 compensation, California class claims, and PAGA claims outside of the PAGA period. The Released
23 PAGA Claims also exclude Plaintiffs' and Claimants' individual settlements or the claims released
24 therein." (Agreement at ¶¶ 1.27, 5.2). The "Released Parties" means "Defendant and each of its
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27 ⁵ See Agreement at ¶ 3.2.3 ("The Administrator will calculate each Individual PAGA Payment by (a)
28 dividing the amount of the Aggrieved Employees' 25% share of PAGA Payment by the total number
of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b)
multiplying the result by each Aggrieved Employee's PAGA Pay Periods during the PAGA Period.")

1 officers, directors, members, partners, owners, shareholders, agents, servants, assigns, affiliates,
2 predecessors, successors, parent entities, and subsidiary entities.” (Agreement at ¶ 1.28).

3 Defendant shall fully fund the Gross PAGA Settlement Amount by transmitting the funds to
4 the Administrator no later than fourteen (14) business days after the Effective Date. (Agreement at ¶
5 4.3).⁶ Within fourteen (14) business days after Defendant funds the Gross PAGA Settlement Amount,
6 the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment,
7 the Service Awards, the Administration Expenses Payment, and the PAGA Counsel Expenses
8 Payment. (Agreement at ¶4.4). The Administrator will issue checks for the Individual PAGA
9 Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The
10 face of each check shall prominently state the void date, which is one hundred eighty (180) days after
11 the date of mailing) when the check will be voided. The Administrator will cancel all checks not
12 cashed by the void date. *Id.* at ¶ 4.4.1. For any Aggrieved Employee whose Individual PAGA Payment
13 check is uncashed and cancelled after the void date, the Administrator shall transmit the funds
14 represented by such checks to the California Controller's Unclaimed Property Fund in the name of the
15 Aggrieved Employee thereby leaving no “unpaid residue” subject to the requirements of California
16 Code of Civil Procedure Section 384, subd. (b). *Id.* at ¶ 4.4.3.

17 Pursuant to California Labor Code Section 2699(1), Plaintiffs are providing a copy of the
18 Agreement and this motion to the LWDA concurrently with the filing of the instant motion for
19 settlement approval as set forth in the accompanying proof of service in compliance with Labor Code
20 section 2699(1). In addition, Plaintiffs shall submit to the LWDA a copy of the Court’s judgment and
21 order approving the Agreement within ten (10) days after entry of judgment or order.

22 23 **IV. THE PARTIES HAVE SETTLED THE PAGA CLAIMS**

24 The claim before this Court on this motion is solely the representative claim under PAGA on
25 behalf of the State of California for civil penalties pursuant to the PAGA. The Parties have agreed to
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27 ⁶ Disbursement of the PAGA Counsel Fees Payment, the PAGA Counsel Litigation Expenses
28 Payment, and the Administration Expenses Payment, shall not precede disbursement of Individual
PAGA Payments. (Agreement at ¶4.4).

1 settle this PAGA claim in its entirety after investigation and an arm’s length mediation session. (Puche
2 Decl., at ¶¶ 2, 3.) The settlement is intended to fully and finally resolve the Released PAGA Claims
3 asserted by Plaintiffs on behalf of the State of California. This is only a settlement of the PAGA claims
4 for civil penalties and is not a class settlement and does not release the individual claims, if any, of the
5 Aggrieved Employees, other than any claims under PAGA. This settlement does not release any claim
6 that is not a PAGA claim.⁷ A PAGA Counsel Fees Payment of not more than 35% of the Gross PAGA
7 Settlement Amount, which is currently estimated to be Two Hundred Sixty Thousand Seven Hundred
8 Fifty Dollars and Zero Cents (\$260,750.00) and PAGA Counsel Litigation Expenses Payment in an
9 amount as documented in PAGA Counsel’s billing statement and not more than Ninety Five Thousand
10 Dollars and Zero Cents (\$95,000) will also be paid to PAGA Counsel as part of the settlement in
11 accordance with California Labor Code § 2699(g)(1), as set forth in the Agreement, along with Service
12 Awards to Plaintiffs of not more than \$2,500.00 each (for a total of \$5,000.00 in “Service Awards”).⁸
13 The PAGA Counsel Fees Payment shall be allocated among PAGA Counsel as follows: 50% to
14 BNBD, 25% to HBK, and 25% to LE. Lastly, payment to the Administrator in an amount not to exceed
15 \$42,515.00 to perform the administrative duties to distribute the settlement money shall also be paid.
16 (Puche Decl., at ¶ 4, Agreement at ¶¶ 3.1-3.2.2)

17
18 **V. THE PARTIES REQUEST REVIEW AND APPROVAL OF THE SETTLEMENT OF**
19 **THE PAGA CLAIM**

20 Labor Code § 2699(l) requires that the Court “shall review and approve any settlement of any
21 civil [PAGA] action filed pursuant to this part. The proposed settlement shall be submitted to the
22 agency at the same time that it is submitted to the court.” Cal. Lab. Code § 2699 (1) (2016).
23 Consequently, the Parties respectfully ask the Court to review and approve the settlement of the PAGA
24 claims and the PAGA Payment to be paid as part of the proposed settlement.

25 ⁷ As explained by the Supreme Court in *ZB, N.A.*, 8 Cal.5th at 196: “Nonparty employees are bound
26 by the judgment in an action under the PAGA, but only with respect to recovery of civil penalties.”

27 ⁸ As set forth in the accompanying Puche Decl., PAGA Counsel incurred total costs in the current
28 amount of \$62,081.77, which is less than the \$95,000 cost allocation in the Agreement. See Puche
Decl., at ¶8. Costs incurred include \$41,570.16 for BNBD (Puche Decl., at ¶ 5); \$1,922.18 for HBK
(Kazandjian Decl., at ¶ 16); and \$18,589.43 (Clark Decl., at ¶59.) The PAGA Payment will adjust
accordingly.

1 **A. The PAGA Settlement Amount To Be Paid Is Fair And Reasonable**

2 The Parties believe that the PAGA Settlement amount is fair and reasonable and therefore
3 “shall” be reviewed and approved. Here, the Gross PAGA Settlement Amount of \$745,000.00 is more
4 than other PAGA settlements as it constitutes approximately \$.85 per weekly pay period. (Puche Decl.,
5 at ¶ 5.)

6 This PAGA Settlement amount compares favorably to the estimated amount of PAGA
7 penalties. With the assistance of an expert, Plaintiffs calculated that the maximum amount of statutory
8 PAGA civil penalties was potentially \$4,400,000.00 based on 880,000 weekly pay periods applicable
9 to the Aggrieved Employees during the PAGA Period.⁹ (Puche Decl., at ¶¶ 5,14(b)-(c)). Importantly,
10 however, these calculations were performed at the maximum statutory rate for the penalties, when in
11 fact, it is likely that any penalties awarded would be at a lower rate. California Labor Code Section
12 2699(e)(1) permits a Court to award a lesser amount than the maximum civil penalty if based on the
13 facts and circumstances to do otherwise would result in an award that is “unjust, arbitrary and
14 oppressive or confiscatory.”

15 In *Carrington v. Starbucks Corp.*, 30 Cal. App. 5th 504 (2018), the Court of Appeal affirmed
16 a judgment after trial which only provided for a PAGA penalty of \$5 per pay period. Therefore, at
17 trial, any PAGA penalties awarded would be comparable to Plaintiffs’ calculation even where
18 Plaintiffs prevailed on the PAGA claim. If the amount of \$5 per pay period from *Carrington v.*
19 *Starbucks* is used, the potential recovery of civil penalties would be \$4,000,000.00 in analyzing all the
20 claims and the action as a whole, Plaintiffs were forced to consider the risks of proceeding with
21 litigating the action. This includes further risks if the case proceeded to trial such that the Court could
22 award significantly less penalties than are statutorily prescribed if Defendant prevails on its arguments
23 that it engaged in good faith conduct and maintained compliant employment policies. Plaintiffs also
24

25 _____
26 ⁹ Stacking is where more than one civil penalty is imposed in a pay period for the same conduct. The
27 valuation of \$4,400,000.00 is the civil penalty amount without stacking. If stacking is permitted, then
28 the valuation increases with each additional penalty added to each pay period. Plaintiffs, however, are
not aware of any PAGA award which permitted stacking and in the cases cited herein, only one penalty
per pay period was assessed. In addition, the recent amendment of PAGA casts further doubt on the
availability of stacking penalties.

1 considered the risks and costs of litigating an appeal, as well as the costs of delay in obtaining payout
2 for the LWDA and Aggrieved Employees. Finally, public policy strongly favors the settlement of
3 litigation. *Consumer Advocacy Group v. Kintetsu Enterprises of America* (2006) 141 Cal.App.4th 46,
4 63. Because the proposed Settlement is neither unjust nor ignores the public interest, it should be
5 approved. Practically speaking, if Plaintiffs continued litigating this matter, the Plaintiffs, LWDA, and
6 employees potentially could have received nothing if the Court had agreed with Defendant's position
7 especially in light of the volatility of this area of law and the aforementioned defenses. The settlement
8 is reasonable in light of the risks involved in this case—including the prospect of a potential adverse
9 summary adjudication ruling, defenses to the case, potential appeal, costs of delay, and potential costs
10 that could be forced on our client if Plaintiffs were not successful. Plaintiffs' Counsel are convinced
11 that the proposed settlement is fair based on the negotiations and a detailed knowledge of the issues
12 present in this action. The length and risks associated with a motion for summary adjudication, trial,
13 and other normal perils of litigation have impacted the value of the claims and were all weighed in
14 reaching the proposed settlement. In light of the above, the proposed Settlement is well within the
15 range of reasonableness and should be granted approval. Plaintiffs believe that in providing employees
16 with relief and obtaining penalties for the LWDA, this settlement furthers the purpose of PAGA to
17 enforce compliance with the Labor Code and should be approved. Accordingly, the Gross PAGA
18 penalty payment is highly reasonable in light of the risks and uncertainties associated with the PAGA
19 claims in this case. (Puche Decl., at ¶¶ 5, 14(d).)

20 Under PAGA, Courts have considerable discretion to reduce the penalty award. In *Fleming v.*
21 *Covidien*, 2011 U.S. Dist. LEXIS 154590 (C.D. Cal. 2011), a federal court reduced PAGA penalties
22 from \$2,800,000 to \$500,000, a reduction of 82.2%, because the court found maximum penalties
23 "unjust" because the employees had suffered no injuries. Some trial courts have actually awarded no
24 civil penalties, even when Labor Code violations are established. See *Makabi v. Gedalia*, 2016 Cal.
25 App. Unpub. 1489, *5-7 (2nd Dist. Ct. of App. Mar. 6, 2016) (no PAGA penalties were awarded by
26 the Los Angeles County Superior Court) (unpublished decision); *In re Taco Bell Wage & Hour*
27 *Actions*, 2016 U.S. Dist. LEXIS 48557, *40-43 (E.D. Cal. Apr. 6, 2016) (PAGA penalties denied after
28 trial).

1 In order to recover any PAGA penalties, Plaintiffs would be required at trial to prove each of
2 the underlying Labor Code violations. See *Cardenas v. McLane Foodservice, Inc.*, 2011 U.S. Dist.
3 LEXIS 13126, *10 (C.D. Cal. 2011) ("Given the statutory language [of PAGA], a plaintiff cannot
4 recover on behalf of individuals whom the plaintiff has not proven suffered a violation of the Labor
5 Code by the defendant."). Here, Plaintiffs would need to prove that each Aggrieved Employee suffered
6 a violation for each period the employee worked in relation to meal or rest period violations, failure
7 to pay minimum wages, failure to pay overtime and sick pay wages, failure to reimburse employees
8 for required expenses, and failure to pay wages when due.

9 Defendant maintains that Plaintiffs and the Aggrieved Employees were properly compensated,
10 and that it did not violate the Labor Code. Accordingly, Defendant disputes and denies Plaintiffs'
11 allegations and claims asserted in both the PAGA Notice and the Operative Complaint, which are
12 resolved by the Agreement. Defendant asserted additional defenses to the PAGA claim, not only as
13 to liability but also as to the amount of the penalties. Defendant could argue that no penalties prior to
14 the PAGA notification should be awarded because the violations were not intentional, and at least one
15 Court has so ruled. These defenses present a risk to the PAGA claims and the potential that some or
16 all of the PAGA penalties sought may not be awarded. (Puche Decl., at ¶¶ 6, 14(g).)

17 Given Defendant's potential defenses to the violations at issue, the risks and costs of continued
18 litigation, Plaintiffs and their attorneys believe that the PAGA Settlement is fair and reasonable.
19 (Puche Decl., at ¶¶ 5, 6, 14(g).) Defendant has similarly concluded that it is desirable that the action
20 is settled in the manner and upon the terms and conditions set forth in the Agreement in order to avoid
21 further expense, inconvenience and distraction of further legal proceedings, as well as the uncertainty
22 of litigation. Defendant has determined that it is desirable and beneficial to put to rest the claims in
23 this action and Defendant agrees that the PAGA Settlement is fair, reasonable, and adequate.

24 PAGA Counsel have significant experience litigating wage and hour claims including claims
25 for PAGA penalties, and the PAGA Settlement here is similar to or greater than similar settlements
26 that courts have approved. (Puche Decl., at ¶ 6.) The PAGA Settlement, along with the other terms of
27 the proposed settlement, was negotiated by experienced counsel at arm's length with the assistance of
28 a private mediator, David Phillips, Esq. (Puche Decl., at ¶¶ 2, 3, 6.)

1 As set forth in the accompanying proof of service, the LWDA has been provided notice of this
2 motion and the PAGA settlement. The decision of the LWDA to accept the PAGA Settlement and not
3 oppose the motion should be given considerable weight. This is not a situation where the Court needs
4 to be concerned about the rights of absent employees as in a class settlement, as this PAGA-only
5 settlement does not release the individual claims of absent employees other than PAGA claims, and
6 the LWDA is a sophisticated government entity that is more than able to look out for its own rights.

7 **B. The Remaining Settlement Terms Are Fair And Reasonable**

8 Although PAGA requires that a court approve the proposed PAGA settlement, Labor Code §
9 2699(1) does not require that a court approve any other elements of the proposed settlement. See Cal.
10 Lab. Code § 2699 (2016). Because there are no class allegations for which Plaintiffs seek approval,
11 the approval provisions applicable to class settlements under Cal. Code Civil Proc. §382 do not apply.
12 Accordingly, the Court only needs to approve the settlement of the civil penalties sought in the PAGA
13 claim. Nevertheless, as explained herein, the settlement terms for attorneys' fees and costs are
14 reasonable.

15
16 **VI. THE ATTORNEYS' FEES AND COSTS ARE FAIR AND REASONABLE**

17 PAGA Counsel seek approval of attorneys' fees from the PAGA settlement in the amount of
18 Two Hundred Sixty Thousand Seven Hundred Fifty Dollars and Zero Cents (\$260,750.00)
19 representing thirty-five percent of the \$745,000.00 Gross PAGA Settlement Amount. PAGA does not
20 have any requirements for reviewing attorneys' fees, and Plaintiffs' position is that the payment of
21 attorneys' fees and costs in this settlement is a matter of contract for contingent representation.
22 Nevertheless, should this Court review the requested attorneys' fees, it is clear that the requested fees
23 and costs are reasonable.

24 First, the requested fees are justified by the result achieved. PAGA Counsel negotiated a
25 recovery of \$745,000.00 and this result justifies the requested fees equal to 35% of this recovery. This
26 percentage is within the standard contingent recovery percentage of one-third, and this percentage is
27 what was expressly approved by the Supreme Court in *Laffitte v. Robert Half Int'l Inc.*, 1 Cal.5th 480,
28 504, (2016); *Amaro v. Anaheim Arena Mgmt., LLC*, 69 Cal. App. 5th 521, 545 (2021) (recognizing

1 that ““fee awards in class actions average around one-third of the recovery”” regardless of ““whether
2 the percentage method or the lodestar method is used.”” (*quoting Chavez v. Netflix, Inc.*, 162
3 Cal.App.4th 43, 66, fn. 11 (2008)).

4 A fee of \$260,750.00, which constitutes 35% of the gross settlement is within the range of
5 reasonableness. (See *Laffitte*, 1 Cal.5th at 503-504 [approving common fund method used for
6 attorneys’ request of one-third of settlement].) Historically, courts have awarded percentage fees in
7 the range of 20% to 50%, depending on the circumstances of the case. (See *In re Activision Sec. Litig.*,
8 723 F. Supp. at 1378.) Because Counsels’ requested fee is reasonable and falls well within the
9 historical range of attorney’s fee awards under the common fund theory, the Court should approve the
10 requested fees as reasonable pursuant to the common fund approach.

11 Second, the fee award is justified by the work performed and contributions to the case. As
12 detailed in the accompanying Puche Decl., at ¶ 7, the fee award is less than PAGA Counsel’s current
13 lodestar of \$434,795.50 (\$145,670.00 for BNBD [Puche Decl. at ¶ 7]; \$136,207.50 for HK
14 [Declaration of Haig B. Kazadjian (“Kazadjian Decl.”) at ¶ 22]; and \$152,918.00 for LE [Declaration
15 of James Clark (“Clark Decl.”) at ¶ 56]), representing a “negative multiplier”, with significant
16 additional work to be performed.¹⁰

17 Generally, the Ninth Circuit and California Courts award positive multipliers between 2 to 4
18 times the lodestar to reward counsel for accepting the contingent risks of the litigation or obtaining
19 good results. See, e.g., *Laffitte*, 1 Cal. 5th at 506 (approving one-third fee award with multiplier
20 between 2.03 and 2.13); *Pellegrino v. Robert Half Intern., Inc.*, 182 Cal.App.4th 278 (2010) (noting
21 reasonable multipliers of 2.0 to 4.0 are often applied and affirming 1.75 multiplier); *Wershba v. Apple
22 Computer, Inc.*, 91 Cal.App.4th 224, 254 (2001) (noting that multipliers can range from 2 to 4 or
23 higher); *Vandervort v. Balboa Capital Corp.*, 8 F. Supp. 3d 1200, 1210 (C.D. Cal. 2014) (awarding
24 one-third of fund, which was a 2.52 multiplier of lodestar); *Boyd v. Bank of America*, 2014 WL
25 6473804, at *11 (C.D. Cal. 2014) (awarding one-third of fund, which was a 2.58 multiplier of
26

27 ¹⁰ A true and correct copy of PAGA Counsel BNBD’s billing records are attached as Exhibit #2 to the
28 Declaration of Sergio J. Puche, filed herewith. True and correct copies of Co-Counsel’s billing records
are attached to the Declaration of Kazandjian and Declaration of Clark.

1 lodestar); *Hopkins v. Stryker Sales Corp.*, No. 11-CV-02786-LHK, 2013 WL 496358, at *6 (N.D. Cal.
2 Feb. 6, 2013) (approving fee award that represented a multiplier of 2.76 as falling within the "majority"
3 range for risk multipliers).

4 Third, consideration of the service factors justify the service of the lodestar. Courts multiply
5 the lodestar by a factor to account for the risk of non-payment, delay in payment, the quality of work,
6 and the novelty and difficulty of the issues involved. See *Ketchum v. Moses*, 24 Cal.4th 1122, 1132
7 (2001). Failure to apply a risk multiplier in cases that meet these criteria is an abuse of discretion.
8 *Stetson v. Grissom*, 821 F.3d 1157, 1166 (9th Cir. 2016).

9 Finally, as to litigation expenses, PAGA Counsel will be recovering litigation expenses in the
10 total amount of \$62,081.77 which is less than the \$95,000.00 allocation for costs in the Agreement, so
11 the difference of \$32,918.23 will be added to the PAGA Payment. These expenses are documented in
12 the accompanying Puche Decl. at ¶8; Kazandjian Decl. at ¶ 16; Clark Decl. at ¶59.

13 14 **VII. THE SERVICE AWARD IS REASONABLE**

15 In the Agreement at paragraph 1.29, "Service Award(s)" means the service payment made to
16 Plaintiffs in order to compensate them for initiating the Action, performing work in support of the
17 Action, undertaking the risk of liability for Defendant's expenses, and for the release of individual
18 PAGA claims by Plaintiffs. Plaintiffs request a Service Award payment in the amount of Two
19 Thousand Five Hundred Dollars and Zero Cents (\$2,500.00) each, for a total of Five Thousand Dollars
20 and Zero Cents (\$5,000.00) (in addition to any Individual PAGA Payment each Plaintiff is entitled to
21 receive as a Participating Class Member). Defendant will not oppose Plaintiffs' request for a Service
22 Award that does not exceed this amount. (Agreement ¶¶ 1.29, 3.2.4). Plaintiffs request a Service
23 Award of \$2,500.00 each, as recognition for Plaintiffs' efforts in securing this Settlement for the
24 benefit of the Aggrieved Employees and the LWDA. (Puche Decl., at ¶19; Kazandjian Decl. at ¶¶24-
25 29; Clark Decl. at ¶¶ 60-61; Declaration of Plaintiff Patricia Arellano ("Arrellano Decl.") at ¶¶ 2-8;
26 and Declaration of Plaintiff Maria Ibanez ("Ibanez Decl.") at ¶¶ 2- 9). The Agreement provides for
27 service awards as the named Plaintiffs not only served as the representative for these claims but also
28 is justified in light of the reputational risk that Plaintiffs assumed by litigating claims against a former

1 employer. See *Billinghausen v. Tractor Supply Co.*, 306 F.R.D. 245, 267-68 (N.D. Cal. 2015) (finding
2 “personal detriment” upon testimony that future employers can easily learn that a prospective
3 employee served as a plaintiff through the internet); see also *Guippone v. BH S&B Holdings LLC*, No.
4 09 Civ. 1029, 2011 U.S. Dist. LEXIS 126026, at **4, 20 (S.D.N.Y. Oct. 28, 2011) (“[T]he fact that a
5 plaintiff has filed a federal lawsuit is searchable on the internet and may become known to prospective
6 employers when evaluating the person . . . Even where there is not a record of actual retaliation,
7 notoriety, or personal difficulties, [representative Plaintiffs] merit recognition for assuming the risk of
8 such for the sake of absent [parties].”). (Puche Decl., at ¶19; Kazandjian Decl. at ¶¶24-29; Clark Decl.
9 at ¶¶ 60-61; Arrellano Decl. at ¶¶ 2-8; and Ibanez Decl. at ¶¶ 2- 9).

10 Employers commonly screen employee candidates to determine whether they have ever filed
11 suit, and employee candidates who might be branded “litigious” are likely to be screened out of the
12 process. In fact, an entire industry has developed for providing employers with background
13 information on employee candidates. By bringing this action against an employer, Plaintiffs have
14 assumed considerable reputational risk that may impact their ability to find employment in the future.
15 *La Fleur v. Medical Management Intern, Inc.*, No. 13-00398-VAP, 2014 WL 2967475, *8 (C.D. Cal.
16 June 25, 2014) (awarding \$15,000 to each named plaintiff in part for attesting to their fear that the
17 lawsuit will harm their future job prospects in the industry). (*Id.*)

18 Moreover, the separate settlement payment is reasonable because Plaintiffs “remained fully
19 involved and expended considerable time and energy during the course of the litigation.” See *In Re*
20 *Toys ‘R’ Us-Del FACTA Litig.*, 295 F.R.D. at 471 (citation omitted). Plaintiffs devoted their time and
21 effort toward assisting their attorneys with the prosecution of the claims, including the prosecution of
22 an individual arbitration action and assisted counsel with finalizing the settlement. Service awards are
23 regularly awarded in this amount. See e.g. *Andrews v. Plains All Am. Pipeline L.P.*, 2022 U.S. Dist.
24 LEXIS 172183, at *11 (C.D. Cal. 2022) (finding that the requested service awards of \$15,000 each
25 are appropriate). *Id.* (Puche Decl., at ¶19; Kazandjian Decl. at ¶¶24-29; Clark Decl. at ¶¶ 60-61;
26 Arrellano Decl. at ¶¶ 2-8; and Ibanez Decl. at ¶¶ 2- 9)

27 Lastly, because PAGA is a “type of qui tam action,” it is appropriate for the Plaintiffs to receive
28 a modest additional payment from the settlement as a “bounty” for her special effort in vindicating the

1 State’s interests by enforcing its labor laws. See *Iskanian*, 59 Cal. 4th at 382 (“A PAGA representative
2 action is therefore a type of qui tam action.”); see also *People ex rel. Strathmann v. Acacia Research*
3 *Corp.*, 210 Cal. App. 4th 487, 500 (2012) (“The person who brings the qui tam action, called the
4 ‘relator,’ stands in the shoes of the People of the State of California, who are deemed to be the real
5 party in interest . . . The relator in a qui tam action under section 1871.7 does not personally recover
6 damages but, if successful, receives [a portion] of the recovery as a bounty.”) (internal citations
7 omitted). (*Id.*)

8 Such a payment incentivizes employees to step forward to enforce the Labor Code. See *MMM*
9 *Holdings, Inc. v. Reich*, 21 Cal. App. 5th 167, 180 (2018) (“The bounty advances the public purpose
10 and benefit by encouraging private qui tam actions; indeed, this prospect of reward may be the only
11 means of inducing such private parties to come forward with their information.”) (internal quotations
12 omitted). This is especially important in this context, as “the lack of government resources to enforce
13 the Labor Code led to a legislative choice to deputize and incentivize employees uniquely positioned
14 to detect and prosecute such violations through the PAGA.” *Iskanian*, 59 Cal. 4th at 390. Absent the
15 incentive payment, fewer employees would be willing to step forward, and PAGA’s primary
16 purpose—enforcement of the Labor Code—would be substantially undermined. (*Id.*)

17 **VIII. CONCLUSION**

18 Based on the foregoing, Plaintiffs respectfully request this Court approve the PAGA settlement
19 as set forth in the Agreement and enter the proposed order and judgment submitted herewith.
20

21 Dated: September 2, 2026

**BLUMENTHAL NORDREHAUG BHOWMIK
DE BLOUW LLP**

22 By: /s/ Sergio J. Puche

23 Kyle Nordrehaug

24 Jeffrey S. Herman

25 Sergio J. Puche

26 Attorney for Plaintiff
27
28