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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF ORANGE

MARINA CAYON and KRISTINE REESOR, as individuals and on behalf of all other aggrieved employees,

Plaintiffs,

vs.

ZIONS BANCORPORATION, NATIONAL ASSOCIATION, a Utah corporation; and DOES 1 through 100,

Defendants.

Case No. 30-2024-01396627-CU-OE-CXC

[*Assigned to the Hon. David A. Hoffer, Dept. CX103*]

PLAINTIFFS' NOTICE OF MOTION AND MOTION FOR APPROVAL OF SETTLEMENT OF CLAIMS BROUGHT UNDER THE PRIVATE ATTORNEYS GENERAL ACT AND REASONABLE ATTORNEYS' FEES, COSTS, AND SERVICE AWARDS

Date: June 22, 2026
Time: 1:30 p.m.
Dept.: CX103

Reservation No.: 74824001

Complaint filed: April 29, 2024
Trial Date: None Set

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

PLEASE TAKE NOTICE that on June 22, 2026, at 1:30 p.m., or as soon thereafter as the matter may be heard in Department CX103 of the above-entitled Court, located at 751 West Santa Ana Boulevard, Santa Ana, California 92701, Plaintiffs Marina Cayon and Kristine Reesor ("Plaintiffs"), individually and on behalf of the State of California and other Aggrieved Employees, will, and hereby do, move this Court for entry of an Order as follows:

1. Granting approval, pursuant to California Labor Code § 2699(l), of the proposed settlement of claims brought pursuant to the Private Attorneys General Act of 2004 (Cal. Labor Code § 2698, *et seq.*) and as set forth in the Parties' PAGA Settlement Agreement, a true and correct copy of which is attached to the Declaration of Sean M. Blakely filed concurrently herewith;
2. Appointing ILYM Group, Inc. as the Settlement Administrator;
3. Approving the proposed Notice of PAGA Settlement ("Notice") as to form and content, and directing that it be distributed to the Aggrieved Employees pursuant to the terms of the Settlement Agreement;
4. Directing the funding and distribution of the Gross Settlement Amount pursuant to the terms of the Settlement Agreement;
5. Approving an award of attorneys' fees to Plaintiffs' Counsel of $154,850.67 and an award of litigation costs to Plaintiffs' Counsel in the amount of $16,948.77;
6. Approving a Service Award of $10,000.00 to each Plaintiff, for a total of $20,000.00, for their services to the Aggrieved Employees and the State of California;
7. Approving $7,250.00 in administration costs to ILYM Group, Inc.;
8. Approving the payment of $199,126.92 to the California Labor & Workforce Development Agency ("LWDA") for its share of PAGA civil penalties; and
9. Approving the payment of $66,375.64 to the Aggrieved Employees on a pro rata basis based on the number of pay periods each Aggrieved Employee worked during the Settlement Period.

This Motion is based on this Notice; the attached Memorandum of Points and Authorities; the declaration of Sean M. Blakely and all exhibits attached thereto; the declaration of Paul K. Haines; the declaration of Anthony Rogers of ILYM Group, Inc. and all exhibits attached thereto; the declaration of Plaintiff Marina Cayon; the declaration of Plaintiff Kristine Reesor; the Settlement Agreement; all other pleadings and papers on file in this action; and on any further oral or documentary evidence or argument presented at the time of hearing.

Respectfully submitted,

Dated: April 14, 2026

HAINES LAW GROUP, APC

By: Sean Blakely

Paul K. Haines
Sean M. Blakely
Attorneys for Plaintiffs

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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Plaintiffs Marina Cayon and Kristine Reesor ("Plaintiffs"), "aggrieved employees" under the Private Attorneys General Act of 2004 ("PAGA"), respectfully move this Court for an Order granting approval of the Settlement Agreement ("Settlement") with Defendant Zions Bancorporation, National Association ("Zions" or "Defendant").[1] This PAGA representative action seeks civil penalties predicated on Zions' alleged violations of the California Labor Code from February 22, 2023 through December 5, 2025 (the "Settlement Period"). The proposed Settlement, under which Zions has agreed to pay a <u>non-reversionary</u> Gross Settlement Amount of Four Hundred Sixty-Four Thousand Five Hundred Fifty-Two Dollars and Zero Cents ($464,552.00), will resolve Plaintiffs' representative claims filed on behalf of the State of California and all "Aggrieved Employees," which consist of all individuals who are or previously were employed by Zions in the State of California and classified as non-exempt employees at any time during the Settlement Period.

Notably, the relief provided for under the Settlement, and the claims released thereunder, are *solely* for the payment of *civil penalties* under the PAGA, and not for any underlying Labor Code violations. The release also encompasses only PAGA civil penalties based upon the factual allegations and theories alleged by Plaintiffs in this Action, and only for claims arising during the Settlement Period, which, as noted above, runs from February 22, 2023 through December 5, 2025.

In deciding whether to grant approval of the Settlement, the primary issue is whether the Settlement is fair, reasonable, and adequate. As set forth herein, the proposed Settlement embodies all of the features of a settlement that is fair, reasonable, and adequate.

As noted, the Settlement provides for a non-reversionary Gross Settlement Amount of $464,552.00. *See* Settlement, ¶¶ 5, 13. After deducting amounts for requested attorneys' fees

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[1] The proposed PAGA Settlement Agreement is attached as **Exhibit 1** to the Declaration of Sean M. Blakely filed herewith. The proposed Explanatory Letter is attached as **Exhibit A** to the Settlement Agreement. All terms in the Motion have the same definitions as used in the Settlement.

($154,850.67), litigation costs ($16,948.77), Service Awards ($10,000.00 to each Plaintiff for a total of $20,000.00), and settlement administration costs ($7,250.00), the Settlement provides for a PAGA Penalties Fund of approximately $265,502.56 to be paid to Aggrieved Employees and the California Labor & Workforce Development Agency ("LWDA"). Settlement, ¶¶ 7, 14; *see also* Declaration of Sean M. Blakely ("Blakely Decl."), ¶¶ 21-22, Exhibit 3; Declaration of Anthony Rogers of ILYM Group, Inc. ("Rogers Decl."), ¶ 7, Exhibit C.

The PAGA Penalties Fund shall be distributed 75% (approximately $199,126.92) to the LWDA, and 25% (approximately $66,375.64) to Aggrieved Employees, pursuant to the requirements of the PAGA as codified in Lab. Code § 2699(i). *See* Settlement, ¶ 14. There are approximately 854 Aggrieved Employees, resulting in average payments of approximately $77.72 to each Aggrieved Employee. Blakely Decl., ¶ 13.

The Settlement represents a positive result for the State of California and Aggrieved Employees. Further litigation may have resulted in a smaller recovery or even no recovery at all, based on the defenses asserted by Zions and the significant ongoing litigation risks. Moreover, the Gross Settlement Amount is greater than other PAGA penalty awards that have been approved as reasonable. The amounts requested for attorneys' fees and costs, Plaintiffs' Service Awards, and settlement administration costs are all fair, adequate, and reasonable. Thus, Plaintiffs respectfully request that the Court enter the [Proposed] Judgment and Order submitted concurrently herewith.

II. SUMMARY OF THE LITIGATION

A. Brief Factual Background and Summary of Claims

Zions is in the business of providing financial services to both commercial and private clients, including mortgage lending. Blakely Decl., ¶ 8. Plaintiffs were employed by Zions as non-exempt employees in the position of "Mortgage Lenders" during the Settlement Period *See* Declaration of Plaintiff Marina Cayon ("Cayon Decl."), ¶ 2; Declaration of Plaintiff Kristine Reesor ("Reesor Decl."), ¶ 2. Plaintiffs, like all Aggrieved Employees, were employed by Zions in California as non-exempt employees during the Settlement Period and were subject to Zions' wage and hour policies and practices. *Id.*

Plaintiffs' PAGA claims are predicated primarily on allegations that they and other non-exempt employees were not compensated for all hours worked, were not provided compliant meal and rest periods, were not provided with accurate and compliant wage statements, and were not timely paid all earned wages at time of separation of employment. As explained below and in the accompanying Blakely Declaration, Zions denies Plaintiffs' allegations and have asserted several affirmative defenses to their claims.

B. <u>Relevant Procedural History</u>

On February 22, 2024, Plaintiffs sent their PAGA notice letter to the LWDA. Blakely Decl., ¶ 9; **Exhibit 2** (LWDA Letter). On that same day, Plaintiffs filed an action in the Superior Court County of Orange in the matter entitled *Marina Cayon, et al v. Zions Bancorporation, National Associates*, Case No. 30-2024-01381383-CU-OE-WJC, alleging individual causes of action for failure to pay all overtime wages, meal and rest period violations, and wage statement violations. Blakely Decl., ¶ 9.

On April 29, 2024, after exhausting their pre-filing PAGA requirements under Labor Code § 2699.3(a)(2)(A), Plaintiffs filed a Representative Action Complaint (the "Action") in this Court, alleging a single cause of action for civil penalties under the PAGA. Blakely Decl., ¶ 10.

Plaintiffs' individual claims were ultimately submitted to arbitration, and the Parties extensively litigated Plaintiffs' individual claims in arbitration before the Hon. Glenda Sanders (Ret.). Blakely Decl., ¶ 11. All parties conducted significant written discovery in arbitration, and the parties agreed to attend a private mediation in an attempt to resolve Plaintiffs' individual claims and Plaintiffs' PAGA claims. *Id*. Prior to mediation, Zions produced significant discovery which enabled Plaintiffs to evaluate the PAGA claim. *Id*. Zions produced a 20% random sampling of Aggrieved Employees' timekeeping and payroll records, the total number of Aggrieved Employees employed by Zions during the PAGA Period, the total number of aggregate pay periods worked by Aggrieved Employees during the PAGA Period, as well as other documents and information, in order for Plaintiffs' counsel to investigate Plaintiffs' allegations and value the claims prior to mediation. *Id*. Plaintiffs' counsel conducted a comprehensive analysis of the data produced by Zions to calculate Zions' potential PAGA exposure. *Id*.

On September 3, 2025, the Parties participated in mediation with Tripper Ortman, Esq., a well-respected wage and hour mediator, in an effort to resolve Plaintiffs' PAGA claims. Blakely Decl., ¶ 12. During mediation, the Parties vigorously debated Plaintiffs' ability to proceed on a representative basis, the legal basis for Plaintiffs' claims and Zions' defenses, the potential amount of penalties, and the Parties' data analyses and conclusions based thereon. *Id*. With the assistance of Mr. Ortman, the Parties agreed to fully and finally resolve Plaintiffs' PAGA claims. *Id*. Over the following months, the Parties negotiated and finalized the Settlement now before the Court. *Id*.

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

A. <u>"Aggrieved Employees" Defined</u>

The "Aggrieved Employees" under the Settlement consist of all individuals who are or previously were employed by Zions in the State of California and classified as non-exempt employees at any time during the Settlement Period. *See* Settlement, ¶ 2. The number of Aggrieved Employees, including Plaintiffs, is estimated to be approximately 854 individuals. *Id*. at ¶ 17; Blakely Decl., ¶ 13. The Settlement Period is defined as the period from February 22, 2023 through December 5, 2025. Settlement, ¶¶ 12, 14(c).[2]

B. <u>Monetary Terms</u>

The Settlement provides for Zions' payment of a <u>non-reversionary</u> Gross Settlement Amount of $464,552.00. *See* Settlement, ¶¶ 5, 13. After deducting requested attorneys' fees, litigation costs, Plaintiffs' Service Awards, and administration costs, the Settlement provides for the PAGA Penalties Fund to be distributed 75% to the LWDA and 25% to Aggrieved Employees, per Labor Code § 2699(i). Settlement, ¶¶ 7, 14. The 25% portion to Aggrieved Employees shall be distributed based on the number of pay periods worked by each Aggrieved Employee during the Settlement Period. *Id*., at ¶¶ 14(a)-(b).

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[2] The Escalator Clause in the Settlement Agreement provides that there are approximately 42,232 Pay Periods worked during the Settlement Period. *See* Settlement, ¶ 14(c). Defendant has elected to end the Settlement Period to correspond to the last date on which the total number of Pay Periods is not in excess of 44,344, which Defendant represented is December 5, 2025. Blakely Decl., ¶ 13. Accordingly, the Gross Settlement Amount will not be increased, and the Settlement Period will be February 22, 2023 through December 5, 2025. *Id*.

1. *Attorneys' Fees and Costs, Administration Costs, and Plaintiffs' Service Awards*

Plaintiffs' Counsel requests one-third of the Gross Settlement Amount (i.e., $154,850.67) in attorneys' fees, and $16,948.77 in litigation costs. *See* Settlement, ¶ 15; Blakely Decl., ¶¶ 21-22, Exhibit 3. As discussed in detail below, a fee award of one-third of the Gross Settlement Amount is fair, adequate, and reasonable as a percentage of the settlement fund and is in line with fee awards in other PAGA settlements.

The Parties have agreed to engage ILYM Group, Inc. ("ILYM") as the third-party settlement administrator. *See* Settlement, ¶ 17. ILYM will update the Aggrieved Employee addresses using the National Change of Address database, calculate and distribute Settlement Payments, mail payments to all Aggrieved Employees together with the Explanatory Letter, and perform other duties that are integral to the effectuation of the Settlement. *Id.*, at ¶ 21. Plaintiffs request that the Court approve $7,250.00 in administration costs to ILYM, which will cover all costs incurred by ILYM in connection with the Settlement. *Id.*, at ¶ 17; *see also* Rogers Decl., ¶ 7, Exhibit C.

Finally, Plaintiffs each request Service Awards of $10,000.00, for a total of $20,000.00, in recognition of Plaintiffs' contributions to this case and their efforts in bringing this case to successful resolution. *See* Settlement, ¶ 16; Cayon Decl., ¶¶ 4-6; Reesor Decl., ¶¶ 4-6.

2. *Payment to LWDA and Aggrieved Employees*

The PAGA Penalties Fund will be distributed 75% to the LWDA and 25% to Aggrieved Employees, pursuant to Labor Code § 2699(i); Settlement, ¶ 14. Based on the above requested distributions, the PAGA Penalties Fund is estimated to be $265,502.56, with $199,126.64 paid to the LWDA and $66,375.64 distributed to allegedly Aggrieved Employees. Blakely Decl., ¶ 13. As noted, there are approximately 854 total Aggrieved Employees. *Id.* Thus, it is anticipated that overall, the Aggrieved Employees will receive average Settlement Payments of approximately $77.72. *Id.*

3. *Funding of the Settlement*

Within fourteen (14) calendar days of the Effective Date, Zions will deposit the Gross

Settlement Amount into the qualified settlement fund ("QSF") to be established by ILYM. *See* Settlement, ¶ 20.

Within fourteen (14) calendar days of the funding of the Settlement, ILYM will issue payments to: (a) Aggrieved Employees; (b) the Labor and Workforce Development Agency; (c) Plaintiffs; (d) Plaintiffs' Counsel; and (e) itself. *See* Settlement, ¶ 20. ILYM, and not Zions, will issue the appropriate tax forms for all payments issued under this Settlement. *Id*.

ILYM will issue each Aggrieved Employee one check for his or her share of the PAGA Penalties Fund along with an Explanatory Letter. *See* Settlement, ¶ 21. Funds from settlement checks which remain outstanding after the void date (180 days after the date of mailing) will be sent by ILYM to the California State Controller Unclaimed Property Fund in the name of the Aggrieved Employees who did not cash their checks. *See Id*.

IV. <u>LEGAL ARGUMENT</u>

A. <u>Standards for Approval of a PAGA Settlement</u>

The settlement of a PAGA claim requires court approval pursuant to the PAGA statute, which states that the "court shall review and approve any settlement of any civil action filed pursuant to this part." Labor Code § 2699(l). Of course, "[s]ettlement is a compromise, which balances the possible recovery against the risks inherent in litigating further." *See In re TD Ameritrade Account Holder Litig.*, 2011 WL 4079226 at *9 (N.D. Cal. Sept. 13, 2011). "[T]he very essence of a settlement is… 'a yielding of absolutes and an abandoning of highest hopes,'" as "it is the very uncertainty of outcome in litigation and avoidance of wasteful and expensive litigation that induce consensual settlements." *Officers for Justice v. Civil Service Com.*, 688 F.2d 615, 624 (9th Cir. 1982).

Although the PAGA statute does not set forth the criteria by which a PAGA settlement is to be judged, it is presumed that a reviewing court may utilize some of the factors for review of a class action settlement. However, "a PAGA claim asserted on a non-class representative basis…is not considered a class action but a law enforcement action, and therefore does not have to meet the requirements of [a class action]." *Casida v. Sears Holdings Corp.*, 2012 WL 253217 at *3 (E.D. Cal. Jan. 26, 2012).

First, in evaluating a PAGA settlement, the court is <u>not</u> concerned with amount(s) received by "aggrieved employees," but must focus on the total settlement amount in achieving PAGA's objective. "The remedy sought in a PAGA suit consists of civil penalties, not individual or class damages." *Mendez,* 2010 WL 2650571 at *4. Moreover, while "'[a PAGA] action is … designed to protect the public and penalize the employer for past illegal conduct" (*Mendez*, 2010 WL 2650571 at *4), a PAGA settlement involves a compromise that stops short of rendering findings of liability and damages. "Unlike a class action seeking damages or injunctive relief for injured employees, the purpose of PAGA is to incentivize private parties to recover civil penalties for the government that otherwise may not have been assessed and collected by overburdened state enforcement agencies." *Ochoa-Hernandez,* 2010 WL 1340777 at *4.

Second, consistent with the fact that unnamed employees have no property interest in a PAGA claim, "[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*, 2010 WL 1340777 at *5; *see also Robinson v. Southern Counties Oil Co.*, 53 Cal.App.5th 476, 482 (2020) (recognizing that "there is no mechanism for opting out of the judgment entered on the PAGA claim."). This renders the approval process of a PAGA settlement distinct from a class action settlement, as the Court need not employ the "two-step approval process" required for class action settlements under Fed. R. Civ. Proc. Rule 23(e) and Cal. Rule of Court 3.769.

Finally, unlike a class action settlement under Fed. R. Civ. Proc. Rule 23(e) or Cal. Rule of Court 3.769, the scope of release in a PAGA settlement is limited to *civil penalties*. While "judgment in [a PAGA] 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…the non-party employees, because they were not given notice of the action or afforded any opportunity to be heard, would not be bound by the judgment as to remedies other than civil penalties." *Arias v. Sup. Ct.*, 46 Cal. 4th 969, 986-87 (2009). Thus, the scope of release in a PAGA settlement is strictly confined to PAGA penalties.

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1. *Factors in Evaluating a Representative PAGA Settlement*

In deciding whether to approve a proposed settlement, a trial court has broad powers to determine if the proposed settlement is fair under the circumstances of the case. *Mallick v. Sup. Ct.,* 89 Cal.App.3d 434, 438 (1979). In exercising these powers, the overriding concern is to ensure that a proposed settlement is "fair, adequate, and reasonable." *Dunk v. Ford Motor Co.*, 48 Cal.App.4th 1794, 1801 (1996) (internal quotations omitted). Relevant factors for the Court to consider include, but are not limited to:

> [T]he strength of Plaintiff' case, the risk, expense, complexity and likely duration of further litigation, the risk of maintaining class action status through trial, the amount offered in settlement, the extent of discovery completed and the stage of the proceedings, the experience and views of counsel, the presence of a governmental participant, and the reaction of the class members to the proposed settlement.

Id. These factors require balancing, are non-exhaustive, and trial courts should tailor the factors to each case and give due regard to "what is otherwise a private consensual agreement between the parties." *Id*.

Because settlements inherently involve compromise, even a settlement providing for substantially narrower relief than might be obtained if the suit were successfully litigated can be reasonable because "the public interest may indeed be served by a voluntary settlement in which each side gives ground in the interest of avoiding litigation." *Wershba v. Apple Computer, Inc.*, 91 Cal.App.4th 224, 250 (2001) (quoting *Air Line Stewards, etc., Local 550 v. Am. Airlines, Inc.*, 455 F.2d 101, 109 (7th Cir. 1972)). In addition, courts review the discovery process and information received through it to aid them in assessing whether the parties sufficiently developed the claims and their supporting factual bases before reaching settlement. *Kullar v. Foot Locker Retail, Inc.,* 168 Cal.App.4th 116, 129-31 (2008).

a. <u>**The Strength of Plaintiffs' Case**</u>

Although Plaintiffs steadfastly maintain their claims are meritorious, Plaintiffs acknowledge that there are substantial risks and uncertainty in proceeding to trial, as set forth in more detail in the concurrently filed Blakely Declaration. Blakely Decl., ¶¶ 14-18. While Plaintiffs were prepared to litigate their claims through trial, Plaintiffs faced substantial challenges in prevailing in this matter and obtaining a better result than will be provided through the Settlement. Thus, this factor supports approval.

b. <u>Risk, Expense, Complexity, and Duration of Further Litigation</u>

Although the Parties engaged in significant informal discovery prior to mediation, the Parties still had much formal discovery to conduct if the case did not settle. Substantive motion work and preparation for the PAGA trial also remained for the Parties, as well as potential appeals. As a result, the Parties would likely incur considerably more attorneys' fees and costs through trial and possible appeal. The Settlement avoids those risks and the accompanying expense.

c. <u>Amount Offered in Settlement Given Realistic Value of Claims</u>

The proposed Settlement provides a fair and reasonable monetary recovery for the State of California and Aggrieved Employees in the face of hotly disputed claims. Based on data provided by Zions, there were approximately 44,344 Pay Periods worked by the Aggrieved Employees during the Settlement Period. Blakely Decl., ¶ 19; Settlement*,* ¶ 14(c).

Labor Code § 2699(f)(2) provides for PAGA civil penalties in the amount of $100 for per pay period for the initial violation, and $200 for each pay period for each subsequent violation. *See* Labor Code § 2699(f)(2). However, courts have interpreted section 2699(f)(2) to only impose the $200 subsequent penalty after an employer has been notified that its conduct violates the Labor Code. *See, e.g., Amaral v. Cintas Corp. No. 2*, 163 Cal.App.4th 1157, 1207 (2008) (finding "initial" violation rate applies until employer is notified that it is violating a Labor Code provision); *Trang v. Turbine Engine Components Technologies Corp.*, No. CV 12–07658 DDP (RZx), 2012 WL 6618854, at *5 (C.D. Cal. Dec. 19, 2012) ("courts have held that employers are not subject to heightened penalties for subsequent violations unless and until a court or commissioner notifies the employer that it is in violation of the Labor Code"); *Amalgamated Transit Union Local 1309, AFL-CIO v. Laidlaw Transit Services, Inc.*, No. 05cv1199–IEG–CAB, 2009 WL 2448430, at *9 (S.D. Cal. 2009) (finding that California law imposes the "subsequent violation penalty" only after an employer has been notified its conduct violates the Labor Code). Therefore, assuming that Plaintiffs could prove at least one Labor Code violation in each and every pay period during the Settlement Period, Plaintiffs calculated Zions' maximum PAGA exposure at $4,434,400 (44,344 pay periods * $100 per violation). Blakely Decl., ¶ 19.

In light of Zions' arguments and defenses described in the concurrently filed Blakely Declaration, Plaintiffs discounted that figure by 50% for a risk of losing on the merits and/or not recovering a PAGA penalty in each and every pay period, and by an additional 75% for risk of the Court reducing penalties, to arrive at a realistic exposure of approximately $554,300. Blakely Decl., ¶ 19; s*ee also, e.g., Thurman,* 203 Cal.App.4th at 1136 (affirming reduction of PAGA penalties); *Fleming,* 2011 WL 7563047 at *5 (reducing PAGA penalties by over 82%); *Carrington*, 30 Cal.App.5th at 529 (affirming PAGA civil penalty of just $5 per pay period).

In the face of Zions' defenses on the merits and the Court's discretion to reduce PAGA penalties, Plaintiffs felt that the negotiated settlement of $464,552, which represents approximately 84% of Plaintiffs' reasonably forecasted total recovery, was clearly in the best interests of the LWDA and the Aggrieved Employees and was well within the range of reasonableness. Blakely Decl., ¶ 19; *See Linney v. Cellular Alaska Partnership*, 151 F.3d 1234, 1242 (9th Cir. 1998) ("The fact that a proposed settlement may only amount to a fraction of the potential recovery does not, in and of itself, mean that the proposed settlement is Maximumly inadequate and should be disapproved.") (internal quotations omitted).

Approval of the Settlement is appropriate, as the Settlement will provide tangible monetary relief to Aggrieved Employees and the State of California while avoiding the risks and costs of continued litigation and trial.

d. Discovery Completed and the Status of Proceedings

As noted, the Parties engaged in substantial informal discovery to evaluate the value of the PAGA claim. Zions provided Plaintiffs with, *inter alia*, payroll and timekeeping records for a sampling of non-exempt employees, additional relevant data points, and relevant written policies and practices. Blakely Decl., ¶ 11. Only after engaging in mediation and adversarial discussions about the likelihood of proceeding on a representative basis and prevailing on the merits, did the Parties reach the proposed Settlement. Thus, this factor supports settlement approval.

e. The Experience and Views of Counsel

"Parties represented by competent counsel are better positioned than courts to produce a settlement that fairly reflects each party's expected outcome in litigation." *In re Pac. Enter. Sec. Litig.*, 47 F.3d 373, 378 (9th Cir. 1995). Plaintiffs are represented by experienced counsel with decades of combined experience, who believe this Settlement to be fair and adequate for all involved. Blakely Decl., ¶¶ 2-6; Declaration of Paul K. Haines ("Haines Decl."), ¶¶ 3-9. This factor supports settlement approval.

B. The Requested Award of Attorneys' Fees is Reasonable as a Percentage of the Gross Settlement Amount

Plaintiffs are entitled to attorneys' fees in this PAGA action under Labor Code § 2699(g)(1), which provides that "[a]ny employee who prevails in any [PAGA] action shall be entitled to an award of reasonable attorneys' fees and costs." *See also Gouskos v. Aptos Village Garage, Inc.*, 94 Cal.App.4th 754, 765 (2001) (holding that attorneys' fees to prevailing party are mandatory when the statute uses the word "shall"). It is undisputed that by obtaining PAGA penalties for the LWDA and Aggrieved Employees, Plaintiffs have prevailed. *See Graciano v. Robinson Ford Sales*, 144 Cal.App.4th 140, 153 (2006) ("[P]laintiffs may be considered 'prevailing parties' for attorney's fee purposes if they succeed on any significant issue in the litigation that achieves some of the benefit the parties sought in bringing suit."

A fee award is justified where the legal action has produced its benefits by way of settlement. *See*, *e.g.*, *Serrano v. Priest*, 20 Cal.3d 25, 34 (1977) ("when a number of persons are entitled in common to a specific fund, and an action brought by a plaintiff…for the benefit of all results in the creation or preservation of that fund, such plaintiff…may be awarded attorney's fees out of the fund."); *Serrano v. Unruh*, 32 Cal.3d 621, 627 (1982) (in awarding a fee from the common fund obtained for the benefit of all parties, the trial court acts within its equitable power to prevent the other parties' unjust enrichment).

The California Supreme Court confirmed its approval of the use of the "percentage of fund" method in *Laffitte v. Robert Half Int'l, Inc.*, 1 Cal.5th 480, 506 (2016), where it announced "the percentage of fund method survives in California class action cases…" Specifically, the

Laffitte Court held:

> The recognized advantages of the percentage method—including relative ease of calculation, alignment of incentives between counsel and the class, a better approximation of market conditions in a contingency case, and the encouragement it provides counsel to seek an early settlement and avoid unnecessarily prolonging the litigation—convince us the percentage method is a valuable tool that should not be denied our trial courts."

Id. at 503 (internal citation omitted); *see also e.g.*, *Serrano v. Priest* (1977) 20 Cal.3d 25, 34 ("when a number of persons are entitled in common to a specific fund, and an action brought by a plaintiff or plaintiffs for the benefit of all results in the creation or preservation of that fund, such plaintiff or plaintiffs may be awarded attorney's fees out of the fund."); *Serrano v. Unruh* (1982) 32 Cal.3d 621, 627 (in awarding a fee from the common fund obtained for the benefit of all parties, the trial court acts within its equitable power to prevent the other parties' unjust enrichment.); *Rawlings v. Prudential-Bache Properties, Inc.* (6th Cir. 1993) 9 F.3d 513, 516 (the percentage of the fund method for calculating attorneys' fees more accurately reflects the results achieved for the putative class than the lodestar method and "establishes reasonable expectations on the part of plaintiffs' attorneys as to their expected recovery; and it encourages early settlement, which avoids protracted litigation."); *In re Rite Aid Corp. Securities Litigation* (3d Cir. 2005) 396 F.3d 294, 300 ("The percentage-of-recovery method is generally favored in common fund cases because it allows courts to award fees from the fund 'in a manner that rewards counsel for success and penalizes it for failure.").

Here, Plaintiffs' fee request of one-third of the Gross Settlement Amount (estimated to be $154,850.67) which is the same percentage approved by the California Supreme Court in *Laffitte*, is fair and reasonable based on the percentage of the recovery method. This is also consistent with Plaintiffs' Counsel's experience in similar wage-and-hour class and PAGA matters. Blakely Decl., ¶ 21.

Critically, Plaintiffs' recovery for the State of California and the Aggrieved Employees of approximately $265,502.56 (PAGA Penalties Fund) exceeds other PAGA awards approved by California courts. *See, e.g., Aguirre v. DSW, Inc.*, No. DCV-11-01522-GW (SPx), 2012 WL 11875296 at *3 (C.D. Cal. Nov. 29, 2012) (approving $10,000 PAGA payment); *Jamil v. Workforce Res., LLC*, No. 18-CV-27 JLS (NLS), 2020 WL 6544660) at *6 (S.D. Cal. Nov. 5,

2020) (approving $10,000 total PAGA payment, finding the amount "fair and adequate in view of the purposes and policies of PAGA"); *Garcia v. Gordon Trucking, Inc.*, No. 1:10-cv-0324-AWI-SKO, 2012 WL 5364575 at *7 (E.D. Cal. Oct. 31, 2012) ("approving $10,000 total PAGA payment, finding that "[t]his comports with settlement approval of PAGA awards in other cases. [Citations.]").

As discussed above and in the accompany Blakely Declaration, this case presented significant risks to Plaintiffs' Counsel, who took this case on a purely contingency basis. Plaintiffs' Counsel conducted extensive research regarding the merits of Plaintiffs' claims, their ability to recover PAGA civil penalties, and Zions' potential defenses. Blakely Decl., ¶¶ 11-12, 14-18. Since undertaking representation of Plaintiffs, Plaintiffs' Counsel has dedicated substantial resources to this litigation without receiving any compensation to date. *Id*., ¶ at 22. Plaintiffs' Counsel also performed extensive analysis of data and information produced by Zions, used this analysis to evaluate Plaintiffs' claims, and drafted a comprehensive mediation brief. *Id*., at ¶¶ 11, 21. Plaintiffs' Counsel attended a full-day mediation, and expended significant effort in preparing settlement documents, this Motion and supporting documents, and will oversee the settlement administration process. *Id*. Given the considerable potential for adverse outcomes in this case, the contingent risk borne by Plaintiffs' Counsel was great. The quality of Plaintiffs' Counsel's work, and the efficacy and dedication with which it was performed, should be compensated. Thus, Plaintiffs submit the requested fee award is fair, reasonable and adequate and should be approved.

Plaintiffs' Counsel have over three decades of combined wage-and-hour class and representative action experience and have been certified as class counsel in numerous class actions. Blakely Decl., ¶¶ 2-6; Haines Decl., ¶¶ 3-9. Because it is reasonable to compensate counsel according to their skill, reputation, and experience, a fee award of one-third of the Gross Settlement Amount is reasonable. This case involved nuanced legal issues, including Zions' obligations to "provide" meal periods and "authorize and permit" rest periods, as well as the availability and amount of PAGA civil penalties for the alleged Labor Code violations. Blakely Decl., ¶ 21. Also, Zions was represented by experienced wage-and-hour litigation counsel. *Id*. Thus, Plaintiffs submit the requested fee award is fair, reasonable and adequate and should be approved.

C. The Requested Litigation Costs and Settlement Administration Costs Are Fair, Reasonable, and Adequate

Plaintiffs' request for reimbursement of costs of $16,948.77 is also fair and reasonable. All of Plaintiffs' litigation costs are reasonably incurred and were necessary to further the prosecution of this case on behalf of the State of California and the Aggrieved Employees. *See* Blakely Decl., ¶ 22, Exhibit 3. Moreover, the costs Plaintiffs seek are the types of costs routinely approved by courts. *See*, *e.g.*, *Harris v. Marhoefer*, 24 F.3d 16, 19 (9th Cir. 1994) (counsel should recover "those out-of-pocket expenses that would normally be charged to a fee paying client").

Likewise, the request for administration costs of $7,250.00 is also fair and reasonable. ILYM was selected because it is an experienced settlement administrator and returned a reasonable bid. Blakely Decl., ¶ 20; *see* Settlement, ¶ 17; *see also* Rogers ("ILYM") Decl. and Exhibits. Moreover, ILYM will perform several important functions that are integral to the implementation of the Settlement. Its requested fee is therefore reasonable.

D. The Court Should Approve Plaintiffs' Requested Service Awards Because They Are Fair, Adequate, and Reasonable in View of Plaintiffs' Efforts and the Risks They Assumed in This Litigation.

Courts routinely approve enhancement awards to compensate named plaintiffs for the services they provide and the risks they incur during representative litigation. *See, e.g., Bell v. Farmers Ins. Exch.*, 115 Cal.App.4th 715, 726 (2004) (upholding "service payments" to named Plaintiff); *Van Vranken v. Atlantic Richfield Co*., 901 F. Supp. 294 (N.D. Cal. 1995) (approving $50,000 incentive payment). Here, Plaintiffs seek Service Awards of $10,000.00, for a total of $20,000.00. *See* Settlement, ¶ 17. This request is reasonable given Plaintiffs' efforts in this case and the risks they undertook on behalf of the Aggrieved Employees. Cayon Decl., ¶¶ 4-6; Reesor Decl., ¶¶ 4-6. Plaintiffs provided substantial factual information and documents to counsel, assisted in identifying potential witnesses, and participated in numerous discussions with Plaintiffs' Counsel regarding the case. *Id*.; *see also* Blakely Decl., ¶ 23. Accordingly, Plaintiffs' requested Service Awards are appropriate and justified as part of the Settlement.

V. CONCLUSION

For the reasons stated herein, Plaintiffs respectfully request that this Court grant Plaintiffs' Motion and adopt the [Proposed] Judgment and Order Granting Settlement Approval submitted concurrently herewith.

Respectfully submitted,

Dated: April 14, 2026

HAINES LAW GROUP, APC

By: ______________________________

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