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8 SUPERIOR COURT OF CALIFORNIA
9 COUNTY OF LOS ANGELES

10 ERIC HILL, on behalf of himself and all aggrieved)	NO. 24STCV09523
11 employees,)	
12 Plaintiff,)	PLAINTIFF ERIC HILL'S NOTICE OF
13 v.)	MOTION AND MOTION TO
14 KLW CP, LLC, RISERFIT CA, LLC, and DOES 1)	APPROVE PAGA SETTLEMENT;
to 100,)	MEMORANDUM OF POINTS AND
15 Defendants.)	AUTHORITIES; DECLARATION OF
	ADAM ROSE; PROPOSED ORDER
	Date: April 29, 2025
	Time: 8:30 a.m.
	Dept: 57
	Res ID: 711071477757

17
18 TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

19 Please take notice that on April 29, 2025 at 8:30 a.m. or as soon thereafter as may be heard in
20 Department 57 of the Los Angeles Superior Court located at 111 N. Hill St., Los Angeles, CA
21 90012, plaintiff Eric Demetreous Hill will move the court pursuant to Labor Code section
22 2699(s)(2) to approve the proposed \$100,000 PAGA settlement reached at mediation. The motion
23 is based on this notice, the memorandum of points and authorities, the declaration of Adam Rose,
24 pleadings on file, and arguments at the hearing.

25 Date: April 1, 2025

FRONTIER LAW CENTER

26
27 /s/ Adam Rose
Attorney for Plaintiff
28 Eric Demetreous Hill

1 MEMORANDUM OF POINTS AND AUTHORITIES

2 I. Introduction

3 This PAGA case relates to Plaintiff's and the aggrieved employees' work as Pilates
4 instructors for the Club Pilates franchises operated by Defendants K LW CP, LLC and Riserfit CA,
5 LLC. Plaintiff worked for Defendants from July 13, 2023 to October 17, 2023. Mr. Hill's position
6 is that he was constructively discharged. The constructive discharge issue was the subject of a
7 concurrently proceeding arbitration with the American Arbitration Association, which was also
8 settled at the January 28, 2025 mediation.

9 The parties completed discovery in both the PAGA case and the arbitration. As explained
10 below, the PAGA settlement encompasses 476 aggrieved employees who worked a total of 6,390
11 pay periods from February 6, 2023 through the January 28, 2025 mediation date.

12 The PAGA allegations center on two primary themes: First, Plaintiff and the aggrieved
13 employees received commissions based on the number of classes taught. If overtime was worked in
14 the same pay period as earned commissions, the regular rate for overtime should have increased to
15 include the commissions payments. The second position is that Plaintiff and the aggrieved
16 employees were not relieved of all duties for rest breaks if they worked at least four hours, and
17 were not relieved of all duties for meal breaks if they worked more than five hours. As explained
18 below, not all pay periods included earned commissions or time worked over four/five hours. As a
19 result, the \$100,000 PAGA settlement is fair, reasonable, and adequate.

20
21 II. Summary of Settlement Terms

22 The gross PAGA settlement amount is \$100,000. From this, the following deductions apply:

- 23 1. Attorney fees of \$33,333.33 (33.3%)
24 2. Attorney costs up to \$7,000 (currently the amount is \$6,874.10 but will increase)
25 3. Settlement administration of \$6,000

26 This leaves a net settlement amount of \$53,666.67. Of this amount, 75% or \$40,250 will go
27 to the LWDA, and 25% or \$13,416.66 will go to the 476 aggrieved employees on a pro rata basis.
28 The average recovery for each aggrieved employee is \$28.18.

1 III. Summary of the Maximum Liability and Attendant Risks

2 The primary risk for the regular rate (overtime) violation is that not all aggrieved employees
3 worked overtime since typical Pilates shifts did not involve overtime work. Although the Pilates
4 instructors would receive commission payments for classes taught, there must be corresponding
5 overtime for the pay period.

6 Likewise for the meal and rest break violations, the risk is that the aggrieved employees did
7 not work the requisite amount of hours to implicate duty-free breaks, and even if the amount of
8 hours reached the threshold, it would be necessary to prove duty-free breaks were unavailable.

9 Finally, there would be wage statement violations for not paying the correct overtime rate
10 when commissions were earned, and not paying premium pay for missed meal and rest breaks
11 when a worker did not receive duty-free breaks.

12
13 A. Maximum Liability

14 The maximum PAGA liability for the regular rate violation is $6,390 \times \$100 = \$639,000$.
15 The same calculation applies for the missed meal breaks, missed rest breaks, and wage statement
16 violations (three additional bases for PAGA liability at $6,390 \times \$100 \times 3$), bringing the total
17 maximum liability to \$2,556,000.

18 The PAGA settlement of \$100,000 is 4% of the maximum liability. However, the risks of
19 proceeding further demonstrate the PAGA settlement is within the range of reasonableness.

20
21 B. Description of Risks

22 In anticipation of mediation, Defendants produced: 1) employee handbooks, 2) a 20%
23 sampling of the aggrieved employees wage statements, and 4) the number of aggrieved employees
24 during the PAGA period.

25 For the regular rate/overtime violations it appears that about 20% of the aggrieved
26 employees worked overtime. As stated above, typically Pilates instructors do not work overtime
27 but there were occasions where that occurred. With a 20% violation rate, the adjusted maximum
28 liability for the regular rate violations is $6,390 \text{ pay periods} \times 0.20 \times \$100 = \underline{\$127,800}$.

1 For the missed meal break violations, as stated above most shifts did not exceed five hours.
2 However, as with Plaintiff, there were occasions where shifts lasted more than five hours. This was
3 about 20% of the time. Thus, the same reduction applies as above, namely $6,390 \times 0.20 \times \$100 =$
4 \$127,800. The same logic applies for the rest break violations, which also has a more realistic
5 maximum liability of \$127,800.

6 Finally for the wage statement violations, there must be a requisite finding of knowing and
7 intentional conduct as prescribed by *Naranjo v. Spectrum Security Services, Inc.* (2024) 15 Cal.5th
8 1056.) This might be difficult to prove, since the regular rate violation might be unwitting, if Club
9 Pilates was unaware of the requirement to include the earned commissions in the overtime rate.
10 This potential would reduce the liability for wage statement violations to about 20% of the
11 maximum liability for wage statement violations, or $6,930 \times 0.20 \times 100 =$ \$127,800.

12
13 C. The Settlement is Within the Range of Reasonableness

14 The total adjusted liability given the risks is \$511,200. The proposed settlement of \$100,000
15 is 19.5% of the total adjusted liability, and that is within the range of reasonableness. (See, e.g.,
16 *Gilmore v. McMillan-Hendryx, Inc.*, 2022 WL 184004, at *4 (E.D. Cal. Jan. 20, 2022) (PAGA
17 settlement of 4.2% of the maximum value of PAGA claims was not unreasonable and weighs in
18 favor of settlement); *Merante v. Am. Inst. for Foreign Study, Inc.*, 2022 WL 2918896, at *6 (N.D.
19 Cal. July 25, 2022) (PAGA settlement between 0.27% and 2% of the maximum estimated value
20 was small but within the range of reasonableness).)

21
22 D. The Settlement Meets the Objectives of PAGA and is Fair, Reasonable and Adequate

23 The settlement comports with the purpose of PAGA by advancing and promoting Labor
24 Code compliance. The 476 aggrieved employees worked at Defendants' Club Pilates franchise
25 locations and will receive a commensurate recovery based on their lengths of employment, and the
26 LWDA will receive funds to continue its goal of education about employment rights and
27 responsibilities. (Lab. Code, § 2699, subd. (n).) Further, Defendants are now more cognizant of
28 overtime and meal/rest break requirements. Thus, the settlement is fair, reasonable, and adequate.

1 IV. Frontier Law Center is Entitled to Attorney Fees and Costs

2 PAGA allows a plaintiff to obtain attorney fees and costs. (Lab. Code, § 2699, subd. (k).)
3 An appropriate method for determining attorney fees is based on a percentage of the total value of
4 benefits to class members from the settlement. (*Wershba v. Apple Computer, Inc.* (2001) 91
5 Cal.App.4th 224, 254.)

6 Although this is not a class action, the same logic applies since a PAGA case is a
7 representative case. Attorney fees in common fund wage and hour settlements typically start with
8 the percentage method. (*Lafitte v. Robert Half Int'l* (2016) 1 Cal.5th 480, 503 (“[T]he court may
9 determine the amount of a reasonable fee by choosing an appropriate percentage of the fund
10 created.”) Thus, the requested fees of \$33,333.33 for the PAGA settlement is reasonable, since it
11 represents 33.3% of the common fund. Also, Plaintiff’s attorney’s costs reimbursement up to
12 \$7,000 is reasonable.

13
14 V. The Settlement Administrator’s Expenses Should be Approved

15 Attached to the declaration of Adam Rose is the administration bid from Phoenix Class
16 Action Administration Solutions for \$6,000. As the third party-administrator, it will send out
17 checks and notices to the aggrieved employees.

18
19 VI. Conclusion

20 Plaintiff submits that the settlement is fair, reasonable, and adequate. Although Plaintiff
21 believes the regular rate, meal and rest break, and wage statement issues are meritorious, the risks
22 described above yield a conclusion that the gross settlement of \$100,000 is within the range of
23 reasonableness. The settlement was reached from arm’s length negotiations with employment law
24 mediator Jan Frankel Schau and is supported by all parties. Plaintiff respectfully requests the court
25 to grant the motion to approve the PAGA settlement.

26 Date: April 1, 2025

FRONTIER LAW CENTER

27 /s/ Adam Rose
28 Attorney for Plaintiff
Eric Demetreous Hill



Make a Reservation

ERIC DEMETREOUS HILL vs K LW CP, LLC, et al.

Case Number: 24STCV09523 Case Type: Civil Unlimited Category: Other Employment Complaint Case
Date Filed: 2024-04-16 Location: Stanley Mosk Courthouse - Department 57

Reservation

Case Name: ERIC DEMETREOUS HILL vs K LW CP, LLC, et al.	Case Number: 24STCV09523
Type: Motion re: (to Approve PAGA Settlement)	Status: RESERVED
Filing Party: Eric Demetrious Hill (Plaintiff)	Location: Stanley Mosk Courthouse - Department 57
Date/Time: 04/29/2025 8:30 AM	Number of Motions: 1
Reservation ID: 711071477757	Confirmation Code: CR-WB8KHOVHTGCNWWCZW

Fees

Description	Fee	Qty	Amount
Motion re: (name extension)	0.00	1	0.00
TOTAL			\$0.00

Payment

Amount: \$0.00	Type: NOFEE
Account Number: n/a	Authorization: n/a
Payment Date: n/a	

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