

Arby Aiwazian (SBN 269827)
Joanna Ghosh (SBN 272479)
Brian J. St. John (SBN 304112)
LAWYERS for JUSTICE, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203
Tel: (818) 265-1020 / Fax: (818) 265-1021

Attorneys for Plaintiff Theresa Pelegrino

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SACRAMENTO**

THERESA PELEGRINO, individually, and
on behalf of other members of the general
public similarly situated,

Plaintiffs,

vs.

SACRAMENTO CHILDREN'S HOME, a
California corporation; and DOES 1 through
100, inclusive,

Defendants.

Case No.: 34-2022-00315912

Honorable Lauri A. Damrell
Department 22

CLASS ACTION

**PLAINTIFF'S NOTICE OF MOTION
AND MOTION FOR PRELIMINARY
APPROVAL OF CLASS ACTION
SETTLEMENT; MEMORANDUM OF
POINTS AND AUTHORITIES**

[Declaration of Proposed Class Counsel
(Brian J. St. John); Declaration of
Proposed Class Representative (Theresa
Pelegrino); and [Proposed] Order filed
concurrently herewith]

Date: June 28, 2024
Time: 9:00 a.m.
Department: 22

Complaint Filed: February 23, 2022
Trial Date: None Set

**TO THE HONORABLE COURT AND TO ALL PARTIES AND THEIR COUNSEL OF
RECORD:**

PLEASE TAKE NOTICE that on June 28, 2024 at 9:00 a.m. or as soon thereafter as the matter may be heard before the Honorable Lauri A. Damrell in Department 22 of the Superior Court of California for the County of Sacramento, located at Gordon D. Schaber Courthouse, 720 Ninth Street, Sacramento, California 95814, Plaintiff Theresa Pelegrino (“Plaintiff” or “Class Representative”) will, and hereby do, move for an order:

- Granting preliminary approval of the proposed class action settlement described herein and as set forth in the Joint Stipulation of Class Action and PAGA Settlement Agreement and Release Between Plaintiff and Defendant (“Settlement,” “Agreement,” or “Settlement Agreement”), attached as “**EXHIBIT A**” to the Declaration of Brian J. St. John, including, but not limited to, the means of allocation and distribution of funds, including and not limited to, the allocations for penalties under the California Labor Code Private Attorneys General Act of 2004, Attorneys’ Fees and Litigation Costs to Class Counsel, Enhancement Award to Plaintiff, and Settlement Administration Expenses to the Settlement Administrator;
- Conditionally certifying the Class for settlement purposes;
- Preliminarily appointing Plaintiff Theresa Pelegrino as Class Representative;
- Preliminarily appointing Arby Aiwasian, Joanna Ghosh, and Brian J. St. John of Lawyers *for* Justice, PC as Class Counsel;
- Approving the proposed Notice of Class Action Settlement and Hearing Date for Final Court Approval (“Class and PAGA Notice”), attached as “**EXHIBIT B**” to the [Proposed] Order Granting Preliminary Approval of Class Action Settlement;
- Directing the mailing of the Class and PAGA Notice to the Class Members;
- Approving the proposed deadlines for the notice and settlement administration process;
- Approving Phoenix Settlement Administrators as the Settlement Administrator; and

- Scheduling a hearing to consider whether to grant final approval of the Settlement, at which time the Court will also consider whether to grant final approval of the requests for the Attorneys' Fees and Litigation Costs to Class Counsel, Enhancement Award to Plaintiff, and Settlement Administration Expenses to the Settlement Administrator.

This Motion is made pursuant to Rule 3.769 and Rule 3.1113(e) of the California Rules of Court, which provide for approval by the Court the settlement of a putative class action and allows the Court to preliminarily certify a class for settlement purposes, and permits the Court to extend the page limit for memoranda.

This motion is based upon the following memorandum of points and authorities, the Settlement Agreement, the Declaration of Proposed Class Counsel (Brian J. St. John) and Proposed Class Representative (Theresa Pelegrino) in support thereof, 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: June 5, 2024

LAWYERS for JUSTICE, PC

By: _____


Brian J. St. John
Attorneys for Plaintiff

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

TABLE OF CONTENTS

I. SUMMARY OF MOTION1

II. PROCEDURAL HISTORY AND FACTUAL BACKGROUND.....3

III. REQUEST FOR LEAVE TO FILE FIRST AMENDED COMPLAINT4

IV. SUMMARY OF THE SETTLEMENT TERMS4

**V. LEGAL STANDARD FOR PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENTS7**

**VI. THE COURT SHOULD PRELIMINARILY APPROVE THE
SETTLEMENT.....8**

**A. The Settlement Resulted from Arm’s-Length Negotiations Based
Upon Extensive Investigation and Discovery.9**

B. The Settlement Is Fair, Reasonable, and Adequate. 11

C. The Settlement Is of Significant Value..... 13

VII. CERTIFICATION OF THE CLASS IS APPROPRIATE..... 13

A. The Class Is Ascertainable and Sufficiently Numerous. 14

B. The Class Members Share a Well-Defined Community of Interest. .. 14

**VIII. APPOINTMENT OF CLASS COUNSEL AND ALLOCATION FOR
ATTORNEYS’ FEES AND LITIGATION COSTS 16**

IX. THE PROPOSED CLASS NOTICE IS ADEQUATE..... 18

**X. APPOINTMENT OF PHOENIX SETTLEMENT ADMINISTRATORS AS
THE SETTLEMENT ADMINISTRATOR 19**

XI. PROPOSED DEADLINES FOR THE NOTICE PROCESS 20

XIII. CONCLUSION 24

TABLE OF AUTHORITIES

Cases

<i>7-Eleven Owners for Fair Franchising v. Southland Corp.</i> (2000) 85 Cal.App.4th 1135	9
<i>Bartold v. Glendale Federal Bank</i> (2000) 81 Cal.App.4th 816	14
<i>Beech Cinema, Inc. v. Twentieth-Century Fox Film Corp.</i> (S.D.N.Y. 1979) 480 F.Supp. 1195	18
<i>Capitol People First v. Department of Developmental Services</i> (2007) 155 Cal.App.4th 676	14
<i>Cartt v. Superior Court</i> (1975) 50 Cal.App.3d 960.....	18, 19
<i>Chavez v. Netflix, Inc.</i> (2008) 162 Cal.App.4th 43.....	18
<i>City of Detroit v. Grinnell Corporation</i> (2d Cir. 1974) 495 F.2d 448.....	8
<i>Class Plaintiffs v. City of Seattle</i> (9th Cir. 1982) 955 F.2d 1268.....	8
<i>Dunk v. Ford Motor Co.</i> (1996) 48 Cal.App.4th 1794	7, 9
<i>Estrada v. Dr. Pepper/Seven-Up</i> , Los Angeles County Superior Court, Case No. BC 262247 (May 2005).....	18
<i>Hanlon v. Chrysler Corp.</i> (9th Cir. 1998) 150 F.3d 1011.....	8, 9
<i>Hicks v. Kaufman & Broad Home Corp.</i> (2001) 89 Cal.App.4th 908.....	14
<i>In re American Bank Note Holographics, Inc., Securities Litigation</i> (S.D.N.Y. 2001) 127 F.Supp.2d 418	12
<i>In re Ampicillin Antitrust Litigation</i> (D. D.C. 1981) 526 F.Supp. 494.....	17
<i>Ketchum v. Moses</i> (2001) 24 Cal.4th 1122	17
<i>Kullar v. Foot Locker Retail, Inc.</i> (2008) 168 Cal.App.4th 116	13
<i>Laffitte v. Robert Half Int’l, Inc.</i> (2016) 1 Cal.5th 480.....	17
<i>Lealao v. Beneficial Cal., Inc.</i> (2000) 82 Cal.App.4th 19	17
<i>Linder v. Thrifty Oil Co.</i> (2000) 23 Cal.4th 429.....	14
<i>Mendoza v. United States</i> (9th Cir. 1980) 623 F.2d 1338.....	18
<i>Moore v. IKEA</i> , Los Angeles Superior Court, Case No. BC 263646 (Sept. 2006)	18
<i>Officers for Justice v. Civil Service Commission of City and County of San Francisco</i> (9th Cir. 1982) 688 F.2d 615.....	8
<i>Rose v. City of Hayward</i> (1981) 126 Cal.App.3d 926	14
<i>Sav-On Drug Stores, Inc. v. Superior Court</i> (2004) 34 Cal.4th 319	13, 14, 15

1	<i>Vasquez v. Superior Court</i> (1971) 4 Cal.3d 800	7
2	<i>Vranken v. Atlantic Richfield Co.</i> (N.D. Cal. 1995) 901 F.Supp. 294.....	22
3	<i>Wershba v. Apple Computer, Inc.</i> (2001) 91 Cal.App.4th 224	7, 9
4	Statutes	
5	Cal. Code Civ. Proc. § 1781.....	18
6	Cal. Code Civ. Proc. § 1781(f).....	7
7	Other Authorities	
8	Conte & Newberg, Newberg on Class Actions § 11.25 (4th Ed.).....	8
9	Conte & Newberg, Newberg on Class Actions § 11.26 (4th Ed.).....	20
10	Conte & Newberg, Newberg on Class Actions § 11.47 (4th Ed.).....	12
11	Conte & Newberg, Newberg on Class Actions § 14.03 (4th Ed.).....	17
12	Conte & Newberg, Newberg on Class Actions § 8.21 (4th Ed.).....	19
13	Conte & Newberg, Newberg on Class Actions § 8.29 (4th Ed.).....	19
14	<i>Manual for Complex Litigation</i> § 21.311 (4th ed. 2007)	19
15	<i>Manual for Complex Litigation</i> § 21.312 (4th ed. 2007)	19
16	Rules	
17	Fed. R. Civ. P. 23(c)(2).....	19
18	Fed. R. Civ. P. 23(e)	19
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		

MEMORANDUM OF POINTS AND AUTHORITIES

I. SUMMARY OF MOTION

Plaintiff Theresa Pelegriano (“Plaintiff” or “Class Representative”) seeks preliminary approval of the Joint Stipulation of Class Action and PAGA Settlement Agreement and Release Between Plaintiff and Defendant (“Settlement,” “Agreement,” or “Settlement Agreement”) entered into by and between Plaintiff, individually and on behalf of all others similarly situated and other aggrieved employees, on the one hand, and Defendant Sacramento Children’s Home (“Defendant”), on the other hand. Subject to approval by the Court, Plaintiff and Defendant (collectively, the “Parties”) have agreed to settle the lawsuits for a Maximum Settlement Amount of One Million Two Hundred Fifty Thousand Dollars and Zero Cents (\$1,250,000.00).¹ The Maximum Settlement Amount includes the following: (1) Settlement Awards to Settlement Class Members which will be distributed from the Net Settlement Amount²; (2) the Enhancement Award of Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00)³; (3) the Attorneys’ Fees and Litigation Costs to Class Counsel, consisting of attorneys’ fees in the amount of thirty-eight percent (38%) of the Maximum Settlement Amount, or \$475,000.00, and reimbursement of litigation costs and expenses not to exceed Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00)⁴; (4) the Settlement Administration Expenses to the Settlement Administrator⁵; and (5) One Hundred Thousand Dollars and Zero Cents (\$100,000.00) allocated to penalties under the Private Attorneys General Act (“PAGA”), of which 75% (i.e., \$75,000.00) will be distributed to the Labor and Workforce Development Agency (“LWDA”) and 25% (i.e., \$25,000.00) will be distributed to all Class Members who

¹ Settlement Agreement, attached as “**EXHIBIT A**” to Declaration of Brian J. St. John (“St. John Decl.”), ¶ 1.24. If the actual number of Workweeks encompassed within the Class Period exceeds 45,548 by more than 5%, then, Defendant may choose to either increase the Maximum Settlement Amount on a proportional basis by the same number of percentage points above 5% or end the Class Period at the point in time where Workweeks equal 47,825. See *id.*, ¶ 15.c.ix.

² *Id.*, ¶ 15.c.i.

³ *Id.*, ¶ 15.c.vi.

⁴ *Id.*, ¶ 17.

⁵ *Id.*, ¶¶ 15.c.vii.

worked any hours for Defendant in California during any pay period during the PAGA Period (“PAGA Members”).⁶

Plaintiff also seeks to provisionally certify the following Class for settlement purposes, which Defendant does not oppose:

All persons employed by Defendant in California as a non-exempt employee during the Class Period (“Class” or “Class Members”).⁷

Based on information provided by Defendant as of May 24, 2024, the Class is estimated to consist of approximately six hundred fifty-seven (657) individuals who worked 57,997 Workweeks during the Class Period and four hundred forty-nine PAGA Members who worked 15,544 PAGA Pay Periods during the PAGA Period.⁸

Class Members who do not submit a valid and timely Request for Exclusion from the Settlement (“Settlement Class Members”) will receive a share of the Net Settlement Amount (“Settlement Award”) on a *pro rata* basis based upon the number of weeks each Class Member worked for Defendant during the Class Period (“Workweeks”).⁹

All PAGA Members will receive a *pro rata* share of the 25% portion of the penalties under PAGA (“PAGA Share”) based on the number of pay periods each PAGA Member worked for Defendant during the PAGA Period (“PAGA Pay Periods”).¹⁰

The Settlement, if granted preliminary and final approval by the Court, will operate to resolve the Released Class Claims of Plaintiff and Settlement Class Members and the Released PAGA Claims of Plaintiff and PAGA Members, against the Released Parties.¹¹

In order to efficiently present the Court with adequate information to determine whether

⁶ Settlement Agreement, ¶¶ 6 & 15.c.ii. “PAGA Period” is defined as the period from February 23, 2021 through the date the Court grants preliminary approval of the settlement. *See id.*, ¶ 4.

⁷ *Id.*, ¶ 6. “Class Period” is defined as the period from February 23, 2018, through the date the Court preliminarily approves of the Settlement. *See id.*, ¶ 4.

⁸ St. John Decl., ¶ 8.

⁹ Settlement Agreement, ¶ 15.c.i; The workweeks will be calculated by the “Settlement Administrator,” as defined below, for Class Members by dividing the total days employed in California as a Class Member during the Class Period by seven (7). Partial workweeks will not be counted, meaning incomplete workweeks and/or incomplete pay periods, will be rounded down; however, if a Class Member or PAGA Member worked only one day as a Class Member, such Class Member will be credited with having worked one workweek for purposes of the Settlement. *See ibid.*

¹⁰ *Id.*, ¶ 15.c.ii.

¹¹ *Id.*, at ¶¶ 5.2 & 5.3. *See id.* at ¶ 24 for the full scope of the “Released Class Claims,” *id.* at ¶ 25 for the full scope of the “Released PAGA Claims,” and *id.* at ¶ 11 for the definition of the “Released Parties.”

to grant preliminary approval of the Settlement, Plaintiff also moves for an order permitting the filing of this single consolidated memorandum, although it exceeds the page limit established by California Rules of Court, Rule 3.1113(d), instead of filing several separate motions.

II. PROCEDURAL HISTORY AND FACTUAL BACKGROUND

Defendant Sacramento Children’s Home provides care to children and families in the Sacramento region. Plaintiff Theresa Pelegrino is a former employee of Defendant.

On February 23, 2022, Plaintiff filed a Class Action Complaint for Damages against Defendant asserting a single cause of action for unfair business practices pursuant to California Business & Professions Code sections 17200, *et seq.* (“Original Complaint”), in the Sacramento County Superior Court (“Court”), thereby commencing the above-captioned lawsuit (the “Action”).

On February 2, 2024, Plaintiff provided written notice by certified mail to the LWDA and by online submission to Defendant of the specific provisions of the California Labor Code that were allegedly violated by Defendant (“LWDA Notice”).

The Parties have agreed that Plaintiff will seek leave to file Plaintiff’s First Amended Class Action Complaint for Damages and Enforcement Under the Private Attorneys General Act, § 2698 *Et Seq.* (“First Amended Complaint” or “Operative Complaint”), adding claim for penalties pursuant to PAGA.

Plaintiff’s core allegation is that Defendant has violated the California Labor Code by engaging in a uniform practice and procedure, with respect to Plaintiff and the Class Members, of, *inter alia*, failing to pay all overtime and minimum wages, failing to provide compliant meal and rest periods and associated premium pay, failing to timely pay wages during employment and upon termination of employment, failing to provide compliant wage statements, failing to maintain requisite payroll records, and failing to reimburse necessary business expenses, and thereby engaged in unfair business practices in violation of California Business and Professions Code section 17200, *et seq.* and conduct that gives rise to penalties pursuant to PAGA. Plaintiff contends that she, and the Class Members, are entitled to, *inter alia*, unpaid wages, penalties (including and not limited to, penalties pursuant to PAGA), and attorneys’ fees.

Defendant has denied, and continues to deny, any liability and wrongdoing of any kind associated with any of the allegations in the Action, and further deny that the Action are appropriate for class treatment or representative adjudication for any purpose other than for settlement purposes only.

Prior to reaching Settlement, the Parties conducted significant investigation into the facts of the case and engaged in informal discovery. The Parties have actively litigated the Action since it was commenced on February 23, 2022. Ultimately, the Parties reached the Settlement described herein to resolve the Action in its entirety.

III. REQUEST FOR LEAVE TO FILE FIRST AMENDED COMPLAINT

To effectuate the terms of the Settlement Agreement and intent of the Parties, the Parties agree that leave should be granted for Plaintiff to file the First Amended Complaint in order to, *inter alia*, add claim for penalties pursuant to PAGA. As such, Plaintiff respectfully requests leave to file the First Amended Complaint (i.e., the Operative Complaint), attached “Exhibit A” to the [Proposed] Order Granting Preliminary Approval of Class Action Settlement, so that the operative complaint in this action formally asserts the causes of action and allegations that have been investigated, litigated, and ultimately settled, by the Parties, and so that the terms of the Settlement may be effectuated.

IV. SUMMARY OF THE SETTLEMENT TERMS

Under the terms of the Settlement, Defendant will pay a Maximum Settlement Amount (\$1,250,000.00) on a non-reversionary basis to resolve the Released Class Claims of Plaintiff and the Class Members who do not submit a valid and timely Request for Exclusion from the Settlement (i.e., Settlement Class Members) and the Released PAGA Claims of the PAGA Members with respect to the Released Parties.¹² Subject to approval by the Court, the Net Settlement Amount will be calculated by deducting the following amounts from the Maximum Settlement Amount: (1) attorneys’ fees in an amount not to exceed thirty-eight percent of the Maximum Settlement Amount (i.e., \$475,000.00) and reimbursement of costs and expenses in an amount not to exceed Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00) to Class

¹² Settlement Agreement, ¶ 15.c.

Counsel (“Attorneys’ Fees and Litigation Costs”); (2) settlement administration costs to the Settlement Administrator (“Settlement Administration Expenses”); (3) One Hundred Thousand Dollars and Zero Cents (\$100,000.00) allocated to penalties under PAGA; and (4) payment in the amount of up to Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) to Plaintiff (“Enhancement Award”).¹³ The Parties have agreed to retain Phoenix Settlement Administrators (“Phoenix” or “Settlement Administrator”) to handle the notice and settlement administration process.

The Parties have agreed that the Settlement Administrator will determine each Settlement Class Member’s *pro rata* share of the available Net Settlement Amount (i.e., Settlement Award), in accordance with the Settlement Agreement and as follows: the Settlement Administrator will divide the Net Settlement Amount by the total number of Workweeks worked by all Settlement Class Members during the Class Period and will multiply the result by each Settlement Class Member’s Workweeks to arrive at his or her Settlement Award.¹⁴

The Parties have agreed that the Settlement Administrator will determine each PAGA Member’s *pro rata* share of the twenty-five percent (25%) portion of the penalties under PAGA (i.e., PAGA Share) in accordance with the Settlement Agreement and as follows: The Settlement Administrator will divide the twenty-five percent (25%) portion of the penalties under PAGA by the total number of PAGA Pay Periods worked by PAGA Members during the PAGA Period and will multiply the result by each PAGA Member’s PAGA Periods to arrive at his or her PAGA Share.¹⁵

Each Settlement Class Member’s Settlement Award will be allocated as follows: one-third (1/3) shall be reported as wages on IRS Form W-2 and its state and local equivalents, and two-thirds (2/3) shall be reported as interest, penalties, and non-wage damages on IRS Form 1099 and its state and local equivalents.¹⁶ Defendant will pay the employer’s share of payroll taxes and contributions with respect to the wage portion of Settlement Awards in addition to the

¹³ Settlement Agreement., ¶ 15.c.i.

¹⁴ Ibid.

¹⁵ *Id.*, ¶ 15.c.ii.

¹⁶ Ibid.

Maximum Settlement Amount.¹⁷ Each PAGA Share will be allocated as one hundred percent (100%) penalties and will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator.¹⁸

The Settlement Award and PAGA Share checks will be negotiable for one hundred eighty (180) calendar days after the date of mailing, and thereafter, will be canceled.¹⁹ The funds associated with such canceled checks will be transmitted by the Settlement Administrator pursuant to California Code of Civil Procedure section 384(b)(3) to Koinonia Family Services: <https://www.kfh.org/services/child-advocacy/>, a non-profit 501(c)(3) organization with child advocacy programs in the State of California, as the *cy pres* recipient.²⁰

Class Members who wish to be excluded from the Settlement (i.e., opt out) must submit a written request signed by the Class Member (“Request for Exclusion”) to the Settlement Administrator, by mail, postmarked on or before the date that is sixty (60) calendar days after the Settlement Administrator mails the Class and PAGA Notice to Class Members and PAGA Members (“Response Deadline”).²¹ A Request for Exclusion must contain: (1) contain the Class Member’s full name, address, date of birth, and dates he/she worked as a Class Member for Defendant in California; (2) state that he/she has received the “Notice of Proposed Class Action Settlement and Hearing Date for Final Court Approval of Settlement”; (3) state he/she has decided not to participate in the Settlement and words to the effect that he/she desires to be excluded from the Settlement; and (4) be submitted by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline.²² Any Class Member who opts out of the Settlement will not be bound by the terms of the Settlement, will not receive an Settlement Award, and will not have the right to object to the Settlement.²³ However, Class Members who are considered PAGA Members will still receive an PAGA Share and release the

¹⁷ Settlement Agreement, ¶ 14.

¹⁸ *Id.*, ¶ 15.c.iii.

¹⁹ *Id.*, ¶ 21.

²⁰ *Ibid.*

²¹ *Id.*, ¶¶ 22 & 23.

²² *Id.*, ¶ 22.

²³ *Id.* ¶ 23.

Released PAGA Claims, regardless of whether they submit a valid and timely Request for Exclusion.²⁴

To object to the Settlement, Class Members who have not opted out of the Settlement (i.e., Settlement Class Members) may submit a timely and complete written objection to the Settlement to the Settlement Administrator, by mail, on or before the Response Deadline.²⁵ The written objection must: (1) contain the Class Member's full name, address, date of birth, and dates he/she worked as a Class Member for Defendant in California; (2) state each specific reason in support of the objection and any legal support for each objection; (3) be submitted by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline.²⁶ As an alternative to or in addition to submitting a written objection, Settlement Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing.²⁷

A Class Member who wishes to dispute the number of workweeks or PAGA Pay Periods which have been credited to him or her, as reflected in his or her Class and PAGA Notice, may do so by submitting a written letter to the Settlement Administrator, by mail, on or before the Response Deadline.²⁸

V. LEGAL STANDARD FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENTS

The settlement of a class action requires approval by the court. *Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1800; Cal. Code Civ. Proc. § 1781(f). California courts look to federal authority for guidance with class action settlements. *Dunk, supra*, 48 Cal.App.4th at 1801, fn.7 (citing *Vasquez v. Superior Court* (1971) 4 Cal.3d 800, 821). The decision to approve or reject a proposed settlement is within the court's discretion. *Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 234-35 ("In general, questions whether a settlement was fair and reasonable, whether certification of the class was proper, and whether the attorney fee award

²⁴ Settlement Agreement, ¶ 22.

²⁵ *Id.*, ¶ 23.

²⁶ *Ibid.*

²⁷ *Ibid.*

²⁸ *Id.*, ¶ 15.c.i.

1 was proper are matters addressed to the trial court’s broad discretion.”). Accordingly, a court’s
2 decision to approve a class action settlement may be reversed only upon a strong showing of
3 “clear abuse of discretion.” *Hanlon v. Chrysler Corp.* (9th Cir. 1998) 150 F.3d 1011, 1026;
4 *Class Plaintiff v. City of Seattle* (9th Cir. 1982) 955 F.2d 1268, 1276.

5 Courts review class action settlements in a two-step process: (1) an earlier conditional
6 review by the court; and (2) a later detailed review after the period during which notice is
7 distributed to class members for their comments or objections. Conte & Newberg, *Newberg on*
8 *Class Actions* § 11.24 (4th Ed. 2002). This procedure, which is commonly utilized by both
9 federal and state courts, assures class members of the protection of procedural due process
10 safeguards and enables a court to fulfill its role as the guardian of the interest of the settlement
11 class.

12 Preliminary approval of a settlement does not require a court to make a final
13 determination that the settlement is fair, reasonable, and adequate. Rather, that decision is made
14 only at the final approval stage, after notice of the settlement has been given to the class members
15 and they have had an opportunity to voice their views of the settlement or to exclude themselves
16 from the settlement. Cal. R. Ct. 3.769(g).

17 In considering a potential Settlement, a court need not reach any ultimate conclusions
18 on the issues of fact and law which underlie the merits of the dispute and need not engage in a
19 trial on the merits. See *City of Detroit v. Grinnell Corporation* (2d Cir. 1974) 495 F.2d 448, 456;
20 *Officers for Justice v. Civil Service Commission of City and County of San Francisco* (9th Cir.
21 1982) 688 F.2d 615, 625. Neither formal notice nor a hearing is required for the trial court to
22 grant provisional class certification and preliminary approval; the court may grant such relief
23 upon an informal application by the settling parties and may conduct any necessary hearing in
24 court or in chambers, at the court’s discretion. *Newberg*, § 11.25.

25 **VI. THE COURT SHOULD PRELIMINARILY APPROVE THE SETTLEMENT**

26 The trial court has broad powers to determine whether a proposed settlement is fair under
27 the circumstances of the case. *Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794. To make
28 this fairness determination, courts must consider several relevant factors, including “the strength

of the plaintiff's 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 view of counsel, the presence of a governmental participant, and the reaction of the class members to the proposed settlement." *Dunk, supra*, 48 Cal.App.4th at 1801. "The list of factors is not exclusive and the court is free to engage in a balancing and weighing of the factors depending on the circumstances of each case." *Wershba, supra*, 91 Cal.App.4th at 245. Furthermore, courts give "proper deference to the private consensual decision of the parties." *Hanlon, supra*, 150 F.3d at 1027 (citation omitted).

The proponent of the settlement has the burden to show that it is fair and reasonable. *Wershba, supra*, 91 Cal.App.4th at 245. "A presumption of fairness exists 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 objectors is small." *Id.*; *Dunk, supra*, 48 Cal.App.4th at 1802; *7-Eleven Owners for Fair Franchising v. Southland Corp.* (2000) 85 Cal.App.4th 1135, 1151.

A. The Settlement Resulted from Arm's-Length Negotiations Based Upon Extensive Investigation and Discovery.

The Parties have actively litigated the Action since it was commenced on February 23, 2022. Both sides used the pre-settlement time period to investigate the veracity, strength, and scope of the claims, and Class Counsel was actively preparing the matter for class certification and trial.²⁹

Prior to, during, and after engaging in settlement negotiations, Class Counsel conducted significant investigation and informal discovery regarding the facts of the cases, including and not limited to, the exchange, review, and analysis of a large volume of information, documents, and data obtained from Defendant, Plaintiff, and other sources.³⁰ The volume of information,

²⁹ St. John Decl., ¶¶ 11-13.

³⁰ *Id.*, ¶ 12.

1 data, and documents that Class Counsel reviewed and analyzed included and was not limited to:
2 Plaintiff's employment records, a detailed sampling of Plaintiff's and other Class Members'
3 time data and pay records, Defendant's Employee Handbook, Defendant's operations and
4 employment practices, forms, procedures, and policies, among other information and
5 documents.³¹ Class Counsel had the opportunity to interview Plaintiff and other Class Members
6 to gather information regarding the facts and circumstances surrounding Plaintiff's and putative
7 class members' employment and to identify potential witnesses.³² Counsel for the Parties met
8 and conferred on numerous occasions, e.g., to discuss issues relating to the pleadings, discovery,
9 and the production of documents and data prior to the settlement negotiations.³³ Class Counsel
10 prepared for and attended court proceedings, settlement negotiations, among other tasks.³⁴

11 The Parties engaged in extensive settlement negotiations.³⁵ Prior to and in during the
12 settlement discussions, the Parties exchanged class information and engaged in intensive
13 discussion regarding their evaluations of the cases and various aspects of the cases, including
14 but not limited to, the risks and delays of further litigation, the risks to the Parties of proceeding
15 with class certification and/or representative adjudication, the law relating to off-the-clock
16 theory, meal and rest periods, PAGA representative actions, and wage-and-hour law and
17 enforcement, as well as the evidence produced and analyzed, and the possibility of appeals,
18 among other things.³⁶ During all settlement discussions, the Parties conducted their negotiations
19 at arm's length in an adversarial position.³⁷ Arriving at a settlement that was acceptable to all
20 Parties was not easy. Defendant and their counsel felt strongly about their ability to prevail on
21 the merits and at certification, and Plaintiff and Class Counsel believed that they would be able
22 to obtain class certification and prevail at trial.³⁸ After conducting investigations, informal
23 discovery, exchange of information, and settlement negotiations, the Parties have agreed that
24

25 ³¹ St. John Decl., ¶ 12.

26 ³² Ibid.

27 ³³ Ibid.

28 ³⁴ Ibid.

³⁵ *Id.*, ¶ 11.

³⁶ Ibid.

³⁷ Ibid.

³⁸ *Id.*, ¶¶ 11, 16-18.

the matter is well-suited for settlement given the legal issues relating to Plaintiff's principal claims, as well as the costs and risks to both sides that would attend further litigation.³⁹

The Settlement takes into account the strengths and weaknesses of each side's position and the uncertainty of how the cases might have concluded at certification and trial.⁴⁰ The Parties have had the opportunity to interview and obtain information from their respective witnesses.⁴¹ Counsel for the Parties have also reviewed documents and information relating to Plaintiff's and the Class Members' and PAGA Members' employment with Defendant and performed significant research into the law concerning class certification, PAGA representative actions, off-the-clock theory, meal and rest periods, wage-and-hour law and enforcement, Plaintiff's claims, and Defendant's defenses thereto, as well as facts discovered.⁴² The Parties have reached the Settlement based on this large volume of facts, evidence, and investigation. In addition, Class Counsel have extensive experience in employment class actions, including significant experience in California wage-and-hour litigation.⁴³

B. The Settlement Is Fair, Reasonable, and Adequate.

The Settlement, which provides for a Maximum Settlement Amount of One Million Two Hundred Fifty Thousand Dollars and Zero Cents (\$1,250,000.00), represents a fair, adequate, and reasonable resolution of the matter.⁴⁴ The Settlement was calculated using the information and data uncovered during litigation, case investigation, as well as the informal exchange of information.⁴⁵ The Settlement takes into account the potential risks and rewards inherent in any case and, in particular, in the matter at issue.⁴⁶ Moreover, considering all of the facts and circumstances of the lawsuits, the Settlement represents a fair, reasonable, and adequate recovery for the Class.⁴⁷

///

³⁹ St. John Decl., ¶¶ 11, 16-18.

⁴⁰ Ibid.

⁴¹ Ibid.

⁴² *Id.*, ¶¶ 12-14 & 17-19.

⁴³ *Id.*, ¶ 6.

⁴⁴ *Id.*, ¶¶ 11, 13, 14 & 26.

⁴⁵ *Id.*, ¶¶ 11-13.

⁴⁶ *Id.*, ¶¶ 16-18.

⁴⁷ *Id.*, ¶¶ 11, 13, & 26.

Assuming that the Attorneys' Fees and Litigation Costs, Enhancement Award, and penalties under PAGA, are approved by the Court and paid in the full amounts provided for by the Settlement, the Settlement provides for a Net Settlement Amount that is currently estimated to be Six Hundred Forty-Two Thousand Five Hundred Dollars and Zero Cents (\$642,500.00), less Settlement Administration Expenses, with an estimated average Settlement Share of \$977.92 per Class Member and estimated average PAGA Share of \$55.68 per PAGA Member.⁴⁸ As discussed in Part III, *supra*, the entire Net Settlement Amount will be fully paid out to the Settlement Class Members without any reversion to Defendant, in accordance with the Settlement Agreement. The amount of each Settlement Class Member's Settlement Award will be calculated based on his or her Workweeks during the Class Period, and the amount of each PAGA Members' PAGA Share will be calculated based on his or her PAGA Pay Periods during the PAGA Period.⁴⁹ There is no reason to doubt the fairness of the proposed plan of allocation of the settlement funds for purposes of preliminary approval. Even at the final approval stage, "[a]n allocation formula need only have a reasonable, rational basis [to warrant approval], particularly if recommended by experienced and competent class counsel." *In re American Bank Note Holographics, Inc., Securities Litigation* (S.D.N.Y. 2001) 127 F.Supp.2d 418, 429-30.

In light of the foregoing considerations, Class Counsel believe that the Settlement as a whole is fair, reasonable, and adequate, and is in the best interest of the Class Members.⁵⁰ Although the recommendations of Class Counsel are not conclusive, the Court can properly take the recommendations into account, particularly if Class Counsel appear to be competent, and have experience with this type of litigation, and investigation have been completed, as is the case here. *Newberg*, §11.47. Accordingly, the Court should grant preliminary approval of the Settlement.

///

///

⁴⁸ St. John Decl., ¶ 14.

⁴⁹ Settlement Agreement, ¶¶ 15.c.i-ii.

⁵⁰ St. John Decl., ¶¶ 11, 13, & 26.

1 **C. The Settlement Is of Significant Value.**

2 Pursuant to *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, the Parties
3 conducted significant informal discovery and exchanged a large volume of documents, data, and
4 information prior to settlement.⁵¹ The discovery and information that Class Counsel obtained
5 from Defendant and through other sources allowed Class Counsel to develop valuation models
6 in order to evaluate the potential value and merit of the claims, and perform a complete
7 evaluation of Defendant's defenses thereto.⁵² As outlined in the Declaration of Brian J. St. John,
8 Class Counsel performed an extensive analysis of each and every claim pursuant to *Kullar* prior
to entering into the Settlement.⁵³

9 **VII. CERTIFICATION OF THE CLASS IS APPROPRIATE**

10 For settlement purposes, the requisites for establishing class certification are met, and
11 the Parties have stipulated to conditional certification of the Class for settlement purposes only.⁵⁴
12 California Code of Civil Procedure Section 382 "authorizes class actions when the question is
13 one of a common or general interest, of many persons, or when the Parties are numerous, and it
14 is impracticable to bring them all before the court." *Sav-On Drug Stores, Inc. v. Superior Court*
15 (2004) 34 Cal.4th 319, 326. California courts certify class actions where the plaintiff identifies
16 "both [1] an ascertainable class and [2] a well-defined community of interest among class
17 members." *Id.*

18 The Class is ascertainable and numerous as to make it impracticable to join all Class
19 Members, and there are common questions of law and fact that predominate over any questions
20 affecting any individual Class Member. Further, Plaintiff's claims are typical of the claims of
21 the Class Members, and Class Counsel will fairly and adequately protect the interests of the
22 Class. Finally, prosecution of separate actions by individual Class Members would create the
23 risk of inconsistent or varying adjudications, and a class action is superior to other available
24 means for the fair and efficient adjudication of the cases. The Class is amenable to class
25 certification for settlement purposes as discussed below.

26
27 ⁵¹ St. John Decl., ¶¶ 11-13 & 18.

28 ⁵² *Id.*, ¶ 18.

⁵³ *Id.*, ¶¶ 11-13, 16-18, & 21-25.

⁵⁴ Settlement Agreement, ¶ 7.

1 **A. The Class Is Ascertainable and Sufficiently Numerous.**

2 “Ascertainability is required in order to give notice to putative class members as to whom
3 the judgment in the action will be *res judicata*.” *Hicks v. Kaufman & Broad Home Corp.* (2001)
4 89 Cal.App.4th 908, 914. “A class is ascertainable if it identifies a group of unnamed plaintiffs
5 by describing a set of common characteristics sufficient to allow a member of that group to
6 identify himself or herself as having a right to recover based on the description.” *Bartold v.*
7 *Glendale Federal Bank* (2000) 81 Cal.App.4th 816, 828. The proposed class must also be
8 sufficiently numerous. *Linder v. Thrifty Oil Co.* (2000) 23 Cal.4th 429, 435.

9 This matter involves a class of approximately six hundred fifty-seven (657)
10 individuals.⁵⁵ This class is sufficiently numerous. *See Rose v. City of Hayward* (1981) 126
11 Cal.App.3d 926, 934-35 (indicating that a class of 30 to 40 individuals satisfies the numerosity
12 requirement as joinder is not practical at that point). Further, all Class Members can and will
13 be identified by Defendant to the Settlement Administrator through a review of Defendant’s
14 employment records regarding hourly-paid or non-exempt employees in California during the
15 Class Period. As such, the Class is ascertainable and sufficiently numerous.

16 **B. The Class Members Share a Well-Defined Community of Interest.**

17 The community of interest requirement “embodies three factors: (1) predominant
18 common questions of law or fact; (2) class representative with claims or defenses typical of the
19 class; and (3) class representative who can adequately represent the class.” *Sav-On, supra*, 34
20 Cal.4th at 326. “[T]he community of interest requirement for certification *does not mandate*
21 *that class members have uniform or identical claims.*” *Capitol People First v. Dep’t of*
22 *Developmental Services* (2007) 155 Cal.App.4th 676, 692 (emphasis in original). Rather, courts
23 focus on the Defendant’s internal policies and “pattern and practice . . . in order to assess whether
24 that common behavior toward similarly situated plaintiff renders class certification appropriate.”
25 *Id.* (citing *Sav-On, supra*, 34 Cal.4th at 333).

26 The “common issues” requirement “involves analysis of whether the proponent’s ‘theory
27 of recovery’ is likely to prove compatible with class treatment.” *Capitol People, supra*, 155
28

⁵⁵ St. John Decl., ¶ 8.

Cal.App.4th at 690 (emphasis added) (citing *Sav-On, supra*, 34 Cal.4th at 327). Furthermore, the commonality inquiry centers on the “reasonableness” of the defendant’s labor policies as applied to the potential class. *Ghazaryan, supra*, 169 Cal.App.4th at 1534.

Here, common issues of fact and law predominate as to each of the claims alleged and asserted in the Complaints. Based on the documents and information obtained through informal discovery and exchange of information in the cases, Plaintiff contends that Class Members were subject to the same or similar job duties and uniform operations and employment practices, policies, and procedures during the time period at issue.⁵⁶ Plaintiff’s claims arise from Defendant’s alleged uniform policy and systematic scheme, with respect to Plaintiff and the Class Members, of, *inter alia*, failing to properly pay overtime and minimum wages for all hours worked, failing to provide compliant meal and rest periods and associated premium pay, failing to timely pay wages during employment and upon termination of employment, failing to provide compliant wage statements, failing to keep requisite payroll records, and failing to reimburse necessary business-related expenses.⁵⁷

Plaintiff also contends that Defendant’s payroll and recordkeeping practices with respect to Plaintiff and the Class Members were substantially the same during the time period at issue.⁵⁸ As a result, Plaintiff claim that all of the Class Members were uniformly not paid all compensation due to them from Defendant during the time period at issue.⁵⁹

Plaintiff maintains that the outcome of this litigation would be determined by Defendant’s alleged uniform operations and employment policies and procedures that applied across their hourly-paid or non-exempt employees who worked in California during the Class Period. Accordingly, the Court should certify the Class for settlement purposes only.

///

///

///

⁵⁶ St. John Decl., ¶ 15.

⁵⁷ Ibid.

⁵⁸ Ibid.

⁵⁹ Ibid.

VIII. APPOINTMENT OF CLASS COUNSEL AND ALLOCATION FOR ATTORNEYS' FEES AND LITIGATION COSTS

Class Counsel have litigated the matter for over two (2) years, and were actively preparing the matter for class certification and trial.⁶⁰ The ongoing work has been extensive, demanding, and ultimately successful in achieving a substantial settlement resolution. Class Counsel conducted extensive investigations into the facts of the case and informal discovery. Class Counsel reviewed a large volume of documents and data⁶¹ and also interviewed and obtained information from Plaintiff, researched applicable law, undertook damages/valuation calculations, and met and conferred with Defendant's counsel regarding the pleadings, discovery, and the production of documents and data prior to settlement.⁶² Counsel for the Parties also undertook extensive settlement discussions.⁶³

Class Counsel are well-experienced in wage-and-hour class action litigation and used that experience to obtain a great result for the Class.⁶⁴

The Settlement establishes a Maximum Settlement Amount of One Million Two Hundred Fifty Thousand Dollars and Zero Cents (\$1,250,000.00), and provides for Class Counsel to apply to the Court for Attorneys' Fees and Litigation Costs, consisting of attorneys' fees in an amount not to exceed thirty-eight percent (38%) of the Maximum Settlement Amount (i.e., \$475,000.00) and an amount not to exceed Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00) for litigation costs and expenses.⁶⁵ The attorneys' fees provided for by the Settlement are commensurate with: (1) the risk that Class Counsel took in bringing and litigating the cases, (2) the extensive time, effort and expense that Class Counsel dedicated to the cases, (3) the skill and determination that Class Counsel have shown, (4) the results that Class Counsel have achieved throughout the litigation, (5) the value of the Settlement that Class Counsel have achieved for the Class Members, PAGA Members, and the State of California, and (6) the other cases that

⁶⁰ St. John Decl., ¶¶ 11-13.

⁶¹ *Id.*, ¶ 12.

⁶² *Ibid.*

⁶³ *Id.*, ¶ 11.

⁶⁴ *Id.*, ¶¶ 5-6.

⁶⁵ Settlement Agreement, ¶ 17.

1 Class Counsel had to turn down in order to devote their time and efforts to this matter. The
2 proposed Class and PAGA Notice provides Class Members with information about the amount
3 allocated toward Attorneys' Fees and Litigation Costs, and that an award of the Attorneys' Fees
4 and Litigation Costs will be sought, as provided for by the Settlement.⁶⁶

5 Trial courts have "wide latitude" in assessing the value of attorneys' fees and their
6 decisions will "not be disturbed on appeal absent a manifest abuse of discretion." *Lealao v.*
7 *Beneficial Cal., Inc.* (2000) 82 Cal.App.4th 19, 41. Indeed, it is long settled that the
8 "experienced trial judge is the best judge of the value of professional services rendered in his
9 court." *Ketchum v. Moses* (2001) 24 Cal.4th 1122, 1132. California law provides that attorney
10 fee awards should be equivalent to fees paid in the legal marketplace to compensate for the result
11 achieved and risk incurred. *Laffitte v. Robert Half Int'l, Inc.* (2016) 1 Cal.5th 480, 503 (citing
12 *Lealao, supra*, 82 Cal.App.4th at 48-49). In *Lealao*, the court held that when an action leads to
13 a recovery that can be "monetized" with a reasonable degree of certainty, the trial court should
14 "ensure that the fee awarded is within the range of fees freely negotiated in the legal marketplace
15 in comparable litigation." *Id.* at 50. In cases where class members present claims against a
16 settlement fund and the settlement agreement provides that the defendant agrees to paying the
17 attorneys a percentage of the same, use of that percentage method is appropriate. *Id.* at 32.

18 The propriety of calculating and awarding attorneys' fees as a percentage of a settlement
19 that has, by litigation, been preserved or recovered for the benefit of others, has been confirmed
20 by the California Supreme Court. *Laffitte, supra*, 1 Cal.5th 480 at 486 & 506. The California
21 Supreme Court has taken the position that "[t]rial courts have discretion to conduct a lodestar
22 cross-check on a percentage fee," "they also retain the discretion to forgo a lodestar cross-check
23 and use other means to evaluate the reasonableness of a requested percentage fee[.]" and "[t]he
24 percentage of fund method survives in California." *Id.* (internal quotation marks omitted).

25 Historically, courts have awarded fees as high as fifty percent (50%) of the settlement,
26 depending on the circumstances of the case. *Newberg*, § 14.03; *see also In re Ampicillin*
27 *AntitPhoenix Litig.* (D.D.C. 1981) 526 F.Supp. 494 (awarding attorneys' fees in the amount of
28

⁶⁶ Settlement Agreement., Exh. 1.

45% of the \$7.3 million settlement); *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 class action attorneys’ fee awards “averag[ing] around one-third of the recovery.” *Chavez v. Netflix, Inc.* (2008) 162 Cal.App.4th 43, 66 n.11 (lower court found 20 to 40 percent range of contingency fee in marketplace was appropriate in class actions); see also *Estrada v. Dr. Pepper/Seven-Up*, Los Angeles County Superior Court Case No. BC262247 (May 2005) (wage and hour); *Moore v. IKEA*, Los Angeles County Superior Court Case No. BC263646 (Sept. 2006) (wage and hour).

Class Counsel have borne all of the risks and costs of litigation and will not receive any compensation until recovery is obtained.⁶⁷

Class Counsel will provide extensive evidence as to the time worked, litigation efforts, and further argument at the time of filing Plaintiff’s motion for final approval of the Settlement and application for the Attorneys’ Fees and Litigation Costs and at the Final Approval Hearing. Considering the work performed and the risks incurred, the attorneys’ fees provided for by the Settlement and to be requested by Class Counsel are well within the range of reasonableness.

IX. THE PROPOSED CLASS NOTICE IS ADEQUATE

California statutory and case law vests the Court with broad discretion in fashioning appropriate class notice. See Cal. Code Civ. Proc. § 1781; *Cartt v. Superior Court* (1975) 50 Cal.App.3d 960, 973-74. A class notice is adequate if it “present[s] a fair recital of the subject matter and proposed terms” of the Settlement. *Mendoza v. United States* (9th Cir. 1980) 623 F.2d 1338, 1351 (quoting *Marshall v. Holiday Magic* (9th Cir. 1977) 550 F.2d 1173, 1177).

The proposed Class and PAGA Notice⁶⁸ describes the Settlement, the deadlines and procedures to submit an objection to the Settlement, submit a Request for Exclusion from the Settlement, and/or submit disputes regarding Workweeks, and the date and time set for the Final Approval Hearing.⁶⁹

///

⁶⁷ St. John Decl., ¶ 20.

⁶⁸ Settlement Agreement, Exh. 1.

⁶⁹ Ibid.

The proposed Class and PAGA Notice fulfills the requirement of neutrality in notice procedure. *Newberg*, at § 8.39. “Sufficient information about the case should be provided to enable class members to make an informed decision about their participation.” *Manual for Complex Litigation* § 21.311 at 413 (4th ed. 2004). The proposed Class and PAGA Notice summarizes the proceedings to date and the terms and conditions of the Settlement in an informative and coherent manner.⁷⁰ The proposed Class and PAGA Notice recognizes that the Court has not yet granted final approval of the settlement.⁷¹ The proposed Class and PAGA Notice also appraises the Class Members and PAGA Members of, *inter alia*, how their Settlement Award and, if applicable, PAGA Share is calculated and the number of Workweeks credited to them.⁷²

The proposed Class and PAGA Notice satisfies all due process requirements and complies with the standards of fairness, completeness, and neutrality. Fed. R. Civ. P. 23(c)(2) and 23(e); *Newberg*, §§ 8.21, 8.39; *Manual*, §§ 21.311, 21.312; see also *Cartt*, *supra*, 50 Cal.App.3d at 960 (“The essentials of due process of law in class suits would appear to be afforded by fair representation in the assertion of claims of class members against the opposing parties in any lawsuit, and notice of the pending suit.”). Accordingly, the Court should approve the proposed Class and PAGA Notice.

X. APPOINTMENT OF PHOENIX SETTLEMENT ADMINISTRATORS AS THE SETTLEMENT ADMINISTRATOR

The Parties have selected Phoenix Settlement Administrators to administer the Settlement.

The Settlement Administrator will mail the Class and PAGA Notice to each Class Member and PAGA Member by First-Class United States Postal Service (“USPS”) mail in English.⁷³ No later than three (3) business days after the Settlement Administrator’s receipt of any Class and PAGA Notice returned by the USPS as undelivered on or before the Response

⁷⁰ Settlement Agreement, Exh. 1.

⁷¹ *Ibid*.

⁷² *Ibid*.

⁷³ *Id.*, ¶ 19.

Deadline, the Settlement Administrator shall re-mail the Class and PAGA Notice using any forwarding address provided by the USPS.⁷⁴ If the USPS does not provide a forwarding address, the Settlement Administrator shall conduct a Class Member Address Search⁷⁵, and re-mail the Class and PAGA Notice to the most current address obtained.⁷⁶ For all Class Members whose Class and PAGA Notice is re-mailed, the deadlines for Class Members' written objections to the Settlement, disputes regarding Workweeks, and Requests for Exclusion will be fifteen (15) calendar days from the date of the re-mailing or the original Response Deadline provided in the Class and PAGA Notice, whichever is later.⁷⁷ The Settlement Administrator will receive and process Requests for Exclusions, Objections, and any Workweek disputes.⁷⁸

The Settlement Administrator will calculate the amounts of the Settlement Award, Settlement Awards, and PAGA Shares; deduct and transmit applicable state and/or federal taxes in connection with the Wage Portion of Settlement Awards; mail the Settlement Award checks to Settlement Class Members and PAGA Shares to PAGA Members; issue W-2 and 1099 forms; calculate and disburse the Attorneys' Fees and Litigation Costs, Enhancement Award, and penalties under PAGA; and perform such other tasks necessary to effectuate the terms of the Settlement Agreement.⁷⁹ The Settlement Administration Expenses will be paid out of the Maximum Settlement Amount, subject to approval by the Court.⁸⁰

Accordingly, Plaintiff respectfully requests that the Court appoint Phoenix Settlement Administrators as the Settlement Administrator and direct the mailing of the Class and PAGA Notice to the Class Members and PAGA Members in the manner outlined and based on the proposed deadlines as described herein and set forth in the Settlement Agreement.

XI. PROPOSED DEADLINES FOR THE NOTICE PROCESS

At this preliminary approval stage, plaintiffs seek approval of the proposed deadlines for the notice and settlement administration process. *Newberg*, at § 11.26. The notice process

⁷⁴ Settlement Agreement, ¶ 19.b.

⁷⁵ Ibid.

⁷⁶ Ibid.

⁷⁷ Ibid.

⁷⁸ *Id.*, ¶¶ 22 & 23.

⁷⁹ Settlement Agreement, ¶ 16; St. John Decl., ¶ 15.

⁸⁰ Settlement Agreement, ¶ 15.c.vii.

entails mailing of the Class and PAGA Notice, in the form approved by the Court, to all known and reasonably ascertainable Class Members based on Defendant's records.⁸¹

Not later than thirty (30) calendar days after the Court grants preliminary approval of the Settlement, Defendant will deliver a list to the Settlement Administrator, in an electronically usable format, for the Settlement Administrator containing for each Class Member, to the extent Defendant has such information, the following: names; the Class Members' and PAGA Members' names, last known addresses, last known telephone numbers, Social Security Numbers, and workweek data during the Class Period and pay period data during the PAGA Period ("Class Data").⁸²

Within forty-five (45) calendar days after the Court grants preliminary approval of the Settlement, the Settlement Administrator will mail the Class and PAGA Notice to the Class Members via First-Class U.S. Mail.⁸³ Not later than three (3) business days after the Settlement Administrator's receipt of any Class and PAGA Notice returned, on or before the Response Deadline, by the USPS as undelivered, the Settlement Administrator shall re-mail the Class and PAGA Notice using any forwarding address provided by the USPS.⁸⁴ If the USPS does not provide a forwarding address, the Settlement Administrator shall conduct a Class Member Address Search, and re-mail the Class and PAGA Notice to the most current address obtained.⁸⁵ The Settlement Administrator has no obligation to make further attempts to locate or send the Class and PAGA Notice to Class Members whose Class and PAGA Notice is returned by the USPS a second time.⁸⁶ Class Members will have until the applicable Response Deadline to submit a Request for Exclusion from the Settlement, challenge to Workweeks, and/or objection to the Settlement.⁸⁷

///

///

⁸¹ Settlement Agreement, ¶ 19.

⁸² *Id.*, ¶ 19.a.

⁸³ *Ibid.*

⁸⁴ *Id.*, ¶ 19.b.

⁸⁵ *Ibid.*

⁸⁶ *Ibid.*

⁸⁷ *Id.*, ¶ 20.

1 Within thirty (30) calendar days after the Effective Date, Defendant shall transmit the
2 Maximum Settlement Amount to the Settlement Administrator.⁸⁸

3 Within thirty-five (35) calendar days after the Effective Date, the Settlement
4 Administrator shall distribute the following payments: Settlement Awards to Settlement Class
5 Members, PAGA Shares to PAGA Members, Enhancement Award to Class Representative,
6 Attorneys' Fees and Litigation Costs to Class Counsel, 75% share of the PAGA allocation to
7 the LWDA, and Settlement Administration Expenses to itself, all in the Court-approved
8 amounts.⁸⁹

9 Settlement Award and PAGA Share checks will remain valid and negotiable for one
10 hundred and eighty (180) calendar days from the date of their mailing.⁹⁰ Checks that are not
11 negotiated within the 180-day period will be canceled.⁹¹ The funds associated with such
12 canceled checks will be transmitted by the Settlement Administrator pursuant to California Code
13 of Civil Procedure section 384(b)(3) to Koinonia Family Services:
14 <https://www.kfh.org/services/child-advocacy/>, a non-profit 501(c)(3) organization with child
15 advocacy programs in the State of California, as the *cy pres* recipient.⁹²

16 **XII. APPOINTMENT OF CLASS REPRESENTATIVE AND ALLOCATION**
17 **FOR ENHANCEMENT AWARDS**

18 Plaintiff Theresa Pelegrino respectfully requests that the Court appoint her as the Class
19 Representative and preliminarily approve the Enhancement Award in an amount up to Seven
20 Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) to Plaintiff.⁹³ It is within the
21 Court's discretion to award payment to a class representative for their efforts and work. *Vranken*
22 *v. Atlantic Richfield Co.* (N.D. Cal. 1995) 901 F.Supp. 294, 299 (approving \$50,000
23 participation award to a single class representative). The factors that courts may consider in
24 determining whether to make an enhancement payment include: (1) the risk to the class

25
26 ⁸⁸ Settlement Agreement, ¶ 21.

27 ⁸⁹ Ibid.

28 ⁹⁰ Ibid.

⁹¹ Ibid.

⁹² Ibid.

⁹³ *Id.*, ¶ 15.c.VI.

representative in commencing suit, both financial and otherwise; (2) the notoriety and personal difficulties encountered by the class representative; (3) the amount of time and effort spent by the class representative; (4) the duration of the litigation; and (5) the personal benefit (or lack thereof) enjoyed by the class representative as a result of the litigation. *Id.*

The Enhancement Award is fair and appropriate. Plaintiff spent a substantial amount of time and effort in producing relevant documents and past employment records and providing the facts and evidence necessary to attempt to prove the allegations.⁹⁴ Plaintiff was available whenever Class Counsel needed her and actively tried to obtain and provide information that would facilitate the pursuit of the class and PAGA claims.⁹⁵ Accordingly, it is appropriate and just for Plaintiff to receive an Enhancement Award for her services on behalf of the Class, the PAGA Members, and the State of California.

///

///

///

///

///

///

///

///

///

///

///

///

///

///

///

⁹⁴ St. John Decl., ¶ 20; Declaration of Theresa Pelegrino in Support of Plaintiff's Motion for Preliminary Approval of Class Action Settlement ("Pelegrino Decl."), ¶ 4.

⁹⁵ St. John Decl., ¶ 20; Pelegrino Decl., ¶¶ 3-6.

XIII. CONCLUSION

For the foregoing reasons, Plaintiff respectfully requests that the Court grant preliminary approval of the Settlement; conditionally certify the Class for settlement purposes; preliminary appoint and designate Arby Aiwasian, Joanna Ghosh, and Brian J. St. John of Lawyers *for* Justice, PC as Class Counsel; preliminary appoint and designate Plaintiff Theresa Pelegrino as Class Representative; appoint Phoenix Settlement Administrators as the Settlement Administrator; preliminarily approve the allocations for Attorneys' Fees and Litigation Costs, Enhancement Award, penalties under PAGA, and Settlement Administration Expenses; approve the proposed Class and PAGA Notice; direct the Settlement Administrator to undertake the notice and settlement administration process in conformity with the deadlines and procedures provided by the Settlement Agreement; schedule a Final Approval Hearing to take place in approximately six months; and permit the filing of a memorandum that exceeds the page limit.

Dated: June 5, 2024

LAWYERS *for* JUSTICE, PC

By: _____


Brian J. St. John
Attorneys for Plaintiff