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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF RIVERSIDE

KAYLANI LEPOLO, an individual, on behalf of herself and other similarly situated,

PLAINTIFF,

v.

CORONA POST ACUTE, LLC; and DOES 1 thru 50, inclusive,

DEFENDANTS.

Case No. CVRI2401478

[Case Assigned for All Purposes to Hon. Harold W. Hopp in Dept. 1]

NOTICE OF MOTION AND MOTION FOR APPROVAL OF REPRESENTATIVE ACTION SETTLEMENT; MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT THEREOF

[Filed concurrently with Declarations of Kelsey M. Szamet, Jodey Lawrence of Phoenix Class Action Administration Solutions, and Plaintiff Kaylani Lepolo in Support of Plaintiff's Motion for Approval of Representative Action Settlement; [Proposed] Order, and Judgment]

Date: January 29, 2026
Time: 8:30 A.M.
Dept.: 1
Reservation ID: 583637244858

Complaint Filed: March 20, 2024
Trial Date: None Set

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TO ALL PARTIES AND TO THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on January 29, 2026 at 8:30 A.M. in Department 1 of the above-entitled court, Plaintiff KAYLANI LEPOLO will move the Court for an Order Granting Approval of Representative Action Settlement.

The Motion will be made on the grounds that the proposed Settlement is fair, adequate, reasonable, and in the best interest of Plaintiff, all aggrieved employees, and the Parties.

The Motion will be based on this Notice of Motion, the attached Memorandum of Points and Authorities, the Declaration of Kelsey M. Szamet, the PAGA Settlement Agreement (Exhibit "1" to the concurrently filed Szamet Declaration), all other papers and records on file in this action, and on such oral and documentary evidence as may be presented at the hearing on this Motion.

DATED: October 22, 2025

KINGSLEY SZAMET EMPLOYMENT LAWYERS

By: ______________________________

Kelsey M. Szamet
Jessi Bulaon
Attorneys for Plaintiff KAYLANI LEPOLO and all aggrieved employees

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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Plaintiff Kaylani Lepolo ("Plaintiff") submits this Memorandum of Points and Authorities in support of Motion for Approval of Representative Action Settlement. Plaintiff and Defendant CORONA POST ACUTE, LLC ("Defendant") (collectively, the "Parties") have reached a proposed settlement documented in the PAGA Settlement Agreement ("Settlement" or "Agreement"), attached to the concurrently-filed declaration of Kelsey M. Szamet.[1]

This is a Settlement under the Private Attorneys General Act of 2004, Labor Code §2699, et seq. ("PAGA"). The Gross Settlement Amount is $80,000.00. After deduction of attorney's fees and litigation expenses, litigation enhancement to Plaintiff, and settlement administration costs as discussed in the Agreement, the remaining amount to be divided between the Labor and Workforce Development Agency ("LWDA") and the aggrieved employees as required by Labor Code section 2699(i) is , with (or 75%) going to the LWDA and (or 25%) distributed to the aggrieved employees.[2]

Plaintiff requests that the Court "review and approve any settlement of any civil action filed pursuant to this part" (*See* Lab. Code § 2699(1)(2).) If the Court deems the Settlement fair and acceptable, Plaintiff requests that the Court: (1) enter an order approving the Settlement and ordering the Parties to carry the terms of the Settlement Agreement; and (2) and enter a Final Judgement thereon.[3]

II. BACKGROUND OF THE CASE AND RELEVANT PROCEDURAL HISTORY

A. Litigation Overview and Procedural History

Corona Post Acute is a nursing home in Corona, California. Plaintiff worked as a Health Information Specialist for Corona Post Acute in California from approximately January 2020 to February 28, 2023, earning a regular rate of $21 per hour.

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[1] The Parties also entered into a separate confidential settlement for Plaintiff Kaylani Lepolo's individual claims.

[2] Pursuant to PAGA, civil penalties recovered by aggrieved employees shall be distributed 75 percent to the Labor and Workforce Development Agency ("LWDA") and 25 percent to the aggrieved employee(s). Lab. Code § 2699(i).

[3] Plaintiff's Motion for Approval of Representative Action Settlement will be concurrently uploaded to the LWDA's website on the date this Motion is filed. Proof of submission of Plaintiff's Motion for Approval of Representative Action Settlement, all related documents, and copy of the email from the LWDA confirming receipt can be provided to the Court upon request. (Szamet Decl. ¶107.)

On March 20, 2024, Plaintiff filed a representative action complaint against Defendant in the Riverside County Superior Court (the "Court") designated Case No. CVRI2401478, in which Plaintiff, an individual, on behalf of herself and others similarly situated, claims various Labor Code violations for: (1) failure to reimburse pursuant to Labor Code § 2802; (2) failure to issues accurate itemized wage statements pursuant to Labor Code § 226(a); (3) violation of Labor Code §§ 226(f) and 1198.5; and (4) violation of Business & Professions Code § 17200. (Declaration of Kelsey M. Szamet ¶5.) ("Szamet Decl.")

Also on March 20, 2024, Plaintiff sent a notice letter, pursuant to Labor Code section §2699 ("PAGA"), to the Labor Workforce Development Agency ("LWDA") regarding her intent to seek civil penalties for the same Labor Code violations above, under Labor Code section §2699, et seq. (Szamet Decl. ¶6.) Pursuant to Labor Code §2699.3(a)(2)(A), no notice was received by Plaintiff from the LWDA evidencing its intention to investigate within 65 calendar days of the postmark date of the notice. (Szamet Decl. ¶7.) Therefore, Plaintiff was entitled to commence a civil action as though the LWDA has chosen not to investigate. (*Id.*)

On May 24, 2024, Plaintiff filed a First Amended Complaint alleging causes of action against Defendant, adding an additional claim for penalties under Labor Code § 2699 et seq., the Private Attorneys General Act ("PAGA"), for the causes of action alleged previously. (Szamet Decl. ¶8.) The First Amended Complaint is the operative complaint in the Action. (*Id.*)

In the early stages of this case, Defendant produced an arbitration agreement. As such, the Parties agreed to mediate only the PAGA claim and Plaintiff's individual claims. Plaintiff has both individual wage and hour claims, as well as FEHA claims. (Szamet Decl. ¶9.) On April 22, 2025, Plaintiff filed a Request for Dismissal without Prejudice as to the Class only. (Szamet Decl. ¶10)

The Parties attended mediation on March 14, 2025 with experienced mediator Russ J. Wunderli. (Szamet Decl., ¶11.) After settlement negotiations, the Parties successfully reached a settlement as to Plaintiff's individual claims and representative PAGA claims against Defendant. (Szamet Decl., ¶12.) Shortly thereafter, the Parties formalized the PAGA Settlement Agreement. (Szamet Decl. ¶13.)

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B. The Discovery Process

The Parties have informally produced documents and aggrieved employee data for purposes of mediation, including payroll records, personnel files, and employee handbooks. (Szamet Decl. ¶14.)

Although Defendant denies that it violated any pertinent law, it recognized the risks and attendant costs of litigation, and the Parties were able to reach a tentative settlement subject to finalization of a formal PAGA Settlement Agreement and the approval of the Court. (Szamet Decl. ¶15.) The Parties negotiated the terms and conditions of the Agreement and now present the agreed-upon Settlement to the Court for Approval. (*Id.*)

III. PAGA ACTIONS AND THE REQUIREMENTS

A. The PAGA Statutory Scheme

PAGA creates a means of "deputizing" citizens as private attorney generals to enforce the Labor Code on behalf of the LWDA. *Brown v. Ralphs Grocery Co.* (2011) 197 Cal.App.4th 489, 501, review den. (Oct. 19, 2011, No. S195850), *cert. denied* (Apr. 16, 2012) 132 S.Ct. 1910. A plaintiff may not — and Plaintiff here does not — bring a PAGA claim simply on his or her own behalf as an individual claim, but "as the proxy or agent of the state's labor law enforcement agencies." *Id.*, at 986; *see also Reyes v. Macy's, Inc.* 202 Cal.App.4th 1119, 1123-1124(2011); *Iskanian v. CLS Transp. Los Angeles*, LLC, 59 Cal. 4th 348, 380).

When an aggrieved employee brings a PAGA claim, "the government is always the real party in interest." *Securitas Sec. Servs. USA, Inc. v. Sup. Ct. of San Diego Cnty.*, 234 Cal.App.4th 1109, 1119 (2015); *Montano v. The Wet Seal Retail, Inc.* 232 Cal.App.4th 1214, 1222 (2015) ("[A] PAGA action is a dispute between an employer and the State agency."). Accordingly, a plaintiff that brings a PAGA claim represents "the same legal right and interest as state labor law enforcement agencies," in that the plaintiff is seeking to recover those civil penalties that otherwise would have been assessed and collected by the LWDA. *Arias*, *supra*, 46 Cal.4th at 986; Lab. Code § 2699 (a) & (f); *Securitas*, *supra*, 234 Cal.App.4th at 1119; *see also Medina v. Vander Poel* (E.D. Cal. 2015) 523 B.R. 820, 825 (holding "PAGA plaintiffs do not have property rights in their cases."). This is borne out by the fact that the LWDA receives 75 percent of any civil penalties recovered; thus, recoveries are principally for the state and only secondarily for aggrieved employees. Lab. Code § 2699 (i). Therefore, when a plaintiff brings a PAGA claim, he or she is properly conceived of as a private attorney general prosecuting violations of California's labor laws on behalf of the state.

An employee may commence a PAGA action by fulfilling the requirements of Cal. Lab. Code § 2699.3 (a)(1), which simply states:

> "The aggrieved employee or representative shall give written notice by certified mail to the Labor and Workforce Development Agency and the employer of the specific provisions of this code alleged to have been violated, including the facts and theories to support the alleged violation."

Lab. Code § 2699.3 (a)(1)

As explained above, Plaintiff has complied with the notice requirements and has properly pled a PAGA cause of action. (Ex. 1, ¶ 1.22.)

B. <u>The Court Has Discretion When Awarding the Amount of Penalties</u>

PAGA provides for penalties in the amount of one hundred dollars ($100) for each aggrieved employee per pay period for the initial violation and two hundred dollars ($200) for each aggrieved employee per pay period for each subsequent violation. Lab. Code § 2699(f)(2).

"PAGA penalties...are mandatory, not discretionary" and must be awarded upon a showing that Defendant violated the Labor Code.[4] *Amaral v. Cintas Corp. No. 2* 163 Cal. App. 4th 1157, 1213 (2008); *Moreno v. Autozone, Inc.* (N.D. Cal. June 5, 2007) No. C05-04432 MJJ, 2007 WL 1650942, at *3.

However, PAGA does provide the Court with discretion when it awards these penalties. Labor Code §2699(e)(2) states that "a court may award a lesser amount than the maximum civil penalty amount specified by this part if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory." Here, Defendant denies that it violated any law or that it engaged in any knowing or intentional conduct giving rise to liability and expressly deny that any employees suffered harm.

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[4] *See also Willner v. Manpower Inc., supra. 35 F. Supp. 3d at 1136*; *McKenzie v. Federal Exp. Corp*, *supra*, 765 F.Supp.2d at 1232.

C. Standards for Settlement Approval

When approving a settlement of a PAGA action, the statute simply requires the Court to "review and approve any settlement of any civil action filed pursuant to this part." (Lab. Code § 2699(*l*)(2).) PAGA does not set forth standards for evaluating such settlements, and the California appellate courts have not weighed in on the issue. However, trial courts have approved PAGA settlements where the penalties are "genuine and meaningful" and "consistent with the underlying purpose" of the statute. (See *O'Connor v. Uber Techs., Inc*. (N.D. Cal. 2016) 201 F. Supp. 3d 1110, 1113.) Additionally, as explained in *Arias v. Superior Court* (2009) 46 Cal.4th 969, class action procedural rules do not apply in PAGA cases, including the two-step preliminary and final approval process. Rather, the approval process consists of one step where the court decides if the settlement should go into effect.

IV. THE SETTLEMENT

Defendant will pay the total sum of $80,000.00 in full and final settlement of the PAGA claims alleged. (Szamet Decl. ¶16., Exhibit 1, ¶3.1.) Per the Agreement, the amount is allocated as follows:

Gross Settlement Amount:	$80,000.00
PAGA Counsel Fees Payment:	$26,666.66
PAGA Counsel Litigation Expenses Payment:	$7,956.02.[5]
Administrator Expenses Payment:	$6,500.00
Named Plaintiff Enhancement:	$5,000.00
PAGA Penalties:	$34,237.32 *($25,677.99 to the LWDA; $8,859.33 to remain in the Net Settlement Amount)*

(Szamet Decl. ¶17, Exhibit 1, ¶3.)

Each aggrieved employee shall receive a pro-rata portion of the remaining amount in PAGA penalties based by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA

[5] The PAGA Settlement Agreement provided for counsel to receive cost reimbursement up to $10,000. However, counsel's final costs come to $ 7,781.02. (Szamet Decl., Ex. 1). Plaintiff anticipates incurring an additional $175 in future costs associated with filing this motion, appearing at the hearing, etc. and requested costs of $7,956.02. The difference (delta) will remain in the net settlement fund, causing the net amount for distribution to the LWDA and Aggrieved Employees to be slightly higher than the $31,833.34 contemplated in the settlement agreement. (Szamet, Ex. 1, ¶3.2.4)

Penalties by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment. (Szamet Decl. ¶18., Exhibit 1, ¶3.2.4.1.)

For settlement purposes, the Aggrieved Employees are all persons who are employed or have been employed as a non-exempt employee by Corona Post Acute, LLC, in the State of California who worked one or more pay periods during the PAGA period. (Szamet Decl. ¶19, Exhibit 1, ¶1.4.) The PAGA Period is from March 19, 2023 to May 14, 2025. (Szamet Decl. ¶20, Exhibit 1, ¶1.20.)

V. ARGUMENT

A. The Court Should Approve the Agreement

The Parties recognize that in accordance with Labor Code §2699(l), Court approval is required in the event of a settlement of a PAGA action on a representative basis. However, as explained in *Arias v. Superior Court* 46 Cal.4th 969 (2009), the Parties are not obligated to follow the class action procedural rules in PAGA cases and therefore need not obtain approval of the PAGA settlement through a motion for primary or final approval. Nonetheless, in order to comply with the requirements of Labor Code §2699, the Parties submit the instant Motion and the Agreement (Exhibit "1" to the Szamet Declaration) for Court approval.

B. The Risks of Moving Forward with Plaintiff's PAGA Claim

To help the Court evaluate the fairness of the Settlement, a discussion of the risk evaluation and discount taken follows. (Szamet Decl. ¶21.) Plaintiff believed that Defendant may persuasively argue that the Court should exercise its discretion under PAGA to significantly reduce or altogether waive any penalties under PAGA. (Szamet Decl. ¶22.) Pursuant to Labor Code §226.3, the Labor Commissioner has the discretion to "decide not to penalize an employer for a first violation when that violation was due to a clerical error or inadvertent mistake." (Szamet Decl. ¶23.) And in accordance with PAGA, the court in a PAGA action has the same discretion "to assess a civil penalty" that the Labor Commissioner would have, as well as complete discretion to "award a lesser amount than the maximum civil penalty amount specified [by PAGA] if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory." (Labor Code § 2699(e)(1) and (e)(2)). (Szamet Decl. ¶24.)

PAGA Counsel anticipated that, at trial, Counsel for Defendant could make a potentially persuasive argument that Defendant: (1) the Aggrieved Employees were properly paid and/or reimbursed in accordance with Defendant's lawful policies and practices, and that any alleged failure to compensate the Aggrieved Employees was the result of inadvertence and clerical error; (2) until this Action was filed, no employees had compliance about any alleged failure to reimburse expenses or issue accurate itemized wage statements; (3) none of Defendant's employees suffered any harm from or actual damage as a result of the conduct that forms the basis for Plaintiff's allegations. (Szamet Decl. ¶25.) All of which, Counsel for Defendant would argue, should mitigate in factor of significantly reducing or waiving any PAGA penalties. (*Id.*) While Plaintiff disagrees that this analysis is legal correct or persuasive, PAGA Counsel had to consider the foregoing facts and arguments and how they might impact any judgment ultimately awarded to Aggrieved Employees if the Court were persuaded by them. (Szamet Decl. ¶26.)

1. The Risks Associated with the Reimbursement Claim

Labor Code section 2802 provides that an employer must "indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties . . . ." (Lab. Code, § 2802, subd. (a).)

Plaintiff contends that, on a regular and consistent basis, Defendant failed to reimburse Plaintiff and the Aggrieved Employees the cost of using their personal cell phones for business related purposes. (Szamet Decl. ¶27.) Plaintiff alleged that all Aggrieved Employees were required by Defendant to use their personal cell phones on a daily basis to communicate with doctors and co-workers, check e-mails, and clock-in and out of work, and this was necessary to perform their job duties. (Szamet Decl. ¶28.) Plaintiff maintains that these cell phones were not provided by Defendant, and Defendant failed to reimburse Plaintiff and the Proposed Class for the costs associated with using these personal cell phones. (Szamet Decl. ¶29.) To Plaintiff's knowledge, Defendant did not maintain an expense reimbursement policy, nor was Plaintiff ever informed to seek reimbursement for Plaintiff's cell phone use. (*Id.*) Thus, Plaintiff argues that Defendant owes penalties under PAGA for violations of Labor Code section 2802.

The main risk that Plaintiff considered was the fact that Defendant would argue that not all Aggrieved Employees used their cell phones for work purposes during every pay period at issue. (Szamet Decl. ¶30.) If Defendant could establish this argument, the resulting violation rate and civil penalties available would be relatively small. (Szamet Decl. ¶31.) At trial, Defendant would also argue that reimbursement for work-related cell phone use would occur on a monthly basis, not every pay period. (Szamet Decl. ¶32.) Furthermore, Defendant maintains that its policies and procedures explicitly prohibit the Aggrieved Employees from using their personal cell phones for work purposes and that the nature of the Aggrieved Employees' work does not require such use. (Szamet Decl. ¶33.) Additionally, Defendant reimbursed the Aggrieved Employees $5.00 every month for any incidental use of personal cell phones for work. (Szamet Decl. ¶34.) Defendant maintains that this reimbursement is more than sufficient considering the aforementioned policy and nature of work. (Szamet Decl. ¶35.) While Plaintiff denies that this position is legally correct or persuasive, Plaintiff nonetheless had to consider this risk to recovery of penalties when assessing the overall settlement. (Szamet Decl. ¶36.)

2. The Risks Associated with the Wage Statement Claims

California Labor Code §226(a) requires Defendant to provide its employees with an accurate, itemized written wage statement that shows, in relevant part, total hours worked by the employee, their name and address of the legal entity that is the employer, and all applicable hourly rates and the corresponding number of hours worked. Specifically, Labor Code §226(a) requires employers to furnish accurate itemized wage statements in writing that show total hours worked by the employee and all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. (Labor Code §§ 226(a)(2) and (9) respectively.)

Here, Plaintiff alleged that Defendant furnishes Plaintiff and the Aggrieved Employees with itemized wage statements that do not accurately show total hours worked that do not accurately show total hours worked by the employee and all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee pursuant to Labor Code §§ 226(a)(2) and (9). Plaintiff contends that a review of the paystubs reveal that many are missing rates of pay but show hours worked. (Szamet Decl. ¶37.) Thus, Plaintiff maintains that Defendant's failure to provide accurate itemized wages statements according to Labor Code § 226(a) appears to have been done on a regular and consistent basis. (Szamet Decl. ¶38.)

However, in the sample of payroll data produced to Plaintiff for mediation, the missing rate of pay only appeared in Plaintiff's data. (Szamet Decl. ¶39.) Thus, Defendant argued that the actual violation rate across all employees was very small. (Szamet Decl. ¶40.) As such, Plaintiff recognizes that the civil penalties at issue under this Labor Code section are likely *de minimis*.

C. <u>A Court May Exercise its Discretion to Reduce the Maximum Civil Penalty Awarded for Technical Violations of the Labor Code</u>

"PAGA penalties…are mandatory, not discretionary" and must be awarded upon a showing that Defendant violated the Labor Code. *Amaral v. Cintas Corp. No.* 2 163 Cal. App 4th 1157, 1213 (2008); *Moreno v. Autozone, Inc.* (N.D. Cal. June 5, 2007) No. C05-04432 MJJ, 2007 WL 1650942, at *3.

However, PAGA does provide the Court with discretion when it awards these penalties. Labor Code section 2699(e)(2) states that "a court may award a lesser amount than the maximum civil penalty amount specified by this part if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory."

In *Fleming v. Covidien Inc.* (C.D. Cal., Aug. 12, 2011, No (OPX)), 2011 WL 7563047, the Court exercised its discretion to reduce the PAGA penalty amount. There, the plaintiff brought a PAGA claim for violations of section 226(a) based on the following issues: (a) the statements did not show either an employee identification number or the last four digits of the social security number of the employee; (b) the statements did not show the beginning date of the pay period for which the employee was paid; (c) the statements identified Covidien as the employee's employer. (*Id*. At *2). There were approximately 28,000 wage statements at issue. (*Id*. at *3). The *Fleming* court calculated the maximum potential civil penalty exposure at $2.8 million ($100 per wage statement). (*Ibid*; *see also* Labor Code § 2699(f)(2)). After a bench trial, the Court elected to exercise its discretion to reduce the civil penalty per wage statement to $18 per wage statements, reflecting 18% of the potential exposure. (*Id*. at *4). The Court reasoned:

> Here, the aggrieved employees suffered no injury due to the erroneous wage statements, and made no complaint of the errors or omissions contained therein prior to filing suit. Also, Defendants were not aware that the wage statements violated the law and took prompt steps to correct all violations once notified. Given these circumstances, the Court finds a $2.8 million penalty unjust according to § 2699(e)(2). Accordingly, in its discretion, the Court reduces the penalty to $500,000.

Id. at *4. A court exercising its discretion to significantly reduce the civil penalty awarded under PAGA is not a rare occurrence. *See e.g., Carrington v. Starbucks Corp*. (2018) 30 Cal. App. 5th 504, 529 (awarding 10% of maximum civil penalty for meal break claims in light of Starbuck's "good faith attempts" to comply and because the violations were minimal).

Here, as explained above, Plaintiff's counsel anticipated that, at trial, Counsel for Defendant would argue that: (1) until this Action was filed, no employees had complained about any alleged failure to reimburse for cellphones or issue accurate itemized wage statements; (2) none of Defendant's employees suffered any harm from or actual damage as a result of the conduct that forms the basis for Plaintiff's allegations. All of which, Counsel for Defendant would argue, should mitigate in favor of significantly reducing the civil penalty.

After engaging in pertinent informal discovery in this Action, Plaintiff's counsel determined that a settlement of $80,000.00 is reasonable given the above risks.

D. <u>Based on the Risks Above and the Analysis of the Maximum Penalties Available, Plaintiff Believes this Settlement is Fair and Reasonable</u>

Defendant estimates that there are 15,165 pay periods during the PAGA Period and 654 Aggrieved Employees. (Szamet Decl. ¶41.) Based on these figures, the absolute maximum potential exposure for the PAGA claims for the Aggrieved Employees is $1,516,500 (15,165 pay periods at issue multiplied by $100 a pay period). (*Ibid*.) However, as explained above, the actual violation rates under Labor Code sections 2802 and 226(a) are likely to be low. (*Ibid*.) For example, if a court agreed that the cell phone reimbursement would only apply to one pay period per month (instead of every pay period), a court could conceivably find that the $100 penalty applies to only half of the total PAGA pay periods. (*Ibid*.) As such, that would bring the maximum exposure down to $758,250. (*Ibid*.) This is further supported by Defendant's data produced for mediation. (*Ibid*.) Defendant produced the employment dates for each aggrieved employee. (*Ibid*.) From this list, Plaintiff's counsel determined that the average number of months worked among the aggrieved employees was 11.16 months. (*Ibid*.) Thus, Defendant's maximum exposure under this formula would be $729,864 (11.16 months x $100 per month [for one pay period] x 654 aggrieved employees). (*Ibid*.)

From there, if Defendant were able to prove that not every aggrieved employee used their personal cell phone for work-related reasons, and considering the immense discretion available for the court to reduce the $100 penalty, Defendant's maximum exposure could decrease significantly. (Szamet Decl. ¶48.) In fact, the settlement reached here is approximately 10% of the maximum penalties under the monthly reimbursement formula, which is in line with other PAGA cases. *See e.g., Carrington v. Starbucks Corp*. (2018) 30 Cal. App. 5th 504, 529 (awarding 10% of maximum civil penalty).

In light of the immense discretion available, Plaintiff believes the Settlement is reasonable. Given that this Settlement is for $80,000.00, Plaintiff believes this is a fair and reasonable settlement.

VI. THE REQUEST FOR ATTORNEYS' FEES AND COSTS

As detailed fully in the Settlement, the settlement provides for Defendant to create a Gross Settlement Amount of $80,000.00. (Szamet Decl. ¶53; Ex. 1 at ¶3.1.) From that fund, Plaintiff requests an award of attorneys' fees for PAGA Counsel in the amount of $26,666.66, or 33.33% of the Gross Settlement Amount, and $7,956.02 in reimbursement for litigation costs. (*Id*; Ex. 1 at ¶3.2.1.)

A. Plaintiff's Counsel are Entitled to a Fee from the Common Fund

On August 11, 2016, the California Supreme Court decided *Laffitte v. Robert Half International,* which addressed the correct methodology for awarding fees in a class action settlement. (*Laffitte v. Robert Half Intern. Inc.* (Cal. 2016) 205 Cal.Rptr.3d 555, 573.) The *Laffitte* Court approved awarding fees as a percentage of the settlement fund in cases like the present one, where a settlement results in the creation of a common fund on behalf of a class:

> We join the overwhelming majority of federal and state courts in holding that when class action litigation establishes a monetary fund for the benefit of the class members, and the trial court in its equitable powers awards Class Counsel a fee out of that fund, the court may determine the amount of a reasonable fee by choosing an appropriate percentage of the fund created.

(*Id.* at 573.) The Court then set out several reasons why the percentage-of-the-fund method is preferred over the alternative lodestar-multiplier approach in California courts:

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

(*Id.* at 573.)

An award of 33.33% of the common fund is appropriate here under the "substantial benefit" theory. (*Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1810; *Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 254.) That theory permits a litigant who has sued in a representative capacity to recover fees when the litigant's efforts have created a substantial, actual, and concrete benefit for members of an ascertainable class and the court's jurisdiction over the subject matter makes possible an award which spreads the cost proportionately among the members of the benefitted class. (*See Ciani v. San Diego Trust & Sav. Bank* (1994) 25 Cal.App.4th 563, 578.)

This doctrine rests on the understanding that attorneys should normally be paid by their clients, and that unless attorneys' fees are paid out of the common fund, those who benefitted from the fund would be unjustly enriched. (*Woodland Hills Residents Assn., Inc. v. City Council* (1979) 23 Cal.3d 917, 943; *Save El Toro Ass'n v. Days* (1979) 98 Cal.App.3d 544, 548-49.) To prevent this unfair result, courts exercise their inherent equitable powers to assess attorneys' fees against the entire fund, thereby spreading the cost of those fees among all those who benefitted. (*Serrano*

III, 20 Cal.3d at p. 35.) "A court, in the exercise of its equitable discretion, may decree that those receiving the benefit should contribute to the costs of its production." (*Save El Toro Assn., supra*, 98 Cal.App.3d at 548.) As this approach "better approximates the workings of the marketplace than the lodestar approach," there is "a greater judicial willingness to evaluate a fee award as a percentage of the recovery" in common fund cases. (*Lealao v. Beneficial Calif., Inc.* (2000) 82 Cal.App.4th 19, 31, 48.)

B. The Attorneys' Fees Request Are Well Within the Range of Fees in Comparable Cases

Courts historically award fees in the twenty-to-fifty percent range, depending on the circumstances of the case. As stated in Newberg:

> No general rule can be articulated on what is a reasonable percentage of a common fund. Usually 50% of the fund is the upper limit on a reasonable fee award from a common fund in order to assure that the fees do not consume a disproportionate part of the recovery obtained for the Class, although somewhat larger percentages are not unprecedented.

(Newberg on Class Actions, 3rd Ed., 1992, § 14.03; *and see Chavez v. Netflix, Inc*. (2008) 162 Cal.App.4th 43, 66, fn 11 ["Empirical studies show that, regardless whether the percentage method or the lodestar method is used, fee awards in class actions average around one-third of the recovery."].) Thus, PAGA Counsel's requested fee of 33.33% is not only well within the range of reasonableness, but lower than the average fee award of 35% and is fair compensation for undertaking this complex, risky, expensive, and time-consuming litigation on a contingent basis.

C. PAGA Counsel's Fee Request is Reasonable Under a Lodestar Crosscheck

Courts may "cross-check" the results of the common fund method against the lodestar method. (*See In re Consumer Privacy Cases* (2009) 175 Cal.App.4th 545, 557.) The lodestar is calculated by multiplying the reasonable hours expended by a reasonable hourly rate. (*Serrano v. Priest,* 20 Cal.3d 25, 48-49 (1977) *("Serrano III")*.) Those rates reflect "the general local hourly rate for a fee-bearing case" and do "not include any compensation for contingent risk, extraordinary skill, or any other factors." (*Ketchum v. Moses* (2001) 24 Cal.4th 1122, 1138.) The court may then enhance the lodestar with a multiplier. (*Wershba, supra*, 91 Cal.App.4th at 254;

Serrano III, supra, 20 Cal.3d at 49.)

i. Requested Multiplier

The purpose of using the lodestar/multiplier method is to mirror the legal marketplace. Counsel will not handle cases for straight hourly fees payable only if they win; therefore, an enhancement is often awarded so that the fee received is commensurate with what attorneys could expect to be compensated for services in similar circumstances. (*See Tulare Valley Audubon Soc., Inc. v. County of Tulare* (1984) 155 Cal.App.3d 738, 755 [an award must be large enough "to entice competent counsel to undertake difficult public interest cases"].) No specific findings reflecting the court's calculations are required. (*Wershba*, *supra*, 91 Cal.App.4th at 254; *Rebney*, *supra*, 232 Cal.App.3d at p. 1349.) "The record need only show that the attorney fees were awarded according to the 'lodestar' or 'touchstone' approach." (*Ibid.*)

Here, a lodestar cross-check confirms that the percentage requested is reasonable. (Szamet Decl. ¶62.) PAGA Counsel have an aggregate lodestar in the amount of $39,974.00 which represents 53.8 hours of attorney work on this litigation from its inception through the date of this filing of Plaintiff's instant Motion, and 10-15 future hours. (*Id*.) As such, PAGA Counsel is asking for a lodestar multiplier of 0.67. (Szamet Decl. ¶64.) Typically, the lodestar is merely the starting point of the calculation of a reasonable fee, and courts often multiply the lodestar by a factor to account for the risk of non-payment, delay in payment, the quality of work, and the novelty and difficulty of the issues involved. (*See Radar v. Thrasher,*(1962) 57 Cal.2d 244, 253; *Beasley v. Wells Fargo Bank,* (1991) 235 Cal.App.3d 1407, 1419; *Coal. for L.A. County Planning v. Bd. of Supervisors,* (1997) 76 Cal.App.3d 24 1, 251.)

This case dealt with difficult legal and factual questions. (Szamet Decl. ¶65.) Significantly, the risk attendant to the underlying claims in this matter was great considering Defendant's defenses as discussed in detail above. *(Ibid.)* Were this case to proceed, Defendant would have a strong incentive to litigate tenaciously. *(Ibid.)* There are genuine issues in dispute. *(Ibid.)* Furthermore, PAGA Counsel was able to obtain close to the full value for this case. (Szamet Decl. ¶69.)

As discussed above, PAGA Counsel are skilled wage and hour practitioners with decades of experience who diligently prepared and litigated this matter. (Szamet Decl. ¶70.) To achieve the ultimate result in this case, my firm had to incur substantial risk and expense, and were precluded from taking other fee generating employment for 46 hours of attorney time. (Szamet Decl. ¶71.) This matter had been handled purely on a contingency fee basis and my firm has advanced many thousands of dollars in costs while deferring all payment of fees, with no guarantee that any of the fees incurred or costs advanced would ever be recovered, and diverting significant firm resources to prosecution of this matter. (Szamet Decl. ¶72.) PAGA Counsel believe this is an exceptional result that has been well received by the Aggrieved Employees. (Szamet Decl. ¶73.)

VII. THE COURT SHOULD APPROVE THE REQUEST FOR REIMBURSEMENT OF COSTS

In addition to their request for fees, PAGA Counsel further request reimbursement of the reasonable out-of-pocket expenses advanced and/or incurred by them in connection with this litigation, in the amount of $7,956.02 (Szamet Decl. ¶96.) To date, PAGA Counsel has incurred $7,781.02 in costs. (Szamet Decl. ¶97.) PAGA Counsel anticipates incurring an additional $175.00 in costs to file and serve this motion, but the Settlement provides for a reimbursement of litigation costs of up to 10,000.00. (Szamet Decl. ¶98.) As such, counsel is requesting a cost reimbursement of $7,781.02 (Szamet Decl. ¶99.)

All of the requested costs are reasonable in amount and were necessarily incurred by PAGA Counsel in prosecuting this litigation. (Szamet Decl. ¶100.); Exhibit 2 [Cost Report].) Expenses in this matter to date include costs for filing fees, research, mediation, and additional costs for the prosecution of this case attached to the Declaration of Kelsey M. Szamet. All of these costs have been incurred in the course of this litigation, and all costs advanced have already been paid by PAGA Counsel, with the exception of the anticipated cost of filing the present motion. (Szamet Decl. ¶101.)

Accordingly, the requested reimbursement of the reasonable out-of-pocket expenses advanced and/or incurred is appropriate and justified as part of the overall settlement and the Court should approve the request for reimbursement in the amount of $7,956.02. (Szamet Decl. ¶102.)

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VIII. ENHANCEMENT TO PLAINTIFF

The Settlement calls for an enhancement payment of $5,000.00 to the named Plaintiff, to be paid from the Gross Settlement Amount. (Szamet Decl. ¶103; Ex. 1 at ¶3.2.2.) Incentive awards "are intended to compensate class representatives for work done on behalf of the class, to make up for financial or reputational risk undertaken in bringing the action, and sometimes, to recognize their willingness to act as a private attorney general." (*Rodriguez v. West Publishing Corp.* (9th Cir. 2009) 563 F.3d 948, 958-59. "[I]t is established that named plaintiffs are eligible for reasonable incentive payments to compensate them for the expense or risk they have incurred in conferring a benefit on other members of the class." (*Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles* (2010) 186 Cal.App.4th 399, 412 (citing *Clark v. American Residential Services LLC* (2009) 175 Cal.App.4th 785, 805-806; *Staton v. Boeing Co.* (9th Cir.2003) 327 F.3d 938, 977)).

Here, the enhancement takes into consideration the time, effort, and expense incurred by Plaintiff in coming forward to litigate this matter on behalf of the Aggrieved Employees. The time spent by Kaylani Lepolo includes identifying competent counsel, providing information to PAGA Counsel regarding Plaintiff's relevant employment experiences, compiling documents, meeting with PAGA Counsel frequently to discuss the status of the case and the theories of liability, reviewing settlement documents, and making herself available for a full day of mediation. (Szamet Decl. ¶104.)

PAGA Counsel considers this to be a fair and reasonable enhancement. (Szamet Decl. ¶105.) The enhancement takes into consideration the time, effort, risks, and expense incurred by Plaintiff in coming forward to litigate this matter on behalf of the Aggrieved Employees. (Szamet Decl. ¶106.) Accordingly, Plaintiff should be awarded the agreed-upon enhancement of $.

IX. CONCLUSION

Plaintiff and Plaintiff's Counsel submit that the proposed Settlement as documented in the Agreement is fair, adequate, reasonable, and in the best interest of the Parties and the State of California. Plaintiff respectfully requests that the Court approve the Settlement and Order that the Settlement is carried out according to the terms of the Agreement.

DATED: October 22, 2025

KINGSLEY SZAMET EMPLOYMENT LAWYERS

By: ______________________

Kelsey M. Szamet
Jessi Bulaon
Attorneys for Plaintiff KAYLANI LEPOLO and all aggrieved employees

(PROOF OF SERVICE)
[CCP 1013(a)(3)]

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 years and not a party to the within action. My business address is 16133 Ventura Boulevard, Suite 1200, Encino, California 91436.

On October 22, 2025, I served all interested parties in this action the following documents described as: **NOTICE OF MOTION AND MOTION FOR APPROVAL OF REPRESENTATIVE ACTION SETTLEMENT; MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT THEREOF** by placing a true copy thereof enclosed in a sealed envelope addressed as follows:

RAHIMI & ISRAEL LAW, APLC Gregory B. Wilbur gwilbur@rahimiisraellaw.com M. Ariel Rahimi arahimi@rahimiisraellaw.com 700 N. Central Ave., Ste 400 Glendale, CA 91203 **AGHAJANI LAW CORPORATION** Bahareh Aghajani baghajani@beecanhealth.com 4525 Ellenita Ave. Tarzana, CA 91356 Attorneys for Defendant	**ABRAMSON** LABOR GROUP William Zev Abramson wza@abramsonlabor.com 1700 W Burbank Blvd, Burbank, CA 91506 Attorneys for Plaintiff and the proposed class

[XX] **BY ELECTRONIC SERVICE:** I caused a true and correct copy thereof to be electronically filed using the Labor and Workforce Development Agency Electronic Filing ("EF") System (https://dir.tfaforms.net/432) and service was completed by electronic means by transmittal of the documents referenced herein on the EF System.

[XX] **(BY ELECTRONIC MAIL TRANSMISSION)**: I caused the document to be send to the persons at the e-mail address(es) listed on the attached service list. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful. A pdf copy of which was sent via email to the above email address(es).

[XX] **(STATE)** I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on October 22, 2025, at Chino, California.

____
Leslie Sanchez