Edwin Aiwazian (SBN 232943)
Joanna Ghosh (SBN 272479)
Vartan Madoyan (SBN 279015)
LAWYERS *for* JUSTICE, PC
450 North Brand Blvd, Suite 900
Glendale, California 91203
Tel: (818) 265-1020 / Fax: (818) 265-1021

Attorneys for Plaintiff

LAWYERS *for* JUSTICE, PC
450 North Brand Blvd, Suite 900
Glendale, California 91203

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF RIVERSIDE

JONATHAN RAMIREZ, individually, and on behalf of other aggrieved employees pursuant to the California Private Attorneys General Act;

Plaintiff,

vs.

STEELE CANYON GOLF CLUB CORPORATION, a California Corporation; and DOES 1 through 100, inclusive,

Defendants.

Case No.: CVPS2401527

Honorable Harold W. Hopp
Department 1

PLAINTIFF'S NOTICE OF MOTION AND MOTION FOR APPROVAL OF PRIVATE ATTORNEYS GENERAL ACT (CAL. LABOR CODE § 2698, *ET SEQ.*) SETTLEMENT AGREEMENT AND AWARD OF ATTORNEYS' FEES AND COSTS, GENERAL RELEASE FEE, AND SETTLEMENT ADMINISTRATION COSTS; MEMORANDUM OF POINTS AND AUTHORITIES

[Declaration of Plaintiff's Counsel (Vartan Madoyan); Declaration of Plaintiff (Jonathan Ramirez); Declaration of Proposed Settlement Administrator (Michael Bui); and [Proposed] Order and Judgment filed concurrently herewith]

Reservation ID:	397101553338
Date:	April 21, 2026
Time:	8:30 a.m.
Department:	1
Complaint Filed:	March 11, 2024
Trial Date:	None Set

LAWYERS *for* JUSTICE, PC
450 North Brand Blvd, Suite 900
Glendale, California 91203

PLEASE TAKE NOTICE that on April 21, 2026 at 8:30 a.m., or as soon thereafter as the matter may be heard, before the Honorable Harold W. Hopp in Department 1 of the Superior Court of the State of California, for the County of Riverside, located at 4050 Main Street, Riverside, California 92501, Plaintiff Jonathan Ramirez ("Plaintiff") will and hereby does move for entry of the following orders:

1. Granting approval, pursuant to California Labor Code section 2699(l)(2), of the settlement between Plaintiff and Defendant Steele Canyon Golf Club Corporation, ("Defendant") of the claims brought by Plaintiff pursuant to the Private Attorneys General Act of 2004 ("PAGA"), as set forth in the Private Attorneys General Act Settlement Agreement and Release ("Settlement," "Agreement," or "Settlement Agreement"), attached as "**EXHIBIT 1**" to the Declaration of Vartan Madoyan, filed concurrently herewith;
2. Approving the Total Settlement Amount[1] of $750,000.00 (subject to potential increase via an escalator clause), which is inclusive of Attorneys' Fees and Costs, a General Release Fee to Plaintiff, the Settlement Administration Costs, and the Net Settlement Amount;
3. Approving the Net Settlement Amount, estimated to be no less than $457,129.90, which will be distributed to the California Labor and Workforce Development Agency ("LWDA") and the Aggrieved Employees, pursuant to California Labor Code section 2699(i), of which seventy-five percent (75%) will be paid to the Labor and Workforce Development Agency ("LWDA Payment") and twenty-five percent (25%) will be paid to the Aggrieved Employees ("Employees' Portion");
4. Appointing Simpluris, Inc. as the PAGA Settlement Administrator;
5. Directing Defendant to transmit the Total Settlement Amount into a qualified settlement account established by the PAGA Settlement Administrator for administration of the Settlement, and directing the PAGA Settlement Administrator to

[1] Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Settlement Agreement.

distribute the Total Settlement Amount in accordance with the Settlement Agreement;

6. Directing the mailing of Individual Settlement Share checks to the Aggrieved Employees along with the Cover Letter, which shall be substantially similar in content and form to that attached as "**EXHIBIT A**" to the [Proposed] Order and Judgment Granting Approval of Private Attorneys General Act (Cal. Labor Code § 2698, *Et Seq.*) Settlement Agreement and Award of Attorneys' Fees and Costs, General Release Fee, and Settlement Administration Costs ("[Proposed] Order and Judgement"), filed concurrently herewith;
7. Awarding up to $7,500.00 to Plaintiff as a General Release Fee;
8. Awarding up to $10,000.00 to the PAGA Settlement Administrator as Settlement Administration Costs; and
9. Awarding to Plaintiff's Counsel, Lawyers *for* Justice, PC, $262,500.00 as compensation for reasonable attorneys' fees and $16,990.10 for reimbursement of litigation costs and expenses (collectively, "Attorneys' Fees and Costs"), pursuant to California Labor Code section 2699(g)(1).

The Settlement Agreement and moving and supporting papers for this motion are being concurrently submitted to the Labor and Workforce Development Agency in conformity with California Labor Code section 2699(l)(2).

This motion is made pursuant to California Labor Code section 2699(l)(2), which provides for review and approval by the Court of the settlement of a civil action filed pursuant to PAGA, and Rule 3.1113(e) of the California Rules of Court, which permits the Court to extend the page limit for memoranda.

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LAWYERS *for* JUSTICE, PC
450 North Brand Blvd, Suite 900
Glendale, California 91203

This motion will be based upon the following Memorandum of Points and Authorities, the Settlement Agreement, the Declarations of Plaintiff's Counsel (Vartan Madoyan), Plaintiff (Jonathan Ramirez), and the PAGA Settlement Administrator (Michael Bui) in support thereof, as well as the pleadings and other records on file with the Court in this matter, and such evidence and oral argument as may be presented at the hearing on this motion.

Dated: January 23, 2026

LAWYERS *for* JUSTICE, PC

By: Vartan S. Madoyan

Vartan Madoyan
Attorneys for Plaintiff

LAWYERS *for* JUSTICE, PC
450 North Brand Blvd, Suite 900
Glendale, California 91203

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450 North Brand Blvd, Suite 900
Glendale, California 91203

MEMORANDUM OF POINTS AND AUTHORITIES

I. SUMMARY OF MOTION

Plaintiff Jonathan Ramirez ("Plaintiff") seeks approval, pursuant to California Labor Code section 2699(l)(2), of the Private Attorneys General Act Settlement Agreement and Release ("Settlement," "Agreement," or "Settlement Agreement") entered into between Plaintiff, individually and on behalf of the State of California with respect to other aggrieved employees, and Defendant Steele Canyon Golf Club Corporation. ("Defendant"). The Settlement Agreement is attached as "**EXHIBIT 1**" to the Declaration of Vartan Madoyan ("Madoyan Decl."), filed concurrently herewith. (Madoyan Decl., ¶ 9, Ex. 1.)

Subject to approval by the Court, Plaintiff and Defendant (the "Parties") have agreed to resolve this action, brought pursuant to the Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq.* ("PAGA"), for a Total Settlement Amount of $750,000.00, subject to potential increase pursuant to an escalator clause. (Settlement Agreement, § 3(a).) The Total Settlement Amount is inclusive of: (1) Attorneys' Fees and Costs to be paid to Lawyers *for* Justice, PC ("Plaintiff's Counsel"), (2) General Release Fee to Plaintiff, (3) Settlement Administration Costs to be paid to the PAGA Settlement Administrator, and (4) Net Settlement Amount to be paid to the California Labor and Workforce Development Agency ("LWDA") and all hourly-paid or non-exempt employees who worked for Defendant in the State of California during the PAGA Period ("Aggrieved Employee(s)"). (Settlement Agreement, §§ 3(a)(1)-(5).) The PAGA Period is less than two years: January 2, 2023 to December 6, 2024. (*Id.*, § 3(a)(5).)

The Net Settlement Amount will be the Total Settlement Amount less the Court-approved Attorneys' Fees and Costs, General Release Fee, and Settlement Administration Costs. (Settlement Agreement, § 3(a)(4).) If the Court approves the amounts requested for attorneys' fees ($262,500.00) and reimbursement of litigation costs and expenses ($16,990.10) to Plaintiff's Counsel ("Attorneys' Fees and Costs"), the General Release Fee to Plaintiff ($7,500), and Settlement Administration Costs to the PAGA Settlement Administrator (up to $10,000.00 but estimated to be $5,880.00), then the Net Settlement Amount will be $457,129.90.[2] The Net Settlement Amount will be distributed as follows: 75 percent, or $342,847.43, to the LWDA (the "LWDA Payment"), and 25 percent, or $114,282.48, to the Aggrieved Employees (the "Employees' Portion"). (Settlement Agreement, § 3(a)(5).) Each Aggrieved Employee will be entitled to payment of his or her *pro rata* share of the Employees' Portion, based upon the number of pay periods they each worked during the PAGA Period ("Compensable Pay Periods"). (*Id.*, § 7(b).)

The payments to Aggrieved Employees will be treated and reported for tax purposes as 100 percent penalties, and the PAGA Settlement Administrator will be responsible for issuing IRS Forms 1099 as required. (*Id.*, § 3(c).)

Plaintiff submits the Settlement is fair, adequate, and reasonable, and meets the requirements for Court approval based upon the relevant fairness factors, the relative strengths of the PAGA claim, the risk, expense, and complexity of further litigation, the benefit conferred by the Settlement, the scope of the release of claims, the experience and views of counsel, and the reasonableness of the Net Settlement Amount as well as Attorneys' Fees and Costs, Settlement Administration Costs, and General Release Fee. Plaintiff respectfully requests that this Court approve the Settlement, award the Attorneys' Fees and Costs, Settlement Administration Costs, and General Release Fee, and approve the LWDA Payment and Employees' Portion, which are provided for by the Settlement and requested herein.

In order to efficiently present the Court with adequate information to determine whether to grant approval of the Settlement, Plaintiff also moves for an order permitting the filing of this memorandum, although it exceeds the page limit established by California Rules of Court, Rule 3.1113(d).

II. <u>FACTUAL BACKGROUND AND RELEVANT PROCEDURAL HISTORY</u>

Defendant is a golf course featuring golfing access, golf lessons, practice facilities, a golf shop, a restaurant, golfing lessons, and the possibility to rent space for events such as corporate

[2] Based on the Settlement Administrator's actual estimated bid of $5,880, the estimated Net Settlement Amount is $457,129.90 ($750,000.00 - $262,500.00 - $16,990.10 - $7,500.00 - $5,880.00).

LAWYERS *for* JUSTICE, PC
450 North Brand Blvd, Suite 900
Glendale, California 91203

outings, charity events, or weddings. . Defendant is headquartered in Jamul, California. Plaintiff was employed by Defendant as an hourly-paid line cook from approximately November 2022 to approximately June 2023. (Settlement Agreement, § 1(a).)

On January 2, 2024, pursuant to California Labor Code section 2699.3, Plaintiff provided the LWDA and Defendant with written notice (the "PAGA Notice") of his intent to seek civil penalties under PAGA for alleged violations of the California Labor Code and Industrial Welfare Commission Orders; aside from providing confirmation of receipt of the PAGA Notice, the LWDA did not respond. (*Id.* at § 1(b); Madoyan Decl., ¶ 11, Ex. 2.)

On March 11, 2024, Plaintiff filed his Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. ("Operative Complaint") against Defendant. (*Id.* at § 1(c).) Plaintiff asserts that Defendant has violated the California Labor Code and Industrial Welfare Commission Wage Orders by engaging in a uniform practice and procedure, with respect to Plaintiff and other aggrieved employees, of, *inter alia*, failing to pay minimum, regular, and overtime wages, failing to provide compliant meal and rest periods and associated premiums, failing timely to pay wages during employment and upon termination of employment, failing to provide complete and accurate wage statements, failing to keep complete and accurate payroll records, and failing to reimburse necessary business-related expenses and costs.   (Madoyan Decl., ¶ 12.)

On November 25, 2024, Defendant filed an Answer to the Complaint. Defendant denies Plaintiff's allegations and asserts numerous affirmative defenses. Indeed, throughout the litigation of this matter, Defendant has vigorously disputed that it violated any provisions of the California Labor Code. On November 6, 2024, Defendant filed a Motion to Bifurcate the Case and Sequence Discovery, asking the Court to focus first on adjudicating a "threshold issue of whether Plaintiff qualifies as an 'aggrieved employee,'" and "postponing any discovery and trial on the aggrieved employee group" until the first issue is adjudicated. On January 6, 2025, after a Protective Order was put in place, Defendant sent to Plaintiff a set of financial documents of Defendant from 2021 through 2024 in an effort to reach settlement. On January 7, 2025, Plaintiff filed its Opposition to Defendant's Motion to Bifurcate. On March 7, 2025, the Parties appeared

LAWYERS *for* JUSTICE, PC
450 North Brand Blvd, Suite 900
Glendale, California 91203

for a hearing on the Motion to Bifurcate. The Court denied Defendant's Motion to Bifurcate and scheduled a trial-setting conference for September 8, 2025.

Following the defeat of Defendant's Motion to Bifurcate, the Parties resumed settlement negotiations with the facilitation of the mediator Tagore Subrmaniam, Esq., a well-respected mediator experienced in mediating complex labor and employment matters. (*Id.*, ¶ 10.) On October 7, 2024 the Parties mediated with Tagore Subramaniam, Esq. (*Id.*) The matter did not settle at mediation. (*Id.*) On April 1, 2025, the Parties agreed to a settlement based on the mediator's proposal. (*Id.*) The Settlement Agreement was fully executed as of May 16, 2025. (*Id.*, ¶ 9, Ex. 1.)

Plaintiff now moves for an order granting approval of the Settlement pursuant to California Labor Code section 2699(l)(2). The Settlement Agreement and moving and supporting papers for this motion are being submitted to the LWDA in conformity with California Labor Code section 2699(l)(2), concurrently with this filing, as stated in the Proof of Service filed concurrently herewith.

III. <u>SUMMARY OF THE SETTLEMENT TERMS</u>

A. <u>Aggrieved Employees</u>

The Settlement pertains to the following aggrieved employees: "all current and former hourly-paid or non-exempt employees who worked for Defendant in the State of California during the PAGA Period." (Settlement Agreement, § 3(a)(5).) The PAGA Period is less than two years: January 2, 2023 to December 6, 2024. (*Id.*) The Aggrieved Employees are estimated to consist of 820 individuals who worked approximately 22,250 Compensable Pay Periods during the PAGA Period. (*Id.*)

B. <u>Distribution of the Total Settlement Amount</u>

Under the terms of the Settlement Agreement, Defendant will pay a Total Settlement Amount of $750,000. (*Id.*, § 3(a).) The Net Settlement Amount will be the Total Settlement Amount less the following requested amounts (if approved): (1) Attorneys' Fees and Costs consisting of attorneys' fees of up to $262,500.00 and reimbursement of litigation costs and expenses of $16,990.10 to Plaintiff's Counsel; (2) General Release Fee of $7,500.00 to Plaintiff;

LAWYERS *for* JUSTICE, PC
450 North Brand Blvd, Suite 900
Glendale, California 91203

and (3) Settlement Administration Costs of up to $10,000.00 to the proposed PAGA Settlement Administrator, Simpluris, Inc. (also known as "Settlement Administrator" and referred to herein as "Simpluris" or "PAGA Settlement Administrator"). (*Id.*, §§ 3(a)(1)-(4).) The Net Settlement Amount will be fully distributed to the Aggrieved Employees and the LWDA, as described in Part III.C, *infra*.

C. <u>Distribution of the Net Settlement Amount</u>

Within thirty (30) calendar days of the Court's order granting approval of the Settlement, Defendant will transmit the required sums described in the Settlement Agreement to a qualified settlement account established by the PAGA Settlement Administrator for administration of the Settlement. (Settlement Agreement, § 7(a).) No later than seven (7) calendar days after receipt by Defendant's Counsel of Notice of Entry of the Court's order granting approval of the Settlement, Defendant shall provide the PAGA Settlement Administrator with a list of all Aggrieved Employees (the "Aggrieved Employees List"), containing the following information for each Aggrieved Employee: (i) first and last name; (ii) last known address; (iii) last known telephone number; (iv) Social Security number; and (v) dates of employment as an hourly-paid or non-exempt employee in California during the PAGA Period; and (vi) such other information as is necessary for the PAGA Settlement Administrator to calculate Compensable Pay Period. (*Id.*, § 7(c)(1).)

Seventy-five percent of the Net Settlement Amount (or approximately $342,847.43) will be distributed to the LWDA, and twenty-five percent of the Net Settlement Amount (or approximately $114,282.48) will be distributed to the Aggrieved Employees on a *pro rata* basis, based on their Compensable Pay Periods. (*Id.*, § 3(a)(5) & § 7(b).) To calculate each Aggrieved Employee's share of the Employees' Portion ("Individual Settlement Share"), the PAGA Settlement Administrator will: (1) for each Aggrieved Employee, divide the number of Compensable Pay Periods they individually worked by the total aggregate number of Compensable Pay Periods worked by all Aggrieved Employees, and then (ii) multiply this amount by the Employees' Portion to arrive at each Aggrieved Employee's Individual Settlement Share. (*Id.*, § 7(b).) The payments to Aggrieved Employees for their Individual Settlement

LAWYERS *for* JUSTICE, PC
450 North Brand Blvd, Suite 900
Glendale, California 91203

Shares will be considered one hundred percent (100%) penalties to be reported on IRS Form 1099, if required. (*Id*., § 7(b)(1).)

No later than fourteen (14) calendar days after the PAGA Settlement Administrator receives the Aggrieved Employees List and Total Settlement Amount, the PAGA Settlement Administrator will mail the agreed-upon Cover Letter and Individual Settlement Share checks (together, the "PAGA Settlement Package") to all Aggrieved Employees by first-class United States mail. (*Id*., § 7(c)(3).) For each PAGA Settlement Package that is returned as undeliverable within 30 calendar days of the initial mailing, the PAGA Settlement Administrator will promptly attempt to locate an alternate, updated address for the Aggrieved Employee at issue, by using a skip-trace search and shall attempt one (1) re-mailing of the PAGA Settlement Package. (*Id*.)

The Individual Settlement Share checks issued to Aggrieved Employees will remain valid for one hundred and eighty (180) calendar days, and then will be canceled. (*Id*., § 7(c)(4).) Funds associated with canceled checks will be transmitted to the State Controller's Office Unclaimed Property Division in the name of the Aggrieved Employee(s) at issue and in the amount of their respective Individual Settlement Share(s). (*Id*.)

D. <u>The Scope of the Release in the Settlement Agreement</u>

Upon the date the Court has entered an order approving the Settlement Agreement and full funding of the Total Settlement Amount, and except as to the rights and obligations created by the Settlement Agreement, Plaintiff, the Aggrieved Employees, and the State of California with respect to the Aggrieved Employees will be deemed to have knowingly and voluntarily released and forever discharged Released Parties, to the full extent permitted by law, of and from the Action and from Released Claims. (Settlement Agreement, § 8(a).)

The "Released Claims" are defined as:

> any and all claims, arising during the PAGA Period, for civil penalties under [PAGA] as well as any interest, fees, and costs available under PAGA, based on the factual allegations in the Operative Complaint and/or the PAGA Notice, including but not limited to, for failure to pay minimum, regular, and overtime wages, failure to provide a day of rest, failure to provide compliant meal periods and associated premiums, failure to provide compliant rest periods and associated premiums,

LAWYERS *for* JUSTICE, PC
450 North Brand Blvd, Suite 900
Glendale, California 91203

> failure to timely pay wages during employment, failure to timely page wages upon termination, failure to provide compliant and accurate wage statements, failure to maintain complete and accurate payroll records, and failure to reimburse necessary business-related expenses and costs, in violation of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802 and Industrial Welfare Commission Wage Orders, including *inter alia*, Wage Orders 4-2001, 5-2001, and 10-2001.

(*Id*.)

The "Released Parties" are defined as: "Defendant, including Defendant's past, present and future parent corporation, affiliates, subsidiaries, divisions, predecessors, insurers, successors, partners, and assigns, and their current and former executive-level employees, attorneys, officers, directors, principals, trustees, shareholders, owners, members, managers, DBA's, administrators, and agents thereof, both individually and in their business capacities, and their employee benefit plans and programs and the trustees, administrators, fiduciaries and insurers of such plans and programs." (*Id.*)

The Settlement Agreement also provides for a general release by Plaintiff of his individual claims with California Civil Code section 1542 waiver. (*Id*., § 8(b).)

E. <u>No Right to Object to, or Opt Out of, the Settlement</u>

"[A] PAGA action is a statutory action for penalties brought as a proxy for the State," as such, "there is no need to protect absent employees' due process rights[.]" *Williams v. Superior Court* (2017) 3 Cal.5th 531, 546. "Unnamed employees need not be given notice of the PAGA claim, nor do they have the ability to opt-out of the representative PAGA claim." *Ochoa-Hernandez v. CJADERS Foods, Inc.* (N.D. Cal. Apr. 2, 2010), 2010 WL 1340777, at 5. A representative PAGA action need not satisfy class action requirements, and no due process concern arises from the fact that there are "nonparty aggrieved employees who are not given notice of, and an opportunity to be heard in, a representative action that is not brought as a class action." *Arias v. Superior Court* (2009) 46 Cal.4th 969, 984. "PAGA does not make other potentially aggrieved employees parties" to the action and no "due process concerns arise under PAGA because absent employees do not own a personal claim for PAGA civil penalties and whatever personal claims the absent employees might have for relief are not at stake." *Williams*,

LAWYERS *for* JUSTICE, PC
450 North Brand Blvd, Suite 900
Glendale, California 91203

LAWYERS *for* JUSTICE, PC
450 North Brand Blvd, Suite 900
Glendale, California 91203

supra, 546-547 (internal references omitted, citing *Amalgamated Transit Union, Local 1756, AFL-CIO v. Superior Court* (2009) 46 Cal.4th 993, 1003 and *Iskanian v. CLS Transportation Los Angeles, LLC*, (2014) 58 Cal.4th 348, 381.)

"[A]bsent fellow employees will be bound by the outcome of any PAGA action[.]" *Williams* at 548 (internal references omitted, citing *Arias, supra*, 980-981; *Fireside Bank v. Superior Court* (2007) 40 Cal.4th 1069, 1074 and *Richmond v. Dart Industries, Inc.* (1981) 29 Cal.3d 462, 474.) A "judgment in such an action is binding not only on the named employee plaintiff but also on government agencies and any aggrieved employee not a party to the proceeding" because "the employee plaintiff represents the same legal right and interest as state labor law enforcement agencies[,]" "collateral estoppel applies […] against those for whom the party acted as an agent or proxy[,]" and "[w]hen a government agency is authorized to bring an action on behalf of an individual or in the public interest, and a private person lacks an independent right to bring the action, a person who is not a party but who is represented by the agency is bound by the judgment as though the person were a party." *Arias, supra*, at 985-86 (citations omitted); *see also Robinson v. Southern Counties Oil Co.* (2020) 53 Cal.App.5th 476 (aggrieved employee cannot opt out of a PAGA settlement).

As such, the Settlement is consistent with the law, and there is no requirement that the Aggrieved Employees be provided with a mechanism to opt out of or object to the Settlement.

IV. STANDARDS FOR APPROVAL OF PAGA SETTLEMENT

PAGA allows an "aggrieved employee" to bring a civil action on behalf of himself or herself and on behalf of other aggrieved employees and the State of California to recover civil penalties which, outside of PAGA, only the LWDA can assess upon and collect from an employer. (Lab. Code § 2699(a).) Before bringing a civil action under PAGA, an employee must comply with California Labor Code section 2699.3 (Lab. Code § 2699(a)), which Plaintiff has done here. (Madoyan Decl., ¶ 11, Ex. 2.)

Any settlement of PAGA claims must be reviewed and approved by the trial court to "ensur[e] that any negotiated resolution is fair to those affected." (*Williams v. Superior Court* (2017) 3 Cal.5th 531, 549; *see also* Cal. Lab. Code, § 2699(l)(2).) However, "[t]he legal authority identifying the proper standard of review of PAGA settlements to be employed by the court is still nascent." (*Middleton v. Halliburton Energy Services, Inc.* (E.D. Cal. May 2, 2024) No. 1:19-cv-01747-CDB, 2024 WL 1930691, at *2.)

"[A] trial court should evaluate a PAGA settlement to determine whether it is fair, reasonable, and adequate in view of PAGA's purposes to remediate present labor law violations, deter future ones, and to maximize enforcement of state labor laws." (*Moniz v. Adecco USA, Inc.* (2021) 72 Cal.App.5th 56, 77.) Factors that "can be useful in evaluating the fairness of a PAGA settlement" include "the strength of the plaintiff's case, the risk, the stage of the proceeding, the complexity and likely duration of further litigation, and the settlement amount." (*Id.*)

A PAGA settlement is a settlement of claims for penalties and other remedies which the LWDA could assess and collect on behalf of employees without their involvement or approval. "[U]nnamed employees need not be given notice of the PAGA claim, nor do they have the ability to opt-out of the representative PAGA claim." (*Ochoa-Hernandez v. Cjaders Foods, Inc.* (N.D. Cal. Apr. 2, 2020) No. 08-civ-2073 MHP, 2010 WL 1340777, at *5.) This renders the approval process of a PAGA settlement distinct from a class action settlement, and the Court need not employ the two-step approval process that applies to a class action settlement, under both state and federal law.

The appropriate appellate standard of review for PAGA settlements is "abuse of discretion." (*Moniz*, *supra*, 72 Cal.App.5th at 78.) The appellate court "determine[s] only whether the trial court acted within its broad discretion in approving the settlement." (*Id.*)

V. <u>THE SETTLEMENT IS FAIR AND SHOULD BE APPROVED</u>

The Settlement resulted from hard-fought negotiations, fulfills the objectives of the PAGA statute, is fair, adequate, and reasonable, and meets all of the criteria for approval for the reasons discussed below.

A. <u>The Factors Giving Rise to a Presumption of Fairness Exist</u>

A settlement that is "the product of extensive and hard-fought adversarial negotiations between the parties" is entitled to a presumption of fairness. (*Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 245.) In the comparable context of class action settlements, courts

LAWYERS *for* JUSTICE, PC
450 North Brand Blvd, Suite 900
Glendale, California 91203

LAWYERS *for* JUSTICE, PC
450 North Brand Blvd, Suite 900
Glendale, California 91203

have held that a settlement is entitled to "a presumption of fairness . . . where: (1) the settlement is reached through arm's-length bargaining; (2) investigation and discovery are sufficient to allow counsel and the court to act intelligently; (3) counsel is experienced in similar litigation; and (4) the percentage of objections is small." (*Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1802.) The fourth factor is not applicable to PAGA settlements, as there is no class notice provided to aggrieved employees. But the first three factors are applicable and are satisfied here.

The Settlement Agreement here was reached through arm's-length negotiations, and sufficient investigation and discovery. Plaintiff's Counsel formally obtained the employment records of Plaintiff, and through informal discovery ahead of mediation, Plaintiff's Counsel obtained additional substantial documentation from Defendant, including a sampling of aggrieved employees' time and pay data, and Defendant's relevant employee handbook(s) and wage and hour policies. After evaluating extensive information, data, and documents obtained from Plaintiff, Defendant, and other sources, Plaintiff's Counsel calculated the potential PAGA Penalties, and then embarked upon negotiating and reaching a settlement. (*See generally* Madoyan Decl.) The parties participated in a full-day mediation conducted by mediator Tagore Subramaniam, Esq., but the matter did not settle at the mediation; Plaintiff's Counsel thereafter continued to engage with Defendant in settlement discussions facilitated by Mr. Subramaniam. (*Id.*, ¶ 10.) In the course of mediation and settlement negotiations, the Parties discussed all aspects of the case, including the risks and delays of proceeding with trial, as well as the law relating to representative PAGA actions, off-the-clock theory, meal and rest periods, regular rate, Industrial Welfare Commission Wage Orders, arbitration agreements, and wage-and-hour enforcement, the evidence produced and analyzed, and the possibility of bifurcation of discovery and/or trial and appeals (and, indeed, Defendant had filed a motion to bifurcate), among other things. (*Id.*) Defendant also provided, and Plaintiff's Counsel considered, information and documents regarding its financial circumstances. (*Id.*) Ultimately, the Parties reached a settlement based on Mr. Subramaniam's mediator's proposal. (*Id.*) During all settlement discussions, the Parties conducted their negotiations at arm's length in an adversarial position. (*Id.*) The fact that the Settlement Agreement was the product of an arms-length mediation, and a mediator's proposal, supports a finding that the Settlement Agreement is fair, adequate, and reasonable. (*See*, *e.g.*, *Fritsch v. Swift Transportation Co. of Arizona*, *LLC* (C.D. Cal. Jan. 4, 2022) No. 5:17-cv-02226-VAP, 2022 WL 17095951, at *2 [noting that the settlement agreement was the product of three mediation sessions and "therefore presumptively the product of a non-collusive, arms-length negotiation"].)

Other work performed by Plaintiff's Counsel included, but was not limited to: meeting and conferring with Defendant's counsel regarding the mediation and settlement, among other issues; case strategy and analysis; drafting, reviewing, and revising pleadings, motion papers (including Plaintiff's Opposition to Defendant's Motion to Bifurcate), the mediation brief; and preparing for the mediation and settlement negotiations as well as court proceedings. (*Id.*, ¶ 61.) Counsel for the Parties have further invested time to research the applicable law, which evolving as it relates to representative PAGA actions, off-the-clock theory, meal and rest periods, regular rate, Industrial Welfare Commission Wage Orders, arbitration agreements, and wage-and-hour enforcement, Plaintiff's claims and allegations, and Defendant's defenses, as well as facts discovered. (*Id.*)

Plaintiff's Counsel has extensive experience handling representative and class action wage-and-hour litigation. (Madoyan Decl., ¶¶ 2-7.) Based on that experience, Plaintiff's Counsel believes that the settlement is a fair, adequate, and reasonable resolution of this matter. (*Id.*, ¶¶ 56, 70.) (*See Kirkorian v. Borelli* (N.D. Cal. 1988) 695 F.Supp. 446, 451 [opinion of experienced counsel is entitled to considerable weight]; *Boyd v. Bechtel Corp.* (N.D. Cal. 1979) 485 F.Supp. 610, 616-17, 622 [recommendations of plaintiffs' counsel should be given a presumption of reasonableness].)

Because the Settlement Agreement was the product of arm's-length negotiations between adversarial parties, including via a mediation and mediator's proposal issued by an experienced mediator, was based on Plaintiff's Counsel's review and analysis of substantial information, data, and documents obtained from Defendant in advance of mediation and subsequent to mediation, and, in the opinion of Plaintiff's Counsel, is an excellent result for Plaintiff and the

LAWYERS *for* JUSTICE, PC
450 North Brand Blvd, Suite 900
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State of California with respect to Aggrieved Employees, the Court should approve the Settlement Agreement as fair, adequate and reasonable.

B. The Relative Strength of the PAGA Claims and the Range of Possible Outcomes in the Litigation Strongly Favor Approval of the Settlement

In order for Plaintiff to prevail on the PAGA claim, he would have to prove that Defendant engaged in the alleged California Labor Code and Industrial Welfare Commission Wage Order violations and demonstrate that Defendant's conduct warrants the imposition of penalties. (*See, e.g.*, *Elliot v. Spherion Pac. Work, LLC* (C.D. Cal. 2008) 572 F.Supp.2d 1169, 1181-82 ["Plaintiff's claim under [PAGA] is wholly dependent upon her other claims. Because all of plaintiff's other claims fail as a matter of law, so does her PAGA claim."].)

Here, based on Plaintiff's Counsel's analysis of the records and other discovery obtained from Defendant, Plaintiff is confident in his claims and believes he would prevail at trial. Nonetheless, there are always risks in litigation, and Defendant has maintained several defenses to Plaintiff's theory of liability, which, if successfully argued and proven, had the potential to eliminate or substantially reduce recovery. Throughout this litigation, Defendant maintained, and continues to maintain, that it had, and continues to have, legally-compliant employment policies and practices throughout the time period at issue. (*See, e.g.*, Madoyan Decl., 25, 40, 52.) Defendant denies that it violated any provision of the California Labor Code or Industrial Welfare Commission Wage Orders, including, but not limited to, those sections for which Plaintiff seeks penalties under PAGA. (*Id.*) Further, it is anticipated that Defendant would argue that, even if Plaintiff were to prove liability, the Court has substantial discretion in determining PAGA penalties and would significantly reduce penalties here.

Defendant also challenged Plaintiff's standing as an aggrieved employee and attempted to bifurcate the case so as to require Plaintiff to first establish he is an aggrieved employee and thus has standing to bring a PAGA claim, before proceeding to a second phase of assessing the PAGA claim. Multiple courts have taken an approach requiring a plaintiff to establish standing and face the possibility of bifurcation of discovery and/or trial of the PAGA claim. *See Amalgamated Transit Union*, *supra*, 46 Cal.4th at 1001 (noting that PAGA "require[s] a plaintiff

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to have suffered an injury resulting from an unlawful action"); *Stafford v. Dollar Tree Stores, Inc.* (E.D. Cal. Nov. 21, 2014) 2014 WL 6633396, at *4 (finding that judicial economy supported bifurcation because of the difficulties and inherent uncertainties of being able to establish liability with respect to a large number of potentially aggrieved employees and noted that "PAGA's public purpose would be ill-served if the court finds [the plaintiff] has not been aggrieved by a Labor Code violation"); *Horton v. Jones* (1972) 26 Cal.App.3d 952, 955 (stating that bifurcation and sequencing of litigation is allowed to avoid wasting time and money on trial when litigation of issues could be rendered moot).

Also, there is a risk that the Court would, in its discretion, significantly reduce the PAGA penalties. The PAGA statute gives courts the discretion to award a lesser amount than the maximum penalties. (*See* Cal. Lab. Code, § 2699(e)(2) ["In any action by an aggrieved employee seeking recovery of a civil penalty available under subdivision (a) or (f), a court may award a lesser amount than the maximum civil penalty amount specified by this part if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory."].) Applying this discretion, courts often significantly reduce the amount awarded for PAGA penalties. (*See, e.g., Fleming v. Covidien Inc.* (C.D. Cal. Aug. 12, 2011) No. 10-cv-01487, 2011 WL 7563047 , at *4 [court reduces $2.8 million PAGA penalty to $500,000 pursuant to § 2699(e)]; *Carrington v. Starbucks Corp.* (2018) 30 Cal.App.5th 504, 529 [affirming trial court's reduction of the $50 maximum penalty (per initial violation) to only $5 per initial violation]; *Kaanaana v. Barrett Bus. Servs.* (2018) 29 Cal.App.5th 778, 787 [trial court reduced PAGA penalties from $1,390,800 to $53,293.50].) The above calculations for PAGA penalties assume that the Court would apply increased penalty rates for subsequent violations. However, some courts have required a showing of the employer's notice of an initial violation before heightened penalties apply for subsequent violations. (*See Amaral v. Cintas Corp. No. 2* (2008) 163 Cal.App.4th 1157 , 1209.)

Plaintiff disagrees with Defendant's contentions and maintains that his PAGA claim has merit, in reaching the Settlement, Plaintiff and his counsel took into account the strengths and

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weaknesses of each side's position and the uncertainty of how the case might have concluded as later down the road. (*Id*., ¶¶ 14-56.)

While Plaintiff disagrees with Defendant's contentions and maintains that Defendant has violated the California Labor Code and Industrial Welfare Commission Wage Orders as alleged in the Complaint, Plaintiff and his counsel, in reaching the Settlement, with the benefit of the mediator's evaluation, took into account the strengths and weaknesses of each side's position and the uncertainty of how the case might have concluded as litigation continued, at trial, and/or appeals. (*Id*., ¶¶ 14-56.) In light of these risks, Plaintiff's Counsel strongly believes that the Settlement achieved is a good result for the State of California and the Aggrieved Employees.

C. <u>The Settlement Avoids Risky, Complex, and Lengthy Further Litigation</u>

Courts favor the voluntary conciliation and settlement of complex litigation. (*Class Plaintiffs v. City of Seattle* (9th Cir. 1992) 955 F.2d 1268, 1276.) Generally, "unless the settlement is clearly inadequate, its acceptance and approval are preferable to lengthy and expensive litigation with uncertain results." (*Nat'l Rural Telecomms. Coop. v. DIRECTV, Inc.* (C.D. Cal. Jan. 5, 2004) 221 F.R.D. 523, 526 [citation omitted].)

Prior to reaching the Settlement, Plaintiff's Counsel investigated the veracity, strength, and scope of the PAGA claim and was preparing for trial. Plaintiff's Counsel considered a large volume of information, documents, and data obtained from Plaintiff, Defendant, and other sources, that were relevant to the PAGA claim, and alleged violations, and calculated the potential monetary recovery under PAGA. Other work performed by Plaintiff's Counsel included, but was not limited to: meeting and conferring with Defendant's counsel regarding the mediation and settlement, among other issues; case strategy and analysis; drafting, reviewing, and revising pleadings, motion papers (including Plaintiff's Opposition to Defendant's Motion to Bifurcate), initial discovery requests, and the mediation brief; and preparing for the mediation and settlement negotiations as well as court proceedings. (*Id*., ¶¶ 60-61.)

Had the case not settled, the Parties would have continued to conduct extensive formal discovery, including propounding additional written discovery requests as well as multiple depositions of party and percipient witnesses all over the State of California, to prepare the case

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for trial. From the inception of this litigation, Defendant indicated that it would aggressively litigate this case. Even if Defendant failed on its defenses, litigating a complex PAGA action is inherently expensive, and the litigation in the court action could continue beyond entry of judgment if either party were to appeal adverse rulings. Additionally, there is a real possibility that Plaintiff could recover nothing, either for himself or on behalf of the State of California or other Aggrieved Employees after years of costly and labor-intensive litigation. Avoiding these risks and the likelihood of future contentious arbitration and court proceedings, which would involve significant costs, favors settlement.

D. The Settlement Is Fair, Adequate, and Reasonable

"[T]he very essence of a settlement is compromise, 'a yielding of absolutes and an abandoning of highest hopes.'" (*Officers for Justice v. Civil Service Comm'n* (9th Cir. 1981) 688 F.2d 615, 624.) "The proposed settlement is not to be judged against a hypothetical or speculative measure of what might have been achieved by the negotiators." (*Id*. at 625.)

The Settlement provides significant benefits to the State of California and the Aggrieved Employees and falls well within the range of acceptable settlements under the circumstances. Under the Agreement, Defendant has agreed to pay a Total Settlement Amount of $750,000.00, which encompasses the Net Settlement Amount, Attorneys' Fees and Costs, Settlement Administration Costs, and General Release Fee. (Settlement Agreement, §§ 3(a), 3(a)(1)-(4).) Subject to approval by the Court, the following amounts will be subtracted from the Total Settlement Amount to yield the Net Settlement Amount: (1) Attorneys' Fees and Costs consisting of attorneys' fees in the amount of $262,500.00 and reimbursement of litigation costs and expenses in the amount of $16,990.10 to Plaintiff's Counsel; (2) the Settlement Administration Costs of up to $10,000.00; and (3) General Release Fee of $7,500.00 to Plaintiff. (*Id*., §§ 3(a)(1)-(4).)

The Net Settlement Amount is currently estimated to be $457,129.90 (when utilizing the Administrator's actual estimated bid of $5,880.00), of which an estimated $114,282.48 is to be distributed to Aggrieved Employees on a *pro rata* basis, based on their Compensable Pay Periods, and $342,847.43 is to be distributed to the LWDA. There is no reason to doubt the fairness of the proposed plan of allocation of the Net Settlement Amount as it fully complies with California Labor Code section 2699(i). Considering all of the facts in this case, Plaintiff and his counsel have determined that the Settlement represents a fair, adequate, and reasonable resolution of the PAGA claim, and that it is in the best interests of the Aggrieved Employees and the State of California. (Madoyan Decl., ¶¶ 56, 70.)

The result achieved in this case, and the monetary recovery provided by this settlement, are well-within the range of an acceptable settlement under the circumstances, especially when compared to the settlement of PAGA claims in other cases. *See, e.g., Matter of Nordstrom Commission Cases* (2010) 186 Cal.App.4th 576, 588-590 (No abuse of discretion by the trial court in approving the allocation of $0 toward PAGA penalties, where PAGA claim is resolved as a part of an overall resolution of the underlying California Labor Code violations); *Franco v. Ruiz Food Prods., Inc.* (E.D. Cal. Nov. 27, 2012) No. 1:10-cv-02354-SKO, 2012 WL 5941801, at *14 (Approving allocation of $10,000, out of the settlement of $2.5 million, toward the settlement of the PAGA claim); *Garcia v. Gordon Trucking* (E.D. Cal. Oct. 31, 2012) No.1:10-CV-0324-AWI-SKO, 2012 WL 5364655, at *3 (Approving the allocation of $10,000, out of the settlement of $3.7 million, toward the settlement of the PAGA claim); *Chu v. Wells Fargo Investments, LLC* (N.D. Cal. Feb. 16, 2011) No. C 05-4526 MHP, C 0647924 MHP, 2011 WL 672645, at *1 (Approving the allocation of $10,000, out of the settlement of $6.9 million, toward the settlement of the PAGA claim); *Jack v. Hartford Ins. Co.* (S.D. Cal. Oct. 13, 2011) No. 3:09-cv-1683-MMA (JMA), 2011 WL 4899942, at *18 (Approving the allocation of $3,000, out of the settlement of $1.2 million, toward the settlement of the PAGA claim); *Schiller v. David's Bridal, Inc.* (E.D. Cal. June 11, 2012) 2012 WL 2117001, at *14 (approving the allocation of $10,000, out of the settlement of $518,245, toward settlement of the PAGA claim).

Plaintiff's Counsel also considered that a court may reduce the amount of PAGA penalties awarded to an employee based upon discretionary factors other than the employer's ability to pay, and that many trial courts have significantly reduced PAGA civil penalties or altogether declined to award PAGA civil penalties. *See, e.g., Fleming v. Covidien, Inc.* (C.D. Cal. Aug. 12, 2011) No. ED CV10-01487 RGK (OPx), 2011 U.S. Dist. LEXIS 154590, at **8-9

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(Out of $2,800,000 PAGA penalties requested, the court awarded $500,000.); *Thurman v. Bayshore Transit Management, Inc.* (2012) 203 Cal.App.4th 1112, 1136, disapproved on other grounds (Out of $512,000 PAGA penalties requested, the court awarded $358,588.); *Aguirre v. Genesis Logistics* (C.D. Cal. Dec. 30, 2013) No. SACV 12-00687-JVS (ANx), 2013 U.S. Dist. LEXIS 189820, at **6-7 (Out of $1,800,000 PAGA penalties requested, the court awarded $500,000.); *Halevi v. Aroma Bakery Café, Inc.* (Aug. 30, 2013) Los Angeles County Superior Court No. 468146 (The court declined to award PAGA penalties after trial, although at trial the court awarded wages to class, on the basis that, *inter alia*, action was not prompted by availability of PAGA penalties, penalties were not necessary to remedy ongoing or future violations, and plaintiffs did not offer evidence establishing imposition of penalties on individual defendants would not be confiscatory.); *Makabi v. Gedalia* (Mar. 2, 2016) No. B261005, 2016 Cal. App. Unpub. LEXIS 1489, at **6-7 (Noting that the trial court found in favor of plaintiffs on California Labor Code violation claims, but declined to award any PAGA penalties.); *Arnold v. San Diego Second Chance Program* (Dec. 18, 2017) San Diego County Superior Court No. 37-2016-00018375 (No PAGA penalties awarded.); *Felczer v. Apple Inc*. (Sept. 13, 2017) San Diego County Superior Court No. 37-2011-00102593 (No PAGA penalties awarded.); *Allen v. American Multi-Cinema* (July 24, 2016) Alameda County Superior Court No. RG11585502 (No PAGA penalties awarded.); *Atempa v. Pama* (July 31, 2015) San Diego County Superior Court (Out of PAGA penalties of $456,133 sought, the court awarded $197,434.00.); *Driscoll v Granite Rock* (Sept. 20, 2011) Santa Clara County Superior Court No. 1-08-cv-103426 (The court declined to award PAGA penalties.); *In re Taco Bell Wage and Hour Actions* (E.D. Cal. Apr. 8, 2016) No. 1:07-cv-01314-SAB, 2016 U.S. Dist. LEXIS 48557, at *41 (The court declined to award PAGA penalties after trial.); *Morales v Bridgestone Retail Operations LLC* (Aug. 2, 2018) Orange County Superior Court No. 30-2017-00900244 (Out of $7 million PAGA penalties requested, the court awarded $425,000.); *Carrington v Starbucks Corp*. (2018) 30 Cal.App.5th 504, 517, 529 (Out of $75 million in penalties sought, the court affirmed the trial court's $150,000 PAGA penalty award based on 30,000 violations, which reduced the penalty rate to $5 per violation.).

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Here, the value obtained for settlement of the PAGA claims is significant, and it will be distributed in accordance with and in fulfillment of the objectives of the PAGA statute.

E. <u>The Experience and Views of Plaintiff's Counsel Favor Approval of the Settlement</u>

Plaintiff's Counsel is highly experienced in complex representative and class action wage-and-hour litigation. (Madoyan Decl., ¶¶ 2-7.) In the view of Plaintiff's Counsel, the benefits conferred by the settlement are eminently fair and reasonable, and in the best interests of the State of California and the Aggrieved Employees in light of the risk, delay, and uncertainty of continued proceedings and the substantial monetary benefits provided for by the Settlement. (Madoyan Decl., ¶¶ 56, 70.) Furthermore, courts have acknowledged that "the interests of plaintiff, counsel and other potentially aggrieved employees are largely aligned. All stand to gain from proving as convincingly as possible as many Labor Code violations as the evidence will sustain[.]" *Williams, supra,* 548 (citing Cal. Lab. Code § 2699(g)(1)(i)).

VI. <u>THE PROPOSED ATTORNEYS' FEES PAYMENT IS FAIR AND REASONABLE, AND SHOULD BE APPROVED</u>

Plaintiff's Counsel requests an award of Attorneys' Fees of $262,500.00, which is thirty-five percent (35%) of the Total Settlement Amount. Plaintiff's Counsel respectfully submits that this amount is reasonable and warrants approval.

"Any employee who prevails in any [PAGA] action shall be entitled to an award of reasonable attorney's fees and costs." (Cal. Lab. Code § 2699(g)(1).) Plaintiff's Counsel is also entitled to fees and costs under Code of Civil Procedure section 1021.5, as the instant PAGA action is by definition "for the benefit" of others and secures a significant monetary recovery for approximately 774 Aggrieved Employees, as well as the State of California. (*See Estrada v. FedEx Ground Package Sys. Inc.* (2007) 154 Cal.App.4th 1, 16-17 [recognizing that recovery obtained on behalf of 209 individuals satisfies the "significant benefit," "public interest," and "large class of persons" requirements of Code of Civil Procedure section 1021.5, regardless of plaintiff's personal motivation].) The settlement will also benefit the LWDA in enforcing labor

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laws and educating "employers and employees about their rights and responsibilities under [the California Labor Code]." (Cal. Lab. Code § 2699(i).)

In evaluating the reasonableness of a requested attorneys' fees award, the court has the discretion to apply a percentage-of-the-fund method or a lodestar method. (*Laffitte v. Robert Half Int'l, Inc.* (2016) 1 Cal.5th 480, 489.) While trial courts have discretion to apply either a lodestar method or percentage-of-the-fund method, the California Supreme Court has taken the position that trial courts also "retain the discretion to forgo a lodestar cross-check and use other means to evaluate the reasonableness of a requested percentage fee" and "[t]he percentage of fund method survives in California." *Id.* (internal quotes omitted); *see also Wershba*, *supra*, 91 Cal.App. 4th at 253.

Courts award fees to serve as an economic incentive for lawyers to undertake litigation, and thereby enhance and facilitate access to the judicial system for adjudication of meritorious claims, and to deter wrongdoing. This is especially true in situations where multiple similar alleged wrongs would not be economically feasible to pursue individually, such as here. *See A. Conte*, *Attorney Fee Awards* (2d ed. 1993) 104, at 6.

The court has "wide latitude" in assessing the value of attorneys' fees, and its decision will "not be disturbed on appeal absent a manifest abuse of discretion." (*Lealao v. Beneficial Cal., Inc.* (2000) 82 Cal.App.4th 19, 41.) Indeed, the "experienced trial judge is the best judge of the value of professional services rendered in his court." (*Ketchum v. Moses* (2001) 24 Cal.4th 1122, 1132.)

The percentage method is particularly appropriate where a monetary settlement has been recovered and "the benefit [recovered can be] easily quantified." *In re Bluetooth Headset Prods. Liab. Litig.* (9th Cir. 2011) 654 F.3d 935, 942. Where the amount of a settlement is a "certain easily calculable sum of money," California courts may calculate attorneys' fees as a reasonable percentage of the settlement created. Weil and Brown, California Practice Guide, *Civil Procedure Before Trial*, Chapter 14, section 14:145; *Dunk, supra*, 48 Cal.App.4th at 1808.

The percentage fee method is preferred in representative actions because "it better approximates the workings of the marketplace than the lodestar approach." *Lealao*, *supra*, 82

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Cal.App.4th at 49. California law provides that the award for attorneys' fees should be equivalent to fees freely negotiated in the legal marketplace and paid in comparable litigation based on the result achieved and risk incurred. *See Lealao*, *supra*, 82 Cal.App.4th at 47-50; *Laffitte, supra*, 1 Cal.5th 480 at 503. In cases where the settlement agreement provides that the defendant will pay the plaintiff's attorneys a percentage of the fund created by the settlement, use of that percentage method is appropriate. *Lealao*, *supra*, 82 Cal.App.4th at 32. Fee awards that are too small will "chill the private enforcement essential to the vindication of many legal rights and obstruct the representative actions that often relieve the courts of the need to separately adjudicate numerous claims." *Id.* at 53. Therefore, fees in representative actions should approximate the probable terms of a contingent fee contract negotiated by a sophisticated attorney and client in comparable litigation. *Id*. at 48. "The ultimate goal . . . is the award of a 'reasonable' fee to compensate counsel for their efforts, irrespective of the method of calculation." *Consumer Privacy Cases* (2009) 175 Cal.App.4th 545, 557-58 (quoting *Apple Computer, Inc. v. Superior Court*, *supra*, 126 Cal.App.4th at 1270)

A. <u>Under the Percentage-of-the-Fund Method, the Requested Attorneys' Fees Award is Reasonable</u>

Here, the requested Attorneys' Fees amount of $262,500.00, which is thirty-five percent (35%) of the Total Settlement Amount ($750,000.00), is justified. Historically, courts have awarded fees as high as fifty percent (50%) of the settlement in complex actions, depending on the circumstances of the case. (*See In re Ampicillin Antitrust Litig.* (D.D.C. 1981) 526 F.Supp. 494 [awarding attorneys' fees in the amount of 45% of the $7.3 million total settlement amount]; *Beech Cinema, Inc. v. Twentieth-Century Fox Film Corp.* (S.D.N.Y. 1979) 480 F.Supp. 1195 [awarding approximately 53% of the settlement as attorneys' fees].) California courts routinely approve attorneys' fees awards "average[ing] around one-third of the recovery." (*Chavez v. Netflix, Inc.* (2008) 162 Cal.App.4th 43, 66 n.11 [lower court found the range of contingency fees in marketplace to be 20 to 40 percent and determined such a percentage fee was appropriate].)

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Plaintiff's Counsel has litigated this case for nearly two years, since prior to the submission of the PAGA Notice to the LWDA and Defendant, with the very real possibility of an unsuccessful outcome and no fee recovery of any kind. Plaintiff's Counsel undertook significant investigation, and also invested time reviewing and analyzing relevant documents and data to evaluate the claims, including, and not limited to, calculating the potential monetary recovery under PAGA. Other work performed by Plaintiff's Counsel included, but was not limited to: meeting and conferring with Defendant's counsel regarding case management, motion practice, and mediation and settlement, among other issues; case strategy and analysis; drafting, reviewing, and revising pleadings, motion papers (including Plaintiff's Opposition to Defendant's Motion to Bifurcate), initial discovery requests, and the mediation brief; and preparing for and participating in the mediation and settlement negotiations as well as court proceedings. (Madoyan Decl., ¶¶ 60-61.)

Further, the percentage rate sought here (35%) is justified by Plaintiff's Counsel's extensive experience in complex wage-and-hour litigation, which Plaintiff's Counsel applied to obtain a great result for Plaintiff, the Aggrieved Employees and the State of California. (*Id.*, ¶¶ 2-7 and 57-59.) Considering the amount of fees requested, work performed, risks incurred, results obtained, and experience of Plaintiff's Counsel in handling similar matters, the requested attorneys' fees are reasonable and should be awarded.

B. <u>The Lodestar Methodology Also Justifies Approval of the Requested Fees, Because Plaintiff's Counsel Has Performed Work That Is of Significant Value Based on Reasonable Hours and Prevailing Hourly Rates of Compensation</u>

The lodestar cross-check confirms that the amount of Attorneys' Fees requested is reasonable. The lodestar is calculated based on reasonable hours at reasonable prevailing hourly rates for the attorneys. (*Ketchum*, *supra*, 24 Cal.4th at 1131-32.) Under California law, counsel is entitled to compensation for every hour reasonably spent on the matter. (*Id.* at 1133.)

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1. Plaintiff's Counsel Performed Work for a Reasonable Number of Hours

The reasonableness of hours is assessed by "the entire course of the litigation, including pretrial matters, settlement negotiations, discovery, litigation tactics, and the trial itself[.]" (*Vo v. Las Virgenes Municipal Water Dist.* (2000) 79 Cal.App.4th 440, 447.)

As discussed above, this case was highly contested and required a significant amount of time and labor, including drafting the Complaint, analyzing a large volume of information, documents, and data, preparing liability and penalties exposure analyses, preparing the mediation brief, meeting and conferring with Defendant's counsel, continuing settlement discussions, and negotiating the Settlement Agreement. Defendant made it clear very early on that it disputed all of Plaintiff's allegations and disputed that representative adjudication was appropriate. Defendant also argued, *inter alia*, that it had compliant employment policies and practices throughout the time period at issue. (*See, e.g.*, Madoyan Decl., ¶¶ 25, 40, 52.) Defendant raised affirmative defenses and denied liability, and the pursuit of this case involved gathering and analyzing information, documents, and data from Plaintiff, Defendant, and other sources. (*Id.*, ¶¶ 12, 56.) The handling of this litigation involved a great amount of effort, and also required and involved the exercise of a high level of skill and experience, which Plaintiff's Counsel has, as a result of its extensive experience in complex wage-and-hour litigation. (*Id.*, ¶¶ 2-7.)

Attached as "**Exhibit 3**" to the Declaration of Vartan Madoyan is the Attorney Task and Time Chart that sets forth in detail the numerous tasks that Plaintiff's Counsel performed in this case, and the time required for completing those tasks. (Madoyan Decl., ¶ 58, Ex. 3.) The chart demonstrates that Lawyers *for* Justice, PC has spent a total of **272.80 hours** on this matter. (*Id.*) In light of the facts and circumstances of this case, as well as the results Plaintiff's Counsel has achieved on behalf of Plaintiff, the Aggrieved Employees, and the State of California, the amount of hours Plaintiff's Counsel has dedicated to this matter is reasonable.

2. The Fees Requested Represent a Reasonable Hourly Rate of Compensation in Light of Plaintiff's Counsel's Efforts and Experience

Courts recognize that attorneys should be compensated for providing representation on a contingency basis and for taking on the risks associated with said representation, as well as being

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provided with financial incentives to enforce important rights and protections like those at issue in this matter. (*See Ketchum*, *supra*, 24 Cal.4th at 1132-33.) In awarding attorneys' fees, the aim is to mirror "the established practice in the private legal market of rewarding attorneys for taking the risk of nonpayment by paying them a premium over their normal hourly rates for winning contingency cases." (*Id.*)

Plaintiff's Counsel has been actively involved in the prosecution of this case, prior to its commencement through the present, and their dedication to the representation of Plaintiff, the Aggrieved Employees, and the State of California has precluded other employment. Here, Plaintiff's Counsel bore the risk that, despite all of their efforts and skills employed, there may be no recovery. Ultimately, Plaintiff's Counsel was successful in reaching the Settlement, which involves a Total Settlement Amount of $750,000.00.

While the circumstances of every case are unique, the fact remains that the work performed and efforts undertaken by Plaintiff's Counsel in this matter justify the requested attorneys' fees award.

The lodestar method, as a cross-check to the percentage fee sought, strongly supports the reasonableness of the requested attorneys' fees award. Using the firm's generally approved $850 blended rate times the 272.80 hours worked results in a base lodestar value of **$231,880.00**. (Madoyan Decl. ¶ 59.) Thus, only a nominal multiplier of 1.14 would need to be applied to achieve the $262,500.00 fee request.[3] In light of the time expended, the requested fee award represents a reasonable hourly rate of compensation to Lawyers *for* Justice, PC. As set forth in the Declaration of Vartan Madoyan, the professional backgrounds and experience of Plaintiff's Counsel support a reasonable blended hourly rate of compensation of at least $850 per hour for services provided by Plaintiff's Counsel.

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[3] Courts apply a multiplier in consideration for risk, efficiency, and/or obtaining a substantial result, to enhance the lodestar for purpose of cross-check. *See Ketchum* at 1133-34 (holding that a risk multiplier may be applied to compensate contingency fee attorneys at a fair market rate). Courts have approved fee awards with multipliers of 2 and even higher. See, e.g., *City of Oakland v. Oakland Raiders* (1988) 203 Cal.App.3d 78 (affirming a 2.34 multiplier without remand); *Wershba*, *supra*, 91 Cal.App.4th at 255 ("Multipliers can range from 2 to 4 or even higher."). Thus, a multiplier of 1.14 is nominal and is warranted. The risks involved, skill required, complexity of the matter, and results obtained warrant upward enhancement of the lodestar.

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Accordingly, Plaintiff respectfully requests that the Court approve and grant an attorneys' fees award in the amount of $262,500.00 to Plaintiff's Counsel, which is reasonable and justified based on both the percentage-basis and the lodestar cross-check.

VII. <u>COSTS TO BE REIMBURSED TO PLAINTIFF'S COUNSEL ARE FAIR AND REASONABLE, AND SHOULD BE APPROVED</u>

Plaintiff's Counsel requests reimbursement for the litigation costs and expenses incurred in prosecuting this matter, in the total amount of $16,990.10. (Madoyan Decl., ¶ 62, Ex. 4.) The requested amount is less than the maximum amount provided for in the Settlement Agreement of $25,000.00. (Settlement Agreement, § 3(a)(1).) The cost savings of more than $8,000 will be part of the Net Settlement Amount. (*Id.*, § 3(a)(4).)

The costs and expenses for which reimbursement is sought – including court filing fees, service fees, and mediation fees – are reasonable and were necessary to the prosecution and settlement of this matter. Further, Plaintiff's Counsel has borne all of the risks and costs of litigation to date and will not receive any compensation until a recovery is obtained in this matter.

Accordingly, Plaintiff's Counsel requests that the Court award reimbursement of litigation costs and expenses in the amount of $16,990.10 to Plaintiff's Counsel. (*See*, *e.g.*, *Bruce v. Del Monte Foods, Inc.* (N.D. Cal. Mar. 29, 2018) No. 16-cv-05891-JD, 2018 WL 8017998, at *2 [approving reimbursement of $12,000 in costs for PAGA settlement].)

VIII. <u>THE PROPOSED COVER LETTER TO THE AGGRIEVED EMPLOYEES SHOULD BE APPROVED</u>

Although PAGA does not require notice to unnamed aggrieved employees of a settlement, the Parties prepared, and now present for the Court's consideration and approval, the Cover Letter for transmission to the Aggrieved Employees along with their Individual Settlement Share checks (together, the "PAGA Settlement Package"), substantially in the form attached as "EXHIBIT A" to the Settlement Agreement. The Cover Letter informs the Aggrieved Employees about the lawsuit and the Settlement. Accordingly, Plaintiff respectfully requests that

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the Court approve the Cover Letter for transmission to the Aggrieved Employees at the time of disbursing their Individual Settlement Shares.

IX. THE PROPOSED SETTLEMENT ADMINISTRATION COSTS ARE FAIR AND REASONABLE, AND SHOULD BE APPROVED

As set forth in the Settlement Agreement, the Parties have agreed to retain, subject to approval by the Court, Simpluris, Inc., to handle the administration of the Settlement. (Settlement Agreement, § 3(a)(3).) The fees and expenses of the PAGA Settlement Administrator are estimated to be $5,880.00. (Declaration of Michael Bui, ¶ 9.) These costs include, but are not limited to, expenses for preparing, printing, and mailing the Cover Letter and Individual Settlement Shares checks to the Aggrieved Employees (i.e., PAGA Settlement Package); performing skip-trace searches; re-mailing the returned PAGA Settlement Packages to any updated addresses located; and handling inquiries from Aggrieved Employees regarding the Settlement, among other things. Accordingly, the Court should grant approval of the Settlement Administration Costs in the amount of up to $10,000.00 to Simpluris, a necessary third-party for handling the settlement process. (*See*, *e.g.*, *Connelly v. Starbucks Corporation* (E.D. Cal. Sep. 29, 2023) 1:21-cv-000746-SAB, 2023 WL 6387077, at *19 [approving administration costs of up to $16,000].)

X. THE PROPOSED GENERAL RELEASE FEE IS FAIR, ADEQUATE, AND REASONABLE, AND SHOULD BE APROVED

The Settlement provides for a General Release Fee to be paid to Plaintiff in the amount of $7,500.00 for his broader individual waiver and release of claims with a California Civil Code Section 1542 waiver (as set forth in Section 8(b) of the Settlement Agreement).

It is also worth nothing that Plaintiff contributed considerable time and effort to the litigation of this case in order to enforce the California Labor Code on behalf of the State of California and for the benefit of other Aggrieved Employees. Plaintiff discussed his employment with Plaintiff's Counsel, gathered and produced relevant documents and information, and provided the facts and evidence necessary to attempt to prove the allegations. (Madoyan Decl., ¶¶ 63-67; Declaration of Jonathan Ramirez ("Ramirez Decl."), ¶¶ 2-9.) Plaintiff was available

LAWYERS *for* JUSTICE, PC
450 North Brand Blvd, Suite 900
Glendale, California 91203

whenever his counsel needed him and tried to obtain and provide documents and information that would aid in the litigation and pursuit of recovery in this PAGA action. (*Id.*)

Accordingly, it is reasonable and just for Plaintiff to receive a General Release Fee in the amount of $7,500.00, in addition to the Individual Settlement Share he will receive as an Aggrieved Employee.

XI. CONCLUSION

The Settlement is fair, adequate, and reasonable, as it represents a reasoned compromise of disputed claims that has been reached through arm's-length negotiations, in light of the risks, complexity, and expense of further litigation. Plaintiff respectfully requests that the Court approve the Settlement, including the plan of allocation and distribution of the Total Settlement Amount for the LWDA Payment to the LWDA, Individual Settlement Shares to the Aggrieved Employees, Attorneys' Fees and Costs to Plaintiff's Counsel, Settlement Administration Costs to the PAGA Settlement Administrator, and General Release Fee to Plaintiff, and permit the filing of a memorandum that exceeds the page limit.

Dated: January 23, 2026

LAWYERS *for* JUSTICE, PC

By: ______________________________
Vartan Madoyan
Attorneys for Plaintiff