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SUPERIOR COURT OF CALIFORNIA

IN AND FOR THE COUNTY OF RIVERSIDE

MARTHA LARRETA, on behalf of all others similarly aggrieved, Plaintiff, vs. EPE INDUSTRIES U.S.A., INC., a California corporation, J.C. INTERNATIONAL STAFFING SERVICES, INC., a California corporation, JOSE LUIS CRUZ, an individual, and DOES 1 through 50, Defendants.	CASE NO. CVRI2402071 Assigned for All Purposes to: Hon. Harold Hopp Dept. 1 MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT Date: December 7, 2026 Time: 8:30 a.m. Dept.: 1

I. INTRODUCTION

Plaintiff Martha Larreta hereby moves the Court for an order granting preliminary approval to a proposed non-reversionary class action settlement to resolve wage and hour claims on behalf of approximately 455 individuals employed by Defendants including all current and former individuals who worked for Defendant EPE Industries U.S.A., Inc. ("EPE"), either directly, jointly with Defendant J.C. International Staffing Services, Inc. ("JCI," and together with EPE the "Defendants"), or jointly with any other labor contractor, as a non-exempt employee in the State of California from April 17, 2020 to August 25, 2026. The proposed $165,000 settlement will provide at least $72,500 in cash payments to the settlement class, with an average award of about $159. The balance of approximately $92,500 will cover a modest enhancement award to Plaintiff, reasonable attorney's fees and actual litigation costs, settlement administration costs, and payment of civil penalties to the State and Aggrieved Employees. The settlement is the product of Plaintiff's pre- and post-filing investigation, formal and informal discovery, and arms-length and adversarial negotiations overseen by experienced and well-regarded mediator Craig Ackermann, Esq.

As demonstrated below, the settlement is within the "range of reasonableness" for preliminary approval. Plaintiff's counsel believe the settlement is a significant result for the class given the substantial risks inherent in this matter. Accordingly, Plaintiff requests the Court enter an order: (1) granting preliminary approval to the proposed class action settlement; (2) conditionally certifying the settlement class as defined below; (3) appointing the Law Offices of J. Kirk Donnelly, APC as Class Counsel; (4) appointing plaintiff Martha Larreta as the Class Representative; (5) appointing Phoenix Settlement Administrators as the Settlement Administrator; (6) approving the form of notice to the class and the procedure for providing such notice; and (7) scheduling a final fairness hearing.

II. FACTUAL BACKGROUND AND PROCEDURAL POSTURE

Defendant EPE provides a wide variety of packaging/shipping products to customers around the world, including cardboard boxes, foam inserts, corrugated cardboard, etc., and operates a production facility in Jurupa Valley in Riverside County. Defendant JCI is a temporary

labor supplier based in Santa Ana, and had a contract to supply temporary workers to EPE for during roughly 2021-2023. Plaintiff Larreta was a direct hire of Defendant JCI and staffed to work at EPE until her termination in and around November 2023. [Declaration of J. Kirk Donnelly ("Donnelly Decl."), ¶ 4.]

Plaintiff alleges a number of wage and hour violations by Defendants. First, she alleges Defendants failed to pay all wages due, including minimum and overtime wages, and she contends employees regularly worked "off the clock" and lost compensable time while waiting to clock in/out. Next, Plaintiff alleges Defendants failed to provide timely and uninterrupted duty free meal and rest periods. Plaintiff also argues that, in addition to maintaining non-compliant written meal and rest break policies, review of the time and payroll data provided by Defendants suggests significant de facto break violations for late, short, or missed meal breaks. Finally, Plaintiff alleges derivative violations for failing to provide accurate itemized wage statements and failing to timely pay wages upon separation of employment. [Donnelly Decl., ¶ 5.]

Based on these allegations, and after providing notice to Defendant and the LWDA and exhausting administrative remedies, Plaintiff filed a PAGA-only complaint against Defendants on April 17, 2024. Plaintiff later filed a First Amended Complaint on January 24, 2025 adding class action claims based on the same alleged wage and hour violations. The operative FAC alleges class action causes of action for unpaid minimum wages, unpaid overtime wages, failure to provide meal and rest breaks, wage statement violations, waiting time penalties, failure to reimburse business expenses, unfair competition., and a claim for civil penalties under PAGA. All Defendants deny Plaintiff's alleged claims in their entirety. [Donnelly Decl., ¶ 6; Exh. 5.]

Once the matter was at issue, the Plaintiff initiated written discovery, and the Parties then began meeting and conferring regarding discovery, potential law and motion, and other case management issues, and ultimately agreed to attempt mediation. The Parties further agreed to undertake an informal pre-mediation exchange of information and documents to facilitate meaningful settlement discussions. Accordingly, Defendants produced, and Plaintiff reviewed, information including a sampling of time and payroll records for the putative class, employee personnel files, employee handbooks, compensation policies, and meal and rest break policies, as

well as data regarding the number of class members, number of work weeks, average rates of pay, etc. [Donnelly Decl.,, ¶ 7.]

The Parties then engaged Craig Ackermann, Esq., a highly respected mediator with extensive wage and hour class action experience and, in August 2026, participated in a full-day mediation with Mr. Ackermann. At the mediation, throughout the day, the arms-length negotiations were hard-fought and adversarial as the Parties exchanged extensive information on their legal and factual positions, and made numerous offers and counter-offers. After a full day of negotiations, the Parties reached agreement on all major issues. They then collaboratively drafted the Class Action and PAGA Settlement Agreement ("Settlement Agreement") setting forth the full and final settlement terms, and a true and correct, fully-executed copy of the Settlement Agreement is attached to the Donnelly Declaration as Exhibit 1. [Donnelly Decl., ¶ 8.]

III. THE PROPOSED SETTLEMENT TERMS

Under the proposed settlement, Defendants will pay $165,000.00 into a common fund, the Gross Settlement Amount ("GSA"). JCI will contribute $27,000 of that amount, and EPE will contribute the remaining $138,000. JCI will pay its share within 60 days after final approval, while EPE will fund its share via monthly payments to be made from February 2027 to April 2028. Reasonable attorney's fees of up to one-third of the GSA, or $55,000.00, actual litigation costs of up to $10,000, a reasonable enhancement award to Plaintiff of up to $10,000, settlement administration costs of no more than $10,000, and $10,000 for alleged civil penalties under PAGA,[1] all will be paid from the GSA. The remainder of about $72,500 will be allocated among the Participating Class Members based on their total weeks worked during the Class Period. No portion of the GSA will revert to Defendants. [Donnelly Decl., ¶ 9.]

A. Certification of the Settlement Class

The Settlement provides for provisional certification of a class including all current and former individuals who worked for EPE, either directly, jointly with JCI, or jointly with any other

[1] Consistent with PAGA, $7,500 of that amount will go the LWDA for the State's share of the civil penalties, and the remaining $2,500 will be distributed pro rata to the Aggrieved Employees (defined as all individuals employed by Defendants as non-exempt employees during the PAGA Period of February 12, 2023 to August 25, 2026).

labor contractor, as a non-exempt employee in the State of California from April 17, 2020 to August 25, 2026. The Parties estimate the Settlement Class consists of approximately 455 individuals. [Donnelly Decl., ¶ 10.]

B. The Benefit Conferred on the Settlement Class

As noted, at least $72,500 from the GSA will be distributed to the Participating Class Members. This is a cash settlement that does not require Participating Class Members to submit a claim form to receive their settlement share. Participating Class Members will receive their settlement checks automatically via First Class U.S. Mail. Twenty percent of each settlement share will be allocated to wages and the remaining eighty percent will be allocated to penalties and interest. Defendants will pay any and all applicable employer-side payroll taxes separately and in addition to the GSA. Subject to the Court's approval, any amounts not claimed (because a class member does not cash his or her settlement check) will be forwarded to the California State Controller's Unclaimed Property Fund. [Donnelly Decl., ¶ 11.]

Each Participating Class Member will receive a share of the Net Settlement Sum based on his or her total weeks worked for Defendants during the Class Period while employed as a non-exempt employee. Thus, each Class Member's Individual Settlement Payment will be calculated using criteria typically used in determining appropriate amounts of alleged unpaid wages, unpaid premium wages for missed meal breaks, and potential statutory penalties under applicable law. These methods are intended to ensure each Class Member receives a portion of the available settlement funds corresponding to the relative value of his or her potential claims. The proposed allocation provides a reasonable way to compensate Class Members based on the amount of time they worked for Defendants, and the number of instances they missed a break, were not provided compensation in lieu of such missed breaks, or lost wages due to Defendant's alleged improper payroll practices. The average class settlement award is estimated to be around $159, and payments are estimated to range from about $9.45 to $2,836. The Parties estimate there are approximately 81 Aggrieved Employees, and their average PAGA award will be about $31. [Donnelly Decl., ¶ 12.]

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C. Settlement Administration

Subject to the Court's approval, and after obtaining multiple bids, the Parties have agreed on Phoenix Settlement Administrators as the Settlement Administrator. Phoenix had the second lowest bid (by $500), is qualified with significant experience administering class action settlements, including numerous wage and hour matters, and the Parties felt the most comfortable with Phoenix based on past experience. Phoenix's fees will not exceed $8,000.00. [Donnelly Decl., ¶ 13; Declaration of Michael Moore, ¶¶ 2-22, Exhs. A-C.]

D. The Class Notice

The proposed Notice (Exhibit A to the Settlement Agreement) sets out information about this case and explains the basic settlement terms in plain language. The Notice will be accompanied with a Request for Exclusion form and Objection Form (Exhibits B and C respectively to the Settlement Agreement). The Notice also sets forth the individualized information used to calculate Class Members' Individual Settlement Payments and each Class Member's estimated settlement award. The Notice likewise details the procedures for Class Members to dispute their individual information, the procedure for submitting an objection to the Settlement, and the procedure to request exclusion. In sum, the Notice provides the Class Members with the information necessary to evaluate the Settlement, provides fair opportunity to participate in, opt out of, or object to the proposed Settlement, and otherwise complies with California Rules of Court 3.769(f) and 3.766(d). Since many of the Class Members are Spanish speakers, the Notice and accompanying documents will go out in both English and Spanish versions. Coupled with the notice procedure, the proposed Notice provides the Class with the best notice practicable. [Donnelly Decl., ¶ 14.]

E. Right to Correct Information, Opt Out, or Object

Class Members will have forty-five (45) days to dispute the information in their Notice used to calculate their settlement award, and also have 45 days to submit any objections to the settlement or to request exclusion. In the event a Class Member disputes their individual information, the Settlement Administrator will review the Class Member's records as well as any additional information submitted, and make a final determination. [Donnelly Decl., ¶ 15.]

F. Release of Claims

All Participating Class Members will release Defendants and the Released Parties from all claims alleged in the operative FAC, or that could have reasonably been brought based on the factual allegations in the FAC during the Class Period. Plaintiffs and the LWDA will release those PAGA claims alleged in the PAGA notice to the extent alleged in the FAC. The Class and PAGA releases are limited to the claims that were actually pleaded or could have reasonably been pleaded based on the alleged facts in the FAC, and PAGA notice for the PAGA claims. [Donnelly Decl., ¶ 16.]

G. Attorney's Fees and Costs, and Plaintiff Medina's Enhancement Award

The settlement provides Defendants will not oppose a request for reasonable attorney's fees not to exceed one-third of the GSA, or $55,000.00, nor will they oppose a request for reimbursement of actual litigation costs and expenses of up to $10,000.00. Defendants also will not oppose a request for an enhancement award to Plaintiff Larreta of not more than $10,000.00 in recognition of her time spent on this matter, the risks she undertook on behalf of the class, and the benefit conferred to the class. Plaintiff's counsel will provide the Court with appropriate summaries and evidence of their efforts and time records in anticipation of the Final Approval Hearing, and Plaintiff Laretta has submitted a declaration herewith. If the Court approves less than the above amounts, the difference will remain in the Net Settlement Sum for distribution to the Participating Class Members. [Donnelly Decl., ¶ 17.]

H. PAGA Claims and Notice to the LWDA

The Parties allocated $10,000 to payment of civil penalties under PAGA for such claims against Defendants as addressed in more detail below, and which amount Plaintiff submits is fair, reasonable and adequate, and consistent with PAGA's underlying purposes. As required by Labor Code section 2699(s)(2), Plaintiff gave notice of the settlement and preliminary approval hearing to the LWDA via its online portal. [Donnelly Decl., ¶ 18; Exh. 7.]

IV. ARGUMENT

A. Standard of Review for a Class Action Settlement

The law favors settlement, particularly in class actions where substantial resources can be

conserved by avoiding the time, costs and rigors of formal litigation. H. Newberg & A. Conte, 4 Newberg on Class Actions (4th ed. 2002) § 11.41; Class Plaintiffs v. City of Seattle (9th Cir. 1992) 955 F.2d 1268, 1276, cert. denied, 506 U.S. 953; Potter v. Pacific Coast Lumber Co. (1951) 37 Cal.2d 592, 602. Nevertheless, to ensure the rights of absent class members are not unjustly compromised, settlement of a class action requires court approval. Cal. Rule of Court. 3.769; Wershba v. Apple Computer (2001) 91 Cal.App.4th 224, 245; Dunk v. Ford Motor Co. (1996) 48 Cal.App.4th 1794, 1801. This judicial review protects against fraud or collusion and ensures fairness to the absent class members. Dunk, 48 Cal.App.4th at 1800-01. Judicial review occurs via a two-step process to determine, under all the circumstances, if the proposed settlement is fair, reasonable and adequate. Id. at 1801; Wershba, 91 Cal.App.4th at 245.

The first step is a motion for preliminary approval, through which the parties present the court with the proposed settlement and seek a determination if it is sufficiently fair and reasonable to warrant notice to the class and further proceedings as to its fairness and adequacy. Cal. Rule of Court 3.769(c). This preliminary evaluation determines if the proposed settlement is within the "range of reasonableness" and if notice should be provided to the class regarding the settlement's proposed terms and conditions, and whether a final fairness hearing should be scheduled. Wershba, 91 Cal.App.4th at 234-35; North County Contractors Ass'n, Inc. v. Touchstone Ins. Servs. (1994) 27 Cal.App.4th 1085, 1089-90. Considering the strong judicial policy favoring settlement of class actions, courts generally apply a presumption of fairness to class action settlements when (1) the settlement results from arms-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. Dunk, 48 Cal.App.4th at 1802; Wershba, 91 Cal.App.4th at 245.

If the court grants preliminary approval, it then orders the class be given notice in an appropriate manner, establishes a schedule and procedures for class members to request exclusion or object, and sets the matter for a final fairness hearing. Typically, any motion for attorney's fees and costs, and any enhancement for the class representative(s), is filed subsequent to preliminary approval and heard with the motion for final approval, as part of the second step of

the two-step approval process. Dunk, 48 Cal.App.4th at 1800; Wershba, 91 Cal.App.4th at 232.

The proposed settlement in this matter warrants preliminary approval under the liberal standard discussed above, as it is fair, reasonable and adequate under all the circumstances, and represents a favorable result for the class.

B. The Proposed Settlement Class Should Be Conditionally Certified

The purpose of conditional class certification for purposes of settlement is to facilitate provision of notice of the proposed settlement's terms, and the date and time of the final fairness hearing. In this context, courts apply lesser scrutiny than they would otherwise in the context of certifying a class. Dunk, 48 Cal.App.4th at 1807, n.19; Global Minerals & Metals Corp. v. Superior Court (2003) 113 Cal.App.4th 836, 839 ("[I]t is well established that trial courts should use different standards to determine the propriety of a settlement class.")

In the present matter, conditional certification is proper since this matter satisfies all requirements for class certification under Code of Civil Procedure section 382. First, the class is both sufficiently numerous, consisting of approximately 455 individuals, and ascertainable by reference to Defendants' personnel and payroll records. [Donnelly Decl., ¶ 19.] Next, Plaintiff is an adequate class representative, as her claims do not conflict with and are not antagonistic to the claims of other class members. Further, her claims are typical given she is a member of the class and her respective claims arise from the same employment practices and course of conduct giving rise to the claims of the other class members. [Donnelly Decl., ¶ 20; Declaration of Martha Larreta, ¶¶ 2-9.] Lastly, Plaintiff's counsel are experienced and adequate class counsel. [Donnelly Decl., ¶¶ 34-37.]

Next, common questions of law and fact predominate – particularly for purposes of a settlement class – as the Class Members all were subject to the same meal rest break policies, the same timekeeping and payroll policies that allegedly failed to fully compensate them for all hours worked, etc. Since the focus of the claims against Defendants concerns the legality of common policies applied uniformly to the entire class, common issues predominate over individualized inquiries concerning liability. For example, Defendants' alleged failure to compensate employees for time spent waiting in line to clock in/out is a policy that is either compliant with California

law or it is not. Regardless of that determination, it will decide liability for all class members one way or another. [Donnelly Decl., ¶ 21.]

It is now well-settled that a theory of recovery asserting the existence of a uniform policy violating California law is sufficient to satisfy the requirements for class certification. Jones v. Farmers Ins. Exch. (2013) 221 Cal.App.4th 986, 996 ("Claims alleging that a uniform policy consistently applied to a group of employees is in violation of the wage and hour laws are of the sort routinely, and properly, found suitable for class treatment"); Williams v. Superior Court (2013) 221 Cal.App.4th 1353 ("A company-wide practice can sustain a common question of fact or law that supports commonality for class certification"). Lastly, a class action is superior to other means for the fair and efficient adjudication of this controversy. [Donnelly Decl., ¶ 22.]

C. The Proposed Settlement Meets the Dunk and Kullar Factors and is within the Range of Reasonableness

The proposed settlement resulted from serious, arms-length negotiations facilitated by respected mediator Craig Ackermann, Esq., who has extensive experience mediating wage and hour class actions. [Donnelly Decl., ¶ 8.] Plaintiff's counsel J. Kirk Donnelly has years of litigation experience, including litigating wage and hour class actions. Plaintiff's counsel is well-qualified to evaluate the risks and benefits of pursuing further litigation or settling the matter. [Donnelly Decl., ¶¶ 34-37.]

California law recognizes several factors bearing on the fairness, adequacy, and reasonableness of a proposed class settlement. Kullar v. Foot Locker Retail, Inc. (2008) 168 Cal.App.4th 116, 128. In relevant part, these factors include: 1) the amount offered in settlement 2) the strength of plaintiff's case; 3) the risk, expense, complexity, and likely duration of further litigation; 4) the risk of maintaining class action status throughout trial; 5) the experience and views of counsel; and 6) the reaction of the class members to the proposed settlement. Id. As demonstrated below, the proposed settlement satisfies these requirements.

Prior to mediation, the Parties engaged in both formal and informal discovery to facilitate settlement discussions, and further exchanged additional information and documents during the cure conference process. As a result, Plaintiff reviewed documents and information regarding

Defendants' payroll practices, pay stubs and time records for a sampling of class members, meal and rest break policies, etc., and information from Defendants regarding class size, work weeks, rates of pay, and other information used to formulate a damages model. Plaintiff's counsel are confident they obtained sufficient information to enable them to understand the law and facts of this case and make an informed decision regarding the proposed settlement and whether it is in the best interests of the class. [Donnelly Decl., ¶¶ 7, 23.]

Using that data, Plaintiff ran various calculations and estimated Defendants likely maximum exposure on the class claims at approximately $1,889,445 including $59,500 on the unpaid wage/off the clock claims, $118,850 on the meal break claims, $297,135 on the rest break claims, $245,950 on the wage statement claims, and $1,168,020 on the waiting time penalty claims. [Donnelly Decl., ¶¶ 24-25.] Plaintiff and her counsel substantially discounted the value of these claims, however, in light of Defendant's multi-layered defenses on both class certification and on the merits, and the multiple and considerable risks posed by proceeding with the litigation.

The unpaid wage claims focus primarily on Defendants alleged failure to pay for all hours worked by the Plaintiff and the class members. First, Plaintiff argued that time punches were rounded off for at least some portion of the class period, and particularly during the period of where time was tracked manually via handwritten time sheets. Here, Plaintiff alleges she and other employees had to record her shift start time at the top of the hour even when they started working a few minutes beforehand, and the California Supreme Court will be weighing in on time rounding in the appeal of Camp v. Home Depot U.S.A., Inc. (2022) 84 Cal.App.5th 638. There, the appellate court reversed the ruling of a trial court and determined that Home Depot violated the wage and hour rights of an employee by rounding wages even though it actually tracked the time the employee worked to the minute. The appellate court found that Home Depot could not use a rounding policy because actually tracked each worker's time down to the minute, and as such, Home Depot's rounding was inappropriate. Plaintiff contends the same holds true here. Plaintiff also alleged that even when electronic timekeeping was used, it could take up to 5 minutes of waiting in line to clock in as there could be as many as 30-40 employees starting work at the same time. [Donnelly Decl., ¶ 26.]

In response, Defendants argued their payroll policies are fully compliant and that they properly tracked and paid for all hours worked by the class members at the appropriate hourly wage. To the extent any rounding occurred, Defendants emphasized it was completely neutral in its overall effect and that the class members did not lose any measurable amount of hours worked as a result. See's Candy Shops, Inc. v. Superior Court (2012) 210 Cal. App. 4th 889. Defendants also strongly argued any issues regarding "off the clock" work would not be certifiable since it would require individualized inquiries whether any compensable "off the clock" work occurred and why it was or was not documented and paid for. [Donnelly Decl., ¶ 27.]

On the meal and rest break claims, Plaintiff contends Defendant's written policies are not fully compliant, and Plaintiff's review of the time and payroll records provided suggested these deficiencies in the written policies affected employee breaks and resulted in substantial "de facto" violations, and particularly on shifts of 10 or more hours. Finally, Plaintiffs alleged that rest breaks were not always provided and frequently were missed or cut short due to work demands and the need to fulfill orders on time. [Donnelly Decl., ¶ 28.]

In response, Defendants argued that all written meal and rest break policies were fully compliant, that they provided employees with the opportunity to receive all required breaks, and that many class members waived their second meal periods on shifts longer than 10 hours. Defendants further claimed there was no policy of any kind that limited employees' ability to leave the premises while on a lunch break or otherwise use their break time for their own purposes. Defendants further maintained that, in light of their compliant policies, whether a class member missed a meal period, received a late meal period, or missed a rest break would have been aberrational and against company policy. Thus, per Defendants, these issues are not amenable to class or representative treatment since their resolution would require individualized inquiries as to why a break was missed or non-compliant. [Donnelly Decl., ¶ 29.]

The claims under Labor Code sections 203 and 226 are derivative of the primary unpaid wage claims, and accordingly are subject to the same risks and uncertainties plus additional risks posed by the need to take into account the discretionary nature of such awards and the "good

faith" and other defenses available to Defendant. Amaral v. Cintas Corp. No. 2 (2008) 163 Cal.App.4th 1157, 1203-4 (employer did not willfully fail to pay wages under Labor Code § 203 even though class prevailed on underlying claim for failure to pay living wages). Thus, while these claims largely are derivative of the unpaid wage claim, they also are subject to additional defenses. [Donnelly Decl., ¶ 30.]

As far as potential PAGA liability, the allegedly aggrieved employees theoretically are entitled to civil penalties of around $783,000 should Plaintiff prevail on all claims and establish violations of multiple Labor Code sections for every single pay period at issue. [Donnelly Decl., ¶ 31.] As with the class claims, Plaintiff discounted the potential PAGA penalties based on Defendants' various defenses on the merits and also accounted for the Court's wide discretion to reduce such penalties, or to decline to award penalties at all. Labor Code § 2699(e)(2); Carrington v. Starbucks Corp. (2018) 30 Cal.App.5th 504 (trial court awarded penalties of $5 per pay period after a bench trial, which decision was upheld on appeal); In re Taco Bell Wage and Hour Actions (E.D. Cal. Apr. 8, 2016) 2016 U.S. Dist. LEXIS 48557 (PAGA penalties denied after trial). Accordingly, the Parties allocated $10,000 to PAGA penalties, and Plaintiff submits this amount is reasonable under the circumstances and in line with comparable settlements in other wage and hour class actions in California. *E.g.*, Van Kempen v. Matheson Tri-Gas, Inc. (N.D. Cal. Aug. 25, 2017) 2017 U.S. Dist. LEXIS 137182 (granting final approval of $5,000 PAGA penalty from $370,000 settlement, or 1.4 percent of total settlement); Slavkov v. First Water Heater Partners I (N.D. Cal. July 25, 2017) 2017 U.S. Dist. LEXIS 116303 (finding a $7,500 PAGA payment reasonable when measured against the overall settlement of $345,000 and the possible weaknesses in plaintiffs' case, or 2.2 percent of total settlement). Additionally, the LWDA has been informed of the terms of the PAGA portion of the settlement, and will be able to weigh in as necessary. Jennings v. Open Door Mktg. Inc. (N.D. Cal. Oct. 3, 2018) 2018 U.S. Dist. LEXIS 171356, at *27 (approving settlement with PAGA penalties of 0.6% where "[p]laintiffs [have] submitted the settlement agreement to the LWDA, and the LWDA has not objected to the settlement.

The settlement obviates the significant risk that this Court may find any kind of class or

representative resolution unachievable or deny certification of all or some of Plaintiff's claims. Furthermore, even if Plaintiff obtained certification of all or some of the claims, continued litigation would be lengthy and expensive as the parties pursued merits discovery, a probable motion to decertify, as well as trial and possible appeals, and would further and substantially delay any recovery by the class with no assurance of recovering significantly more than the proposed settlement. While Plaintiff is confident in the merits of these claims, legitimate controversies exist regarding each one of them. Plaintiff also recognizes proving the amount of wages and penalties due each Class Member would be an expensive, time-consuming, and uncertain proposition. [Donnelly Decl., ¶ 32.]

Plaintiff and his counsel discounted the value of the class claims consistent with the risks discussed above, and carefully weighed the likelihood of the class receiving substantially greater benefit if the litigation continued. Plaintiff and counsel concluded – in light of these very real and substantial risks – settlement on the proposed terms and without prolonged and costly litigation was in the best interests of the class, and the overall $165,000 recovery is a significant percentage of Defendant's potential maximum exposure. After applying various risk discounts based on Defendants' multi-layered procedural and merits defenses, Plaintiff estimated the risk-discounted exposure at about $348,000 and, accordingly, the proposed settlement represents around 47.5% of the estimated recovery after trial. Given these risks, a total recovery for the class of $165,000, which will result in average award of some $159 per class member, plus additional amounts under PAGA, is a significant result well within the range of reasonableness considering all potential outcomes, and it will provide direct monetary awards to all Class Members without further delay. [Donnelly Decl., ¶ 33.]

Importantly, the mere fact that a settlement does not provide the same recovery as might be achieved at trial is not a proper indicator of whether the settlement is fair, reasonable, and adequate. Wershba, 91 Cal.App.4th at 246, 250 ("Compromise is inherent and necessary in the settlement process…even if the relief afforded by the proposed settlement is substantially narrower than it would be if the suits were to be successfully litigated, this is no bar to a class settlement because the public interest may indeed be served by a voluntary settlement in which

each side gives ground in the interest of avoiding litigation"); Lane v. Facebook, Inc. (9th Cir. 2012) 696 F.3d 811, 819 ("[T]he question whether a settlement is fundamentally fair . . . is different from the question whether the settlement is perfect in the estimation of the reviewing court"); 7-Eleven Owners for Fair Franchising v. Southland Corp. (2000) 85 Cal.App.4th 1135, 1150 ("The fact that a proposed settlement may amount to only a fraction of the potential recovery does not, in and of itself, mean that the proposed settlement is grossly inadequate and should be disapproved"); White v. Experian Information Solutions, Inc. (C.D. Cal. 2011) 803 F.Supp.2d 1086, 1098 (rejecting contention settlement was not fair and reasonable even though it represented 99% discount off the maximum value of the claims). Importantly as well, the proposed settlement is non-reversionary and will provide timely benefits to the Class Members without a claims process. White, 803 F.Supp.2d at 1098; c.f., Federal Judicial Center, Managing Class Action Litigation: A Pocket Guide for Judges (3d ed. 2010) at 20, available at http://www.fjc.gov/sites/default/files/2012/ClassGd3.pdf (reversionary provisions and/or cumbersome claims process may indicate lack of fairness). Plaintiffs and their counsel submit the settlement is within the "range of reasonableness," and is fair and adequate for the Class.

V. CONCLUSION

For all the foregoing reasons, Plaintiff respectfully requests that the Court grant this motion, conditionally certify the settlement class, grant preliminary approval to the proposed class action settlement, and enter the [Proposed] Order filed herewith.

Dated: November 10, 2026

LAW OFFICES OF J. KIRK DONNELLY, APC

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