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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**

TIANA GONZALES, individually, and on
behalf of all others similarly situated, and
on behalf of the State of California and
other aggrieved persons; ADAN GALAVIZ,
individually, and on behalf of the State of
California and other aggrieved persons,

Plaintiffs,

v.

SO CAL SANTA FE LLC, a Delaware
limited liability company; SO CAL GYMS
LLC, a Delaware limited liability company;
SO CAL COMPTON LLC, a California
Corporation; and DOES 1 through 10,
inclusive,

Defendants.

Case No.: 24STCV12882

*[Assigned for All Purposes to the Honorable Bruce
G. Iwasaki, Dept. 14]*

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

Preliminary Approval Hearing:

Date: May 4, 2027

Time: 10:00 a.m.

Dept.: 11

Action Filed: May 22, 2024

1 **TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:**

2 **PLEASE TAKE NOTICE** that on May 4, 2027 at 10:00 a.m., or as soon thereafter as
3 the matter may be heard in Department 11 of the Superior Court of California, County of Los
4 Angeles, located at 312 North Spring Street, Los Angeles, CA 90012, Plaintiffs Tiana Gonzales
5 and Adan Galaviz (“Plaintiffs”) will and hereby do move this Court for an Order:

- 6 1. Granting preliminary approval of the proposed Class Action and PAGA Settlement
7 Agreement (“Settlement”);
8 2. Conditionally certifying the proposed Class for settlement purposes only;
9 3. Appointing Plaintiffs as the Class Representatives;
10 4. Appointing Wilshire Law Firm, PLC as Class Counsel;
11 5. Appointing ILYM Group, Inc. as the Settlement Administrator; and
12 6. Setting a final approval hearing date.

13 Pursuant to California Rules of Court, Rule 3.769(d) and (e), this Motion is made on the
14 grounds that the proposed Settlement satisfies all criteria for preliminary approval and falls well
15 within the range of reasonableness. The Settlement was reached through informed, arm’s length
16 bargaining between experienced attorneys with the assistance of an experienced neutral, and
17 Plaintiffs and Plaintiffs’ Counsel will fairly and adequately represent the Class.

18 This Motion is based on this Notice of Motion, the accompanying Memorandum of
19 Points and Authorities, the Declaration of John G. Yslas, the Declarations of Tiana Gonzales
20 and Adan Galaviz, and on all records and documents on file, together with such oral and
21 documentary evidence that may be presented at the hearing on this matter.

22 Respectfully submitted,

23 Dated: August 31, 2026

WILSHIRE LAW FIRM, PLC

24 By: 

25 Lucy H. Nguyen
26 Attorneys for Plaintiffs
27
28

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1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 Pursuant to California Rules of Court, Rule 3.769(d) and (e), Plaintiffs seek preliminary
4 approval of a class action settlement of wage and hour claims, including representative claims
5 brought under the Labor Code Private Attorneys General Act of 2004 (“PAGA”), against
6 Defendants So Cal Santa Fe, LLC, So Cal Gyms, LLC, and So Cal Compton LLC (“Defendants”).
7 The proposed “Gonzales Class” is defined as all persons who worked for Defendant So Cal Gyms,
8 LLC and Defendant So Cal Santa Fe, LLC in California as an hourly-paid or non-exempt employee
9 (“Gonzales Class Members”) at any time during the period from March 18, 2021, to August 1,
10 2023 (“Gonzales Class Period”). The main terms of the Settlement are as follows:

- 11 1. A Gross Settlement Amount of \$140,000.00, which will be distributed to
12 approximately 63 Class Members on a pro rata basis according to the total
13 workweeks worked by each Class Member during the Class Period;
- 14 2. Attorneys’ fees of up to one third (1/3) of the Gross Settlement Amount (currently
15 \$46,666.67) and up to \$30,000.00 in reimbursement of litigation costs to Plaintiffs’
16 Counsel;
- 17 3. A Class Representative Service Payment of up to \$10,000.00 to each named
18 Plaintiff (\$20,000.00 total);
- 19 4. Costs of settlement administration of up to \$6,450.00; and
- 20 5. Allocation of \$7,000.00 to PAGA penalties, seventy-five percent (75%) of which
21 (\$5,250.00) will be paid to the Labor and Workforce Development Agency
22 (“LWDA”), and twenty-five percent (25%) of which (\$1,750.00) will be paid to all
23 persons who worked for Defendant So Cal Gyms, LLC and Defendant So Cal Santa
24 Fe, LLC in California as an hourly-paid or non-exempt employee (“Gonzales
25 Aggrieved Employees”) at any time during the period from March 29, 2023, to
26 October 23, 2025 (“Gonzales PAGA Period”) and to all persons who worked for
27 Defendant So Cal Compton LLC in California as an hourly-paid or non-exempt
28 employee at any time (“Galaviz Aggrieved Employee”) during the period from

April 4, 2024, to October 23, 2025 (“Galaviz PAGA Period”).

The Settlement meets all criteria for preliminary approval and falls within the range of reasonableness given the risks and expenses of further litigation. The Settlement was reached through informed, arm’s length bargaining between experienced attorneys with the assistance of an experienced neutral. As such, Plaintiffs request that the Court grant preliminary approval of the Settlement, conditionally certify the Class for settlement purposes only, appoint Plaintiffs as the Class Representatives, appoint Plaintiffs’ Counsel as Class Counsel, appoint ILYM Group, Inc. (“ILYM”) as the Settlement Administrator, authorize the Settlement Administrator to administer notice of the Settlement to the Class, and set a final approval hearing date.

II. PROCEDURAL HISTORY

On May 22, 2024, Plaintiff Gonzales filed this putative class action against Defendants So Cal Santa Fe, LLC and So Cal Gyms, LLC alleging: (1) failure to pay minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay final wages at termination; (6) failure to provide accurate itemized wage statements; (7) failure to indemnify employees for expenditures; (8) failure to produce requested employment records; and (9) unfair business practices (“Gonzales Class Action”). Declaration of John G. Yslas in Support of Plaintiffs’ Motion for Preliminary Approval of Class Action and PAGA Settlement (“MPA”) (“Yslas Decl.”) at ¶ 3.

On March 29, 2024, Plaintiff Gonzales provided written notice to the LWDA and Defendants So Cal Santa Fe, LLC and So Cal Gyms, LLC of the specific provisions of the Labor Code alleged to have been violated, including the facts and theories in support. Yslas Decl. at ¶ 4. The LWDA did not notify Plaintiff Gonzales that it intended to investigate within 65 days of this written notice. *Id.* Therefore, on June 7, 2024, Plaintiff Gonzales filed a separate action in the Superior Court of California, County of Los Angeles, for civil penalties under PAGA, Case No. 24NWCV01802 (the “Gonzales PAGA Action”). *Id.*

On October 28, 2024, Plaintiff Galaviz filed a putative class action against Defendant So Cal Compton LLC alleging: (1) failure to pay minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods;

(5) failure to timely pay final wages at termination; (6) failure to provide accurate itemized wage statements; (7) failure to indemnify employees for expenditures; and (8) unfair business practices (“Galaviz Class Action”). *Id.* at ¶ 5.

On April 4, 2025, Plaintiff Galaviz provided written notice to the LWDA and Defendant So Cal Compton LLC of the specific provisions of the Labor Code alleged to have been violated, including the facts and theories in support. Yslas Decl. at ¶ 6. The LWDA did not notify Plaintiff Galaviz that it intended to investigate within 65 days of this written notice. *Id.* Therefore, on June 9, 2025, Plaintiff Galaviz filed a separate action in the Superior Court of California, County of Los Angeles, for civil penalties under PAGA, Case No. 25STCV16685 (the “Galaviz PAGA Action”). *Id.*

On April 29, 2026, Plaintiff Gonzales filed a First Amended Complaint in this Class Action adding a cause of action for civil penalties under PAGA and adding Plaintiff Galaviz and Defendant So Cal Compton, LLC as parties, effectively consolidating the Gonzales Class Action, the Galaviz Class Action, the Gonzales PAGA Action, and the Galaviz PAGA Action. *Id.* at ¶ 7.

On September 23, 2025, Plaintiff Gonzales and Defendants So Cal Santa Fe, LLC and So Cal Gyms, LLC participated in a private mediation with Brandon Coen, Esq. *Id.* at ¶ 8. The mediator made a proposal, which was accepted by the Parties. *Id.* The Parties negotiated the terms of the Settlement over the next several months, which was finalized in May 2026. *Id.* at ¶ 9, Exhibit 3 (“Settlement Agreement”). On August 31, 2026, Plaintiffs submitted a copy of the Settlement Agreement to the LWDA. *Id.* at ¶ 10, Exhibit 4.

III. SUMMARY OF THE SETTLEMENT TERMS

A. Terms of the Proposed Settlement

The Parties have agreed to settle the claims alleged in this case for a Gross Settlement Amount of \$140,000.00. Settlement Agreement at § 3.1. Subject to Court approval, the following payments will be deducted from the Gross Settlement Amount: (1) Class Representative Service Payments of up to \$10,000.00 to each named Plaintiff; (2) attorneys’ fees of up to one third (1/3) of the Gross Settlement Amount (currently \$46,666.67) and reimbursement of litigation costs of up to \$30,000.00 to Plaintiffs’ Counsel; (3) costs of settlement administration of up to \$6,450.00

1 to ILYM; (4) Individual Class Payments to Class Members; and (5) PAGA Penalties in the amount
2 of \$7,000.00, which will be allocated 75% to the LWDA (\$5,250.00) and 25% to Aggrieved
3 Employees (\$1,750.00). *Id.* at § 3.2 et seq.

4 Individual Class Payments will be calculated based on the number of Workweeks worked
5 by each Class Member during the Class Period. *Id.* at § 3.2.4. For tax purposes, the Individual
6 Class Payments will be allocated 15% to wages and 85% to penalties, interest, and reimbursement
7 of expenses. *Id.* at § 3.2.4.1. Defendant will separately pay employer payroll taxes owed on the
8 wage portions of the individual class payments separate from the Gross Settlement Amount. *Id.* at
9 § 3.1.

10 Individual PAGA Payments to Aggrieved Employees will be calculated based on the
11 number of PAGA Pay Periods worked by each Aggrieved Employee during the PAGA Period. *Id.*
12 at § 3.2.5.1. For tax purposes, the individual PAGA payments will be allocated 100% to penalties.
13 *Id.*

14 Any deductions not approved by the Court will be retained by the Settlement Administrator
15 in the Net Settlement Amount. *Id.* at §§ 3.2.1, 3.2.2, 3.2.3, 3.2.5.2. Funds from any uncashed checks
16 will be transmitted by the Settlement Administrator to the California Controller's Unclaimed
17 Property Fund in the name of the Class Member. *Id.* at § 4.4.3. None of the Gross Settlement
18 Amount will revert to Defendant. *Id.* at § 3.1.

19 **B. Proposed Settlement Administration**

20 The Parties' proposed Class Notice complies with the requirements of California Rules of
21 Court, Rule 3.766(d). *See* Exhibit A to Settlement Agreement. It provides information regarding
22 the nature of this lawsuit, a summary of the settlement terms, the formula used for calculating
23 individual class and PAGA payments and instructions to dispute the calculations, instructions on
24 how to opt-out of or object to the Settlement, the date, time, and location of the final approval
25 hearing, and the amounts sought for the class representative service payments, attorneys' fees and
26 litigation costs, and settlement administration costs. *See generally, id.* The Class Notice also
27 notifies Class Members that they do not need to submit a claim in order to participate in the
28 Settlement and receive a payment. *See id.* The Settlement Administrator will mail Class Members

the Class Notice by first-class mail in English and in Spanish. Settlement Agreement at § 7.4.2.

If a Class Notice is returned as undeliverable, the Settlement Administrator will re-mail the Class Notice within five (5) calendar days to the forwarding address provided by the U.S. Postal Service. Settlement Agreement at § 7.4.3. If no forwarding address is provided, the Settlement Administrator will conduct a Class Member Address Search and re-mail the Class Notice to the most current address obtained. *Id.* The deadline to opt-out of the Settlement or to submit an objection or dispute will be extended by fourteen (14) days for all Class Members whose Class Notice was remailed. *Id.* at §7.4.4.

C. Proposed Release

Effective on the date when Defendant fully funds the Gross Settlement Amount and all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs, Class Members, and Class Counsel will release claims against all Released Parties as follows:

Released Class Claims:

All Participating Class Members will release and discharge Defendants and Released Parties from all claims, rights, demands, liabilities, and causes of action, alleged or which could have reasonably been alleged based on the facts alleged in the operative complaint, including but not limited to: (1) failure to pay minimum and straight time wages (pursuant to Cal. Labor Code §§ 200, 204, 210, 221-224, 510, 1182.12, 1193.6, 1194, 1194.2, 1195, 1197 and 1197.1); (2) failure to pay overtime wages (pursuant to Cal. Labor Code §§ 510, 515, 516, 552, 558, 1193.6, 1194 and 1198); (3) failure to provide meal periods (pursuant to Cal. Labor Code §§ 210, 226.7, 512, 516); (4) failure to authorize and permit rest periods (pursuant to Cal. Labor Code §§ 210, 226.7, 516); (5) failure to timely pay final wages at termination (pursuant to Cal. Labor Code §§ 201-203); (6) failure to provide accurate itemized wage statements (pursuant to Cal. Labor Code §§ 226); (7) failure to indemnify employees for expenditures (pursuant to Cal. Labor Code §§ 450, 2800, 2802); (8) failure to produce requested employment records (pursuant to Cal. Labor Code §§ 226, 432, and 1198.5); and (9) unfair business practices (pursuant to Cal. Bus. & Prof. Code §§ 17200, *et seq.*). The enumeration of these specific claims shall neither enlarge nor narrow the scope of *res judicata* based on the claims that were asserted in the Action or could have been asserted in the Action based on the facts and circumstances alleged in the Complaint. The Released Class Claims are those that accrued during the Class Period.

Settlement Agreement at § 5.2.

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Released PAGA Claims:

Plaintiffs, on behalf of themselves and as agents and proxies of the State of California (including the LWDA), and the State of California (including the LWDA and all individuals who seek to serve as agent and proxy of the State of California in bringing PAGA claims) are deemed to release and discharge Defendants and Released Parties from all claims for PAGA civil penalties that are alleged or reasonably could have been alleged based on the facts alleged in the operative complaint and in Plaintiff Gonzales's March 29, 2024 PAGA Notice, and Plaintiff Galaviz's April 4, 2025 PAGA Notice, including but not limited to: (1) failure to pay minimum and straight time wages (pursuant to Cal. Labor Code §§ 200, 204, 210, 221-224, 510, 1182.12, 1193.6, 1194, 1194.2, 1195, 1197 and 1197.1); (2) failure to pay overtime wages (pursuant to Cal. Labor Code §§ 510, 515, 516, 552, 558, 1193.6, 1194 and 1198); (3) failure to provide meal periods (pursuant to Cal. Labor Code §§ 210, 226.7, 512, 516); (4) failure to authorize and permit rest periods (pursuant to Cal. Labor Code §§ 210, 226.7, 516); (5) failure to timely pay final wages at termination (pursuant to Cal. Labor Code §§ 201 - 203 and 213(d)); (6) failure to provide accurate itemized wage statements (pursuant to Cal. Labor Code §§ 226 and 226.3); (7) failure to indemnify employees for expenditures (pursuant to Cal. Labor Code §§ 450, 2800, 2802); (8) failure to produce requested employment records (pursuant to Cal. Labor Code §§ 226, 432, and 1198.5); (9) failure to pay all earned wages twice per month and unlawfully withholding accrued wages (pursuant to Cal. Labor Code §§ 204, 210, 216, 225.5); (10) failure to maintain accurate records of hours worked and meal periods (pursuant to Cal. Labor Code §§ 1174, 1174.5, 1175); (11) recordkeeping requirement violations (pursuant to Cal. Labor Code §§ 226.6, 558.1, 1174, 1174.5, 1175, 1198 and 1199); (12) failure to provide proper sick leave and supplemental paid sick leave (pursuant to Cal. Labor Code §§ 245-259); (13) secretly paying wages lower than required by statute while purporting to pay legal wages (pursuant to Cal. Labor Code § 223); (14) failure at times to pay vested vacation and/or paid time off (pursuant to Cal. Labor Code § 227.3); (15) failure to provide suitable seating (pursuant to Section 14(A-B) of all applicable IWC Wage Orders); (16) for unlawful agreements (pursuant to Cal. Labor Code § 432.5; 2753, 2810.5); (17) failure to timely provide temporary workers, or some of them, with wages (pursuant to Cal. Labor Code § 201.3); (18) for preventing employees, or some of them, from using or disclosing the skills, knowledge and experience they obtained at Employers, and whistleblower violations (pursuant to Cal. Labor Code §§ 98.6, 232, 232.5, 1102.5, and 1197.5); for unlawful inquiries at times into criminal histories (pursuant to Cal. Labor Code § 432.7); for workplace health and safety violations (pursuant to Cal. Labor Code §§ 1527, 3366, 3457, 8397.4, 6401, and 6401); and, (21) civil penalties for wage and hour violations (pursuant to Cal. Labor Code § 558). The Released PAGA Claims are those that accrued during the PAGA Period.

Settlement Agreement at § 5.3.

Only Plaintiff will agree to a general release and a waiver of Civil Code § 1542. Settlement Agreement at §§ 5.1, 5.1.1.

1 **IV. THE PROPOSED SETTLEMENT AGREEMENT MEETS ALL CRITERIA FOR**
2 **PRELIMINARY APPROVAL**

3 **A. Provisional Certification of the Class is Appropriate**

4 Class certification is appropriate when there is: (1) an ascertainable and sufficiently
5 numerous class; (2) a well-defined community of interest among class members; and (3) substantial
6 benefits from certification that render proceeding as a class superior to the alternatives. *Brinker*
7 *Restaurant Corp. v. Superior Court*, 53 Cal.4th 1004, 1021 (2012). Although courts still need to
8 review and consider each element for certification, a lesser standard can be used to provisionally
9 certify a settlement class. *Global Minerals & Metals Corp. v. Superior Court*, 113 Cal.App.4th
10 836, 859 (2003).

11 **1. The Proposed Class is Numerous and Ascertainable**

12 “Ascertainability” is determined by examining the class definition and the size of the class
13 and may also involve examining the means available to identify class members. *Noel v. Thrifty*
14 *Payless, Inc.*, 7 Cal.5th 955, 980-981, 985-986 (2019). As the settlement eliminates the need for
15 trial, “the case management issues inherent in the ascertainable class determination need not be
16 confronted.” *Global Minerals*, 113 Cal.App.4th at 859. Further, under California law, there is no
17 minimum number of class members for maintenance of a class action. *Hendershot v. Ready to Roll*
18 *Transp., Inc.*, 228 Cal.App.4th 1213, 1222 (2014). Class sizes as small as 10 have been permitted.
19 *Rose v. City of Hayward*, 126 Cal.App.3d 926, 934 (1981), disapproved on other grounds by *Noel*,
20 7 Cal.5th at 986.

21 The Gonzales Class here consists of all persons who worked for Defendant So Cal Gyms,
22 LLC and Defendant So Cal Santa Fe, LLC in California as an hourly-paid or non-exempt employee
23 at any time during the Gonzales Class Period. *See* Settlement Agreement at §§ 1.5, 1.14. The Class
24 is also readily ascertainable from Defendant’s business records, because all Class Members are or
25 were employees of Defendant. *Id.* Defendant’s records show there are approximately 63 Class
26 Members, making joinder of all Class Members impracticable. Yslas Decl. at ¶ 12.

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1 2. *A Well-Defined Community of Interest Exists*

2 The community of interest requirement embodies three factors: (1) predominant common
3 questions of law or fact; (2) class representatives with claims or defenses typical of the class; and
4 (3) class representatives who can adequately represent the class. *Brinker*, 53 Cal.4th at 1021.

5 a. *Common Questions Predominate*

6 In determining whether common issues “predominate,” courts consider both plaintiff’s
7 legal theories and defendant’s affirmative defenses. *Duran v. U.S. Bank Nat’l Ass’n*, 59 Cal.4th 1,
8 28-29 (2014). The “predominate common questions” factor does not require that all class members
9 have identical claims. *Ayala v. Antelope Valley Newspapers, Inc.*, 59 Cal.4th 522, 530 (2014).
10 Rather, the focus is on whether issues shared by the class members are sufficiently uniform to
11 permit class-wide assessment, and whether individual variations in proof on those issues are
12 manageable. *Id.*

13 Plaintiffs have alleged that Defendant maintained common employment policies and/or
14 practices that unlawfully deprived Class Members of wages, meal periods, rest periods,
15 reimbursements for business expenses, accurate wage statements, and timely payment of wages
16 upon separation of employment. Yslas Decl. at ¶ 13. These allegations present common factual
17 and legal questions of, *inter alia*, whether Defendant applied the same scheduling, timekeeping,
18 pay, meal period, rest period, and reimbursement policies to all Class Members, whether these
19 policies and practices resulted in Labor Code violations, whether Defendant’s conduct was
20 intentional, and whether Class Members are entitled to damages and/or penalties. *Id.* These
21 common questions could be resolved using Class Members’ time records, payroll records,
22 testimony from Defendant’s designated representative(s), and Class Members’ testimony. *Id.*
23 Therefore, the Court can and should exercise its discretion to grant conditional class certification
24 for settlement purposes.

25 b. *Plaintiffs are Typical of the Class*

26 Typicality does not require that the representative plaintiff’s claims and those of the class
27 members be identical or perfectly aligned. *Wershba v. Apple Computer, Inc.*, 91 Cal.App.4th 224,
28 228 (2001), disapproved on other grounds by *Hernandez v. Restoration Hardware, Inc.*, 4 Cal.5th

260 (2018). Typicality does not require that a plaintiff's claims be identical to those of other class members, only that their claims and the defenses applicable to them are sufficiently similar to those of other class members that a named plaintiff is able to adequately represent the class and focus on common issues. *Medraza v. Honda of North Hollywood*, 166 Cal.App.4th 89, 99 (2008).

Plaintiffs have alleged that they and Class Members were employed by the same Defendants and injured by Defendants' common wage and hour policies and practices, including Defendants' scheduling, timekeeping, pay, meal period, rest period, and reimbursement policies. *See* Yslas Decl. at ¶ 13. Through informal discovery, Plaintiffs confirmed that these challenged policies and practices applied to Plaintiffs and Class Members alike. *See id.* at ¶ 11. Therefore, Plaintiffs' claims and Class Members' claims arise from the same challenged employment policies and practices and are based on the same legal theories.

c. Plaintiffs and Plaintiffs' Counsel Will Adequately Represent the Class

Certification requires adequacy of both the proposed class representative and of the proposed class counsel. Cal. Code Civ. Proc. § 382. "Only a conflict that goes to the very subject matter of the litigation will defeat a party's claim of representative status." *Richmond v. Dart Industries*, 29 Cal.3d 462, 470 (1981). Only conflicts that are "irreconcilable" can defeat adequacy. *Nat'l Solar Equip. Owners' Ass'n v. Grumman Corp.*, 235 Cal.App.3d 1273, 1286 (1991). The proposed representative Plaintiffs and proposed Class Counsel present no such conflict.

Plaintiffs' interests are coextensive with Class Members' interests. Gonzales Decl. at ¶ 6; Galaviz Decl. at ¶ 6. Plaintiffs have demonstrated an ability to advocate for the interests of Class Members by initiating this lawsuit, providing information to their attorneys, meeting with their attorneys regarding the claims, making themselves available the day of mediation to answer questions, and reviewing the proposed Settlement. Gonzales Decl. at ¶ 11; Galaviz Decl. at ¶ 11.

Likewise, Wilshire Law Firm has expended considerable time and effort on this case and will continue to do so through final approval. *See generally*, Yslas Decl. Therefore, Plaintiffs should be appointed Class Representative, and their counsel should be appointed Class Counsel.

///

1 **3. *A Class Action is Superior to a Multitude of Individual Lawsuits***

2 Courts have held that class treatment of wage and hour claims is clearly “superior to the
3 other available methods for the fair and efficient adjudication of the controversy.” *Dean Witter*
4 *Reynolds, Inc. v. Superior Court*, 211 Cal.App.3d 758, 772-773 (1989). This is so because “[p]ublic
5 policy has long favored the ‘full and prompt payment of wages due an employee.’” *Sav-On Drug*
6 *Stores, Inc. v. Superior Court*, 34 Cal.4th 319, 340 (2004). Here, a class action is superior to a
7 multitude of individual lawsuits. Given the size and amount of each Class Member’s claim, Class
8 Members have little incentive to litigate their claims on an individual basis because the out-of-
9 pocket expenses and personal commitment necessary to litigate each claim likely outweigh any
10 potential recovery. Yslas Decl. at ¶ 12. Therefore, a class action is the superior method for seeking
11 relief.

12 **B. The Settlement Meets the Standards for Preliminary Approval**

13 The moving party must demonstrate that “the settlement is fair, adequate and reasonable.”
14 *Kullar v. Foot Locker Retail, Inc.*, 168 Cal.App.4th 116, 126 (2008). “In determining whether a
15 class settlement is fair, adequate, and reasonable, the trial court should consider relevant factors,
16 such as the strength of plaintiffs’ case, the risk, expense, complexity and likely duration of further
17 litigation, the risk of maintaining class action status through trial, the amount offered in settlement,
18 the extent of discovery completed and the stage of the proceedings, the experience and views of
19 counsel, the presence of a governmental participant, and the reaction of the class members to the
20 proposed settlement.” *Wershba*, 91 Cal.App.4th at 244-245 (internal quotations and citations
21 omitted).

22 **1. The Settlement is Entitled to a Presumption of Fairness**

23 A settlement is entitled to “a presumption of fairness . . . where: (1) the settlement is reached
24 through arm’s length bargaining; (2) investigation and discovery are sufficient to allow counsel
25 and the court to act intelligently; (3) counsel is experienced in similar litigation; and (4) the
26 percentage of objectors is small.” *Dunk v. Ford Motor Co.*, 48 Cal.App.4th 1794, 1801 (1996).
27 The Settlement here satisfies the first three factors. Plaintiffs will analyze the fourth factor at final
28 approval after Class Members have been notified of the Settlement and provided with an

1 opportunity to object.

2 *a. The Settlement is the Result of Arm's Length Negotiation*

3 Courts have recognized that the involvement of a respected mediator provides a high degree
4 of assurance that the settlement is the result of arm's length bargaining. *See Chavez v. Netflix, Inc.*,
5 162 Cal.App.4th 43, 52-53 (2008). The Settlement in this matter was the product of a full-day
6 mediation session with a respected mediator. Yslas Decl. at ¶ 8. The negotiations were adversarial,
7 conducted at arm's length, and tempered by the efforts of both sides to serve the interests of their
8 clients. *Id.*

9 *b. Sufficient Investigation and Discovery Have Been Conducted*

10 Prior to attending mediation, Plaintiffs' Counsel thoroughly investigated the claims,
11 applicable law, and potential defenses. Yslas Decl. at ¶ 11. Plaintiffs' Counsel assessed the value
12 to the class claims using the data and documents that Defendant produced in informal discovery,
13 including class data providing the number of Class Members, the number of workweeks in the
14 Class Period, and the number of pay periods in the PAGA Period, Plaintiffs' personnel
15 file/documents concerning Plaintiffs, Defendant's employee handbook(s), Defendant's written
16 wage-and-hour policies, job descriptions, and a random sampling of time and payroll records. *Id.*

17 *c. Plaintiffs' Counsel is Experienced in Similar Litigation*

18 Plaintiffs are represented by Wilshire Law Firm, PLC. Yslas Decl. at ¶ 1. Plaintiffs'
19 Counsel has extensive experience litigating wage and hour class actions on behalf of employees.
20 *See id.* at ¶¶ 24-35. Plaintiffs' Counsel has been involved as counsel in numerous class actions that
21 have resulted in millions of dollars in recovery. *See id.*

22 **2. *The Settlement is Reasonable Given the Strengths of Plaintiffs' Claims***
23 ***and the Risks and Expense of Further Litigation***

24 A settlement does not have to provide 100% of the damages sought to be considered fair
25 and reasonable. *See Rebney v. Wells Fargo Bank*, 220 Cal.App.3d 1117, 1139 (1991). Although
26 the exposure Plaintiffs' Counsel calculated is substantial, the various risks at succeeding at class
27 certification and through trial affected the valuation of the claims for settlement purposes. Yslas
28 Decl. at ¶ 14.

1 Minimum and Overtime Wages: Plaintiffs' unpaid minimum and overtime wage claims
2 were based on the allegation that Defendants required Class Members to perform work duties
3 while off the clock, without compensation. Yslas Decl. at ¶ 15. For example, Plaintiffs alleged
4 that Defendants required them and other Class Members to perform work during uncompensated
5 meal periods and to perform work-related tasks before clocking in and/or after clocking out,
6 including answering questions from gym members. *Id.* For purposes of calculating Defendants'
7 liability based on a best-case scenario for Plaintiffs and the Class, Plaintiffs' Counsel assumed
8 that all unpaid worktime should have been paid at the overtime rate of pay and conservatively
9 estimated one (1) hour of unpaid worktime per workweek. *Id.* This results in potential exposure
10 for this claim of approximately \$58,364.79 (2,374 workweeks × \$16.39 average hourly rate of
11 pay × 1 hour/workweek × 1.5 overtime rate). *Id.* Because this claim would have relied heavily
12 on Class Member testimony and would not be evidenced in Defendants' time and payroll
13 records, the risk of succeeding at class certification and trial was substantial. Accordingly,
14 Plaintiffs' Counsel applied a risk discount based on a 60% chance of succeeding at class
15 certification and a 60% chance of succeeding at trial, yielding a realistic damage estimate of
16 approximately \$21,011.32 (\$58,364.79 × 60% × 60%). *Id.*

17 Meal Periods: Plaintiffs' meal period claim was based on the allegation that Defendants
18 failed to provide Class Members with legally compliant meal periods or pay meal period premiums
19 in lieu thereof. Yslas Decl. at ¶ 16. For example, Plaintiffs alleged that Defendants required them
20 and other Class Members to work through meal periods due to work demands and staffing
21 requirements. *Id.* Additionally, Plaintiffs' Counsel's expert consultant determined there was a
22 35.8% meal period violation rate from the sampling of Defendants' time and payroll records, where
23 meal periods were short, late, or missed (and a 35.4% violation rate for shifts over six hours). *Id.*
24 Therefore, potential liability for the meal period claim is approximately \$46,905.75 (7,994 shifts
25 over 5 hours × \$16.39 average hourly rate × 35.8% violation rate). *Id.* After taking into account
26 the difficulty of certifying and proving meal period claims, as well as Defendants' contention that
27 the claim lacks merit and that the observed violation rate does not establish that Class Members
28 were unlawfully denied compliant meal periods, Plaintiffs' Counsel discounted this figure based

1 on a 70% chance of succeeding at class certification and a 60% chance of succeeding at trial,
2 yielding a realistic damage estimate of approximately \$19,700.42 ($\$46,905.75 \times 70\% \times 60\%$). *Id.*

3 Rest Periods: Plaintiffs' rest period claim was based on the allegation that Defendants failed
4 to provide Class Members with legally compliant rest periods or pay rest period premiums in lieu
5 thereof. Yslas Decl. at ¶ 17. For example, Plaintiffs alleged that Defendants required them and
6 other Class Members to work through rest periods due to work demands and staffing requirements.
7 *Id.* Based on Plaintiffs' allegations and Plaintiffs' and other Class Members' experience working
8 for Defendants, Plaintiffs' Counsel applied a 50.6% violation rate to all qualifying shifts during
9 the Class Period. *Id.* Therefore, Defendants' potential liability for the rest period claim is
10 approximately \$68,801.55 (8,296 shifts of 3.5 hours or longer $\times$ \$16.39 average hourly rate $\times$
11 50.6% violation rate). *Id.* However, Plaintiffs' Counsel discounted this figure to account for the
12 difficulty of certifying and proving rest period claims, particularly because rest periods do not have
13 to be recorded, and to account for the possibility of Class Members voluntarily choosing to forego
14 a rest period. *Id.* Because this claim would have relied heavily on Class Member testimony,
15 Plaintiffs' Counsel discounted this claim based on a 50% chance of succeeding at class certification
16 and a 40% chance of succeeding at trial, yielding a realistic damage estimate of approximately
17 \$13,760.31 ($\$68,801.55 \times 50\% \times 40\%$). *Id.*

18 Reimbursements: Plaintiffs' reimbursement claim was based on the allegation that
19 Defendants failed to indemnify Class Members for expenses incurred as a direct result of
20 performing their job duties for Defendants, such as mandatory use of personal cell phones for work
21 purposes. Yslas Decl. at ¶ 18. For purposes of calculating Defendants' liability based on a best-
22 case scenario for Plaintiffs and the Class, Plaintiffs' Counsel estimated that Defendants were liable
23 to each Class Member for \$7.50 per workweek in unreimbursed expenses, for a total amount of
24 approximately \$17,805.00 ($\$7.50 \times 2,374$ workweeks). *Id.* However, Defendants argued that these
25 expenses were not required by Defendants and that Defendants could not have known that these
26 expenses were being incurred. *Id.* Accordingly, Plaintiffs' Counsel discounted this claim based on
27 a 50% chance of succeeding at class certification and a 50% chance of succeeding at trial, yielding
28 a realistic damage estimate of approximately \$4,451.25 ($\$17,805.00 \times 50\% \times 50\%$). *Id.*

1 In sum, Plaintiffs' Counsel estimated that Plaintiffs' maximum recovery for the off-the-
2 clock claim, meal period violations, and rest period violations is approximately \$174,072.09. Yslas
3 Decl. at ¶ 19. However, after factoring in the risk and uncertainty of prevailing at certification and
4 trial, Plaintiffs' Counsel estimates that Plaintiffs' realistic estimated recovery for these off-the-
5 clock, meal period, and rest period claims is approximately \$54,472.05. *Id.*

6 Derivative Penalties: Plaintiffs alleged that as a result of Defendants' failure to pay all
7 wages owed, Defendants owed waiting time penalties and wage statement penalties. Yslas Decl.
8 at ¶ 20. With respect to Plaintiffs' derivative claims for statutory penalties, Plaintiffs' Counsel
9 estimated that Defendants' maximum potential liability is approximately \$172,166.85. *Id.*
10 Defendants' maximum potential liability for waiting time penalties is approximately \$64,166.85,
11 based on approximately 18 formerly employed Class Members during the 3-year statute of
12 limitations period, an average hourly rate of \$16.39, an average shift length of 7.5 hours, and the
13 alleged unpaid overtime. *Id.* Defendants' maximum potential liability for inaccurate wage
14 statements is approximately \$108,000.00 ([48 employees x 1 initial violation/employee x \$50 for
15 an initial violation] + [(1,104 pay periods - 48 initial violations) x \$100 for each subsequent
16 violation]), based on approximately 48 estimated Class Members who worked during the 1-year
17 statute of limitations period and approximately 1,104 estimated pay periods in that statutory
18 timeframe. *Id.* Plaintiffs' Counsel used the Gonzales PAGA data as a reasonable proxy for
19 estimating the number of Class Members and pay periods falling within the applicable one-year
20 period. *Id.* In light of the foregoing, Plaintiffs' Counsel believes that it would be unrealistic to
21 expect the Court to award the full \$172,166.85 in statutory penalties given Defendants' defenses,
22 the contested nature of Plaintiffs' claims, the challenges of establishing willfulness as applicable,
23 and the discretionary nature of penalties. *Id.* Considering that the underlying wage claims are
24 realistically estimated to be approximately \$54,472.05, such a disproportionate award would also
25 raise due process concerns. *Id.* As such, Plaintiffs' Counsel discounted these figures to account for
26 the risk and uncertainty of obtaining class certification and prevailing at trial, resulting in a realistic
27 evaluation of approximately \$12,833.37 for waiting time penalty claims (\$64,166.85 x 50% x
28 40%), and approximately \$21,600.00 for wage statement penalty claims (\$108,000.00 x 50% x

40%), or approximately \$34,433.37 total for statutory penalties. *Id.*

PAGA: For the PAGA claim, Plaintiffs' Counsel determined that Defendants' potential exposure could potentially reach \$173,300.00, assuming the initial \$100 penalty would apply for each of the 1,733 pay periods in the PAGA Period. Yslas Decl. at ¶ 21. However, even assuming success on the merits of each claim, PAGA gives the Court discretion to reduce penalties for a variety of reasons, including where to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory. *Id.* As such, Plaintiffs' Counsel discounted this figure to account for the risk and uncertainty of prevailing at trial, resulting in a realistic evaluation of approximately \$51,990.00 for PAGA penalties ($\$173,300.00 \times 30\%$). *Id.* The settlement allocates \$7,000.00 of the Gross Settlement Amount to PAGA, therefore the PAGA allocation amounts to 5% of the Gross Settlement Amount and approximately 13.5% of the realistic maximum damages for PAGA penalties ($\$7,000.00 / \$51,990.00$). *Id.*

Using these estimated figures, Plaintiffs' Counsel predicted that the realistic maximum recovery for all claims, including penalties, would be approximately \$145,346.67. Yslas Decl. at ¶ 22. This means that the \$140,000.00 Gross Settlement Amount represents approximately 96% of the realistic maximum recovery ($\$140,000.00 / \$145,346.67$). *Id.* Considering the risk and uncertainty of prevailing at class certification and at trial, this is an excellent result for the Class. *Id.* Indeed, because of the proposed Settlement, Class Members will receive timely, guaranteed relief and will avoid the risk of an unfavorable judgment. *Id.*

Based on the figures in the Settlement Agreement, the Net Settlement Amount available for class settlement payments is currently estimated to be \$72,000.00 for approximately 63 Class Members. Yslas Decl. at ¶ 23. As a result, each Settlement Class Member would be eligible to receive an average net benefit of approximately \$1,142.86. *Id.* Based on the estimated Net Settlement Amount available for individual class payments and there being approximately 2,374 workweeks in the Class Period, the estimated weekly valuation for Individual Class Payments is \$30.33 ($\$72,000.00 / 2,374$ workweeks). *Id.*

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1 **C. The Requested Service Payment is Reasonable**

2 Plaintiffs seek a Class Representative Service Payment of up to \$10,000.00 to each named
3 plaintiff for accepting the responsibilities of representing the interests of the Class and potential
4 costs that were not borne by any other Class Member. Settlement Agreement at § 3.2.1. A named
5 plaintiff is eligible for payment that reasonably compensates the plaintiff for undertaking and
6 fulfilling a fiduciary duty to represent absent class members. *See Cellphone Termination Fee*
7 *Cases*, 186 Cal.App.4th 1380, 1393 (2010); *Bell v. Farmers Ins. Exch.*, 115 Cal.App.4th 715, 726
8 (2004).

9 Throughout this case, Plaintiffs assisted counsel in providing information necessary to
10 prosecute the claims, meeting with counsel regarding the claims, maintaining regular contact with
11 counsel, making themselves available the day of mediation to answer questions, and reviewing the
12 Settlement to ensure it was fair to the Class. Declaration of Tiana Gonzales in Support of Plaintiffs’
13 Motion for Preliminary Approval of Class Action and PAGA Settlement (“Gonzales Decl.”) at ¶
14 11; Declaration of Adan Galaviz in Support of Plaintiffs’ Motion for Preliminary Approval of Class
15 Action and PAGA Settlement (“Galaviz Decl.”) at ¶ 11. No action would likely have been taken
16 by Class Members individually and no compensation would have been recovered for them, but for
17 Plaintiffs’ services on behalf of the Class. By actively pursuing this action, Plaintiffs furthered the
18 California public policy goal of enforcing the State’s wage-and-hour laws. *See Sav-On*, 34 Cal.4th
19 at 340. The requested Class Representative Service Payments are reasonable and should be
20 preliminarily approved. Plaintiffs have provided declarations regarding their work performed to
21 date and will provide additional information as requested or required by the Court at final approval.

22 **D. The Requested Attorneys’ Fees and Costs Are Reasonable**

23 The purpose of an attorneys’ fee award in class action litigation is to reward counsel who
24 invested in a case despite the risk of non-payment and achieved a substantial positive result for the
25 class. California courts routinely award attorneys’ fees equaling one-third or more of the potential
26 value of the common fund. *See Chavez*, 162 Cal.App.4th at 66, fn. 11 (“Empirical studies show
27 that, regardless of whether the percentage method or the lodestar method is used, fee awards in
28 class actions average around one-third of the recovery.”).

1 Plaintiffs seek appointment of Wilshire Law Firm, PLC as Class Counsel. The attorneys
2 performed significant work and expended litigation costs in prosecuting this matter with no
3 guarantee of payment. Yslas Decl. at ¶ 24. Plaintiffs' Counsel seeks preliminary approval for up
4 to one third (1/3) of the Gross Settlement Amount in attorneys' fees, currently estimated to be
5 \$46,666.67, and up to \$30,000.00 in reimbursement of litigation costs. Given the work performed
6 in this matter, the extensive information exchange, and the substantial recovery obtained on behalf
7 of the Class, Plaintiffs' Counsel achieved a settlement through efficient and diligent work. *See*
8 *generally*, Yslas Decl. At final approval, Plaintiffs' Counsel will fully brief the merits of its request
9 for the award of attorneys' fees and litigation costs.

10 **E. The Administration Costs Are Reasonable**

11 The Parties have agreed upon using ILYM to administer this Settlement. Settlement
12 Agreement at §§ 1.2, 7.1. Plaintiffs seek preliminary approval of \$6,450.00 for ILYM to administer
13 this Settlement pursuant to ILYM's will-not-exceed bid. See Yslas Decl. at ¶ 38, **Exhibit 5**. The
14 services covered by this payment are extensive and necessary to carry out the Settlement
15 administration.

16 **V. CONCLUSION**

17 The Parties have negotiated a fair and reasonable settlement of the class claims in light of
18 the risks presented in this case. Plaintiffs have presented the materials and information necessary
19 to demonstrate that the requirements for preliminary approval have been met, and therefore
20 respectfully request that the Court preliminarily approve the Settlement and schedule a date for the
21 final approval hearing.

22
23 Respectfully submitted,

24 Dated: August 31, 2026

WILSHIRE LAW FIRM, PLC

25
26 By: 

27 Lucy H. Nguyen
28 Attorneys for Plaintiffs