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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

MATTHEW MENDOZA, on behalf of himself, the State of California, and all Aggrieved Employees, Plaintiff, vs. CORPORATE BROKERS, LLC dba TENTIAL, a limited liability company; and DOES 1 through 100, Inclusive, Defendants.	Case No. 25STCV09105 **REPRESENTATIVE ACTION** [*Assigned for all purposes to the Hon. Jon R. Takasugi, Dept. 309*] **PLAINTIFF'S NOTICE OF MOTION AND MOTION FOR APPROVAL OF SETTLEMENT OF CLAIMS BROUGHT UNDER THE PRIVATE ATTORNEYS GENERAL ACT AND FOR REASONABLE ATTORNEYS' FEES, COSTS, AND ENHANCEMENT AWARD** Reservation ID: 650483313518 Date: August 13, 2026 Time: 8:30 a.m. Dept.: 309 Complaint Filed: March 27, 2025 Trial date: None Set

TO THE HONORABLE COURT, ALL PARTIES, AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on August 13, 2026 at 8:30 a.m., or as soon thereafter as the matter may be heard in Department 309 of the above-entitled Court, located at 111 North Hill Street, Los Angeles, California 90012. Plaintiff Matthew Mendoza ("Plaintiff"), individually and on behalf of the State of California and other Aggrieved Employees, will, and hereby does, move this Court for entry of an Order as follows:

1. Granting approval, pursuant to California Labor Code § 2699(s)(2), of the proposed settlement of claims brought pursuant to the Private Attorneys General Act of 2004 (Cal. Labor Code § 2698, *et seq*.) and as set forth in the Parties' Settlement Agreement, a true and correct copy of which is attached to the Declaration of Tuvia Korobkin filed concurrently herewith;
2. Appointing Phoenix Settlement Administrators ("Phoenix") as the Settlement Administrator;
3. Approving the proposed Explanatory Letter (attached as **Exhibit A** to the Settlement Agreement), and directing that it be distributed to Aggrieved Employees pursuant to the terms of the Settlement Agreement;
4. Directing the distribution of the Goss Settlement Amount pursuant to the terms of the Settlement Agreement;
5. Approving and confirming payment of PAGA penalties to the LWDA in the amount of $85,358.61 (75% of the penalties) and to Aggrieved Employees in the amount of $28,452.87 (25% of the penalties) as set forth in the Settlement Agreement.
6. Approving an award of attorneys' fees to Plaintiff's counsel of $66,666.66 and an award of litigation costs to Plaintiff's counsel of $12,021.86;
7. Approving an Incentive Award to Plaintiff in the amount of $5,000.00; and
8. Approving $2,500.00 in administration costs to Phoenix.

This Motion is based on this Notice; the attached Memorandum of Points and Authorities; the declaration of Tuvia Korobkin and all exhibits attached thereto; the declaration of Jodey

Lawrence on behalf of Phoenix and all exhibits attached thereto; the declaration of Plaintiff Matthew Mendoza; the Settlement Agreement; all other pleadings and papers on file in this action; and on any further oral or documentary evidence or argument presented at the time of hearing.

Respectfully submitted,

Dated: June 4, 2026

MARQUEE LAW GROUP, A.P.C.

By: ______________________
Tuvia Korobkin
Attorneys for Plaintiff

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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Plaintiff Matthew Mendoza ("Plaintiff"), an "Aggrieved Employee" under the Private Attorneys General Act of 2004 ("PAGA"), respectfully moves this Court for an Order granting approval of the Settlement Agreement ("Settlement") with Defendant Corporate Brokers, LLC, dba Tential ("Defendant").

This PAGA representative settlement resolves Plaintiff's claims for civil penalties predicated on Defendant's alleged failure to pay all wages owed at the separation of employment; failure to reimburse necessary business expenses; and failure to maintain accurate records from April 5, 2023 through February 5, 2025 (the "PAGA Period").

The proposed Settlement, under which Defendants have agreed to pay a non-reversionary Gross Settlement Amount ("GSA") of $200,000.00, will resolve Plaintiff's representative claim for civil penalties filed on behalf of the State of California and all "Aggrieved Employees," which consist of all employees who worked for Defendant in California at any time during the PAGA Period. Defendant represents there are approximately 70 Aggrieved Employees.

Notably, the relief provided for under the Settlement, and the claims released thereunder, are solely for the payment of *civil penalties* under the PAGA, and not for any underlying Labor Code violations. The release encompasses PAGA civil penalties based upon the alleged violations mentioned above, and only for such claims arising during the PAGA Period.

In deciding whether to grant approval of a PAGA settlement, the primary issue is whether the settlement is fair, reasonable, and adequate. As set forth herein, the proposed Settlement embodies all of the features of a settlement that is fair, reasonable, and adequate, as it: (1) is the product of arm's-length negotiations; (2) was negotiated by attorneys experienced in wage-and-hour issues and PAGA litigation with the assistance of an experienced, neutral mediator; (3) was negotiated after undertaking sufficient informal discovery and investigation to evaluate the relative strength and value of Plaintiff's PAGA claim and Defendants' defenses thereto; and (4) reflects a reasoned compromise based on the relative strength and value of the PAGA claim, as well as the risks, expenses, complexity, and likely duration of further litigation.

As noted, the Settlement provides for a GSA of $200,000.00. *See* Settlement, §§ 1.10, 3.1. After deducting amounts for requested attorneys' fees ($66,666.66), litigation costs ($12,021.86), Plaintiff's Incentive Award ($5,000.00), and administration costs of $2,500.00, the Settlement provides for distribution of a Net Settlement Amount ("NSA") of approximately $113,811.48, to be paid to Aggrieved Employees and the California Labor and Workforce Development Agency ("LWDA"). *See* Settlement, §§ 1.1, 3.1-3.2.3; Declaration of Tuvia Korobkin ("Korobkin Decl."), ¶¶ 17, 34 & Exhibit 6; Declaration of Jodey Lawrence ("Lawrence Decl."), ¶ 16 & Exhibit B.

The NSA shall be distributed 75% (approximately $85,358.61) to the LWDA, and 25% (approximately $28,452.87) to Aggrieved Employees,[1] on a *pro rata* basis based on their respective number of pay periods worked for Defendant during the PAGA Period, pursuant to the requirements of the PAGA as codified in prior Lab. Code § 2699(i). *See* Settlement, § 3.2.4.1. There are approximately 70 Aggrieved Employees, resulting in average payments of approximately $406.47 to the Aggrieved Employees. *See* Korobkin Decl., ¶ 17.

This Settlement represents a reasonable recovery for the State of California and Aggrieved Employees, who will receive a monetary benefit in exchange for the release of only civil penalties. In addition, the significant monetary recovery on behalf of the LWDA, furthers the PAGA's purposes to "remediate present labor law violations, deter future ones, and to maximize enforcement of state labor laws." *Moniz v. Adecco USA, Inc.,* 72 Cal.App.5th 56, 77 (2021). Further, the amounts requested for attorneys' fees, litigation costs, and settlement administration costs are all fair, adequate, and reasonable.

II. SUMMARY OF THE LITIGATION

A. Brief Factual Background and Summary of Claims

Defendant is a contract services firm and serves as a consultant, representative, contractor, or subcontractor to various organizations, providing its employees' services to its clients on a temporary, contract, or project basis. Korobkin Decl., ¶ 11. Plaintiff worked for Defendant as a

[1] Plaintiff's PAGA notice was submitted in April 2024, prior to the most recent PAGA amendments. Thus, the 75%-25% distribution under "old" PAGA applies, rather than the current 65%-35% distribution.

non-exempt IT Inventory Specialist and was placed by Defendant to work at Defendant's client, Warner Bros. Discovery, Inc., in Los Angeles County, California, from on or about April 10, 2023, through October 9, 2023. Declaration of Matthew Mendoza ("Mendoza Decl."), ¶ 2.

In this lawsuit, Plaintiff contends that Defendant failed to timely pay all wages owed at the separation of employment; failed to reimburse the cost of cell phone use for business purposes; and failed to maintain accurate time records for its employees.

B. Submission of PAGA Notice and Pre-Litigation Settlement Discussions

On April 5, 2024, Plaintiff provided written notice to the LWDA and Defendant of his intent to pursue civil penalties under PAGA for alleged violations of California Labor Code sections 201-203, 1174, 1198, 1199, 2802, 2804. *See* Korobkin Decl., ¶ 12 & Exhibits 2-3. Plaintiff subsequently entered into a tolling agreement with Defendant that tolled Plaintiff's claims through April 29, 2025 while the parties explored potential resolution. *Id.*, ¶ 12.

C. Pre-Mediation Discovery and Mediation

Defense counsel and Plaintiff's counsel engaged in substantive discussions about the case and agreed to attend a private mediation with Hon. Richard Stone (Ret.) of Signature Resolution. Korobkin Decl., ¶ 14. In connection with mediation, Defendant produced a 50% sampling of time and pay records, relevant data points including the number of pay periods and Aggrieved Employees, and other relevant information and documents. *Id*.

The parties participated in a mediation session with highly experienced and well-respected wage and hour mediator Hon. Richard Stone (Ret.) on January 29, 2025. (Korobkin Decl., ¶ 15; Settlement, § 2.4.) At mediation, the parties vigorously debated Plaintiff's ability to proceed on a representative PAGA basis, the legal basis for Plaintiff's representative claims and Defendant's defenses, the potential amount of civil penalties that could be recovered, and the data analyses and conclusions based thereon. *Id*. The parties did not reach a settlement at mediation, but they continued their negotiations with Judge Stone's assistance and eventually accepted a mediator's proposal to resolve Plaintiff's claims. *Id*.

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III. SUMMARY OF THE SETTLEMENT

A. "Aggrieved Employees" Defined

As noted above, the settlement covers all current and former employees who worked for Defendant in California during the PAGA Period, i.e., from April 5, 2023 to January February 5, 2025. *See* Settlement, §§ 1.4, 1.19.

B. Monetary Terms

The Settlement provides for Defendant's payment of a non-reversionary GSA of $200,000.00. Settlement, §§ 1.10, 3.1. After deducting amounts for requested attorneys' fees, litigation costs, Plaintiff's incentive award, and settlement administration costs, the Settlement provides for the remaining Net Settlement Amount ("NSA") to be distributed 75% to the LWDA and 25% to Aggrieved Employees, pursuant to prior Lab. Code § 2699(i). *Id*. at §§ 1.15, 3.2. The 25% portion to Aggrieved Employees shall be distributed based on each Aggrieved Employee's proportional number of pay periods worked for Defendants in California during the PAGA Period. *Id*. at § 3.2.4.1.

1. *Requested Attorneys' Fees, Litigation Costs, and Administration Costs*

Plaintiff's counsel requests 33.33% of the GSA (i.e., $66,666.66) in attorneys' fees, and $12,021.86 in litigation costs. *See* Settlement, § 3.2.1; *see also* Korobkin Decl., ¶¶ 17, 26-27, 34 & Exhibit 6. As discussed below, 33.33% of the GSA is fair, adequate, and reasonable as a percentage of the fund and as confirmed by a lodestar cross-check, and is in line with fee awards in other PAGA settlements.

The Parties have agreed to engage Phoenix Settlement Administrators ("Phoenix") as the third-party Settlement Administrator. *See* Settlement, § 1.2. Phoenix will update Aggrieved Employees' addresses using the National Change of Address database, calculate and distribute individual payments, mail payments to all Aggrieved Employees together with the Explanatory Letter, and perform other duties that are integral to the effectuation of the Settlement. *Id.*, §§ 4.2-7. Plaintiff requests that the Court approve $2,500.00 in Administration Costs to Phoenix, which will cover all costs incurred by Phoenix in connection with the Settlement. *Id.* at § 3.2; *see also* Lawrence Decl., ¶ 21 & Exhibit B.

2. ***Payment to the LWDA and Aggrieved Employees***

As noted above, the NSA will be distributed 75% to the LWDA and 25% to Aggrieved Employees, pursuant to prior Labor Code § 2699(i). Settlement, § III.3. Based on the above requested distributions, the NSA is estimated to be $113,811.48, with $85,358.61 paid to the LWDA and $28,452.87 distributed to Aggrieved Employees. *See* Settlement at §§ 1.110, 1.15, 3.2-3.2.4.2; *see also* Lawrence Decl., ¶ 21 & Exhibit B.

3. ***Funding of the Settlement***

Defendant will fund the settlement within twenty (20) days of the Effective Date. *See* Settlement, § 4.3. Within fourteen (14) days after the Gross Settlement Amount has been fully funded, and after receiving approval from counsel of the payment calculations, Phoenix will mail the Explanatory Letter and Individual PAGA Payments to Aggrieved Employees. Settlement, § 4.4.

Funds represented by undeliverable checks, or checks remaining uncashed after 180 days, shall escheat to the California State Controller's Office for deposit in the Unclaimed Property Fund, in the name of the Aggrieved Employee. *Id.,* §§ 4.5, 4.7.

IV. <u>LEGAL ARGUMENT</u>

A. <u>Standards for Approval of a PAGA Settlement</u>

The settlement of a PAGA claim requires court approval pursuant to the PAGA statute, which states that the "court shall review and approve any settlement of any civil action filed pursuant to this part." Labor Code § 2699(s)(2). Of course, "[s]ettlement is a compromise, which balances the possible recovery against the risks inherent in litigating further." *In re TD Ameritrade Account Holder Litig.*, 2011 WL 4079226 at *9 (N.D. Cal. Sept. 13, 2011). "[T]he very essence of a settlement is compromise, 'a yielding of absolutes and an abandoning of highest hopes,'" as "it is the very uncertainty of outcome in litigation and avoidance of wasteful and expensive litigation that induce consensual settlements." *Officers for Justice v. Civil Service Com*., 688 F.2d 615, 624 (9th Cir. 1982). As such, "the settlement or fairness hearing is not to be turned into a trial or rehearsal for trial on the merits" or "judged against a hypothetical or speculative measure of what might have been achieved by the negotiators." *Id*.

Although the PAGA statute does not set forth the criteria by which a PAGA settlement is to be judged, it is presumed that a reviewing court may utilize some of the factors for review of a class action settlement. However, "a PAGA claim asserted on a non-class representative basis…is not considered a class action but a law enforcement action, and therefore does not have to meet the requirements of [a class action]." *Casida v. Sears Holdings Corp.*, 2012 WL 253217 at *3 (E.D. Cal. Jan. 26, 2012); *Mendez v. Tween Brands, Inc.*, 2010 WL 2650571 at *4 (E.D. Cal. Jul. 1, 2010) ("PAGA claims are law enforcement actions, not class actions"). A court's review of a PAGA settlement implicates the following unique features that render the approval process distinct from approval of a class action settlement.

First, in evaluating a PAGA settlement, the court is not concerned with amount(s) received by "aggrieved employees," but rather, must focus on the total settlement amount in achieving PAGA's objective. "The remedy sought in a PAGA suit consists of civil penalties, not individual or class damages." *Mendez*, *supra*, 2010 WL 2650571 at *4. "Unlike class actions, these civil penalties are not meant to compensate unnamed employees because the action is fundamentally a law enforcement action." *Ochoa-Hernandez v. Cjaders Foods, Inc.*, No. C-08-2073-MHP, 2010 WL 1340777 at *4 (N.D. Cal. Apr. 2, 2010). As our Supreme Court confirmed, "PAGA claims are 'representative' actions in the sense that they are brought on the state's behalf. The employee… 'represents the same legal right and interest as' those agencies — 'namely, recovery of civil penalties that otherwise would have been assessed and collected by the [LWDA].'" *ZB, N.A. v. Superior Court*, 8 Cal.5th 175, 185 (2019) (citing *Iskanian v. CLS Transp. Los Angeles, LLC,* 59 Cal.4th 348, 380 (2014)).

Moreover, while "'[a PAGA] action is … designed to protect the public and penalize the employer for past illegal conduct" (*Mendez*, 2010 WL 2650571 at *4), a PAGA settlement – like any settlement – involves a compromise that stops short of rendering findings of liability and damages. "Unlike a class action seeking damages or injunctive relief for injured employees, the purpose of PAGA is to incentivize private parties to recover civil penalties for the government that otherwise may not have been assessed and collected by overburdened state enforcement agencies." *Ochoa-Hernandez,* 2010 WL 1340777 at *4.

Second, consistent with the fact that unnamed employees have no property interest in a PAGA claim[2], "[u]nnamed employees need not be given notice of the PAGA claim, nor do they have the ability to opt-out of the representative PAGA claim." *Ochoa-Hernandez*, *supra*, 2010 WL 1340777 at *5; *see also Robinson v. Southern Counties Oil Co.*, 53 Cal.App.5th 476, 482 (2020) (recognizing that "there is no mechanism for opting out of the judgment entered on the PAGA claim."). This renders the approval process of a PAGA settlement distinct from a class action settlement, as the Court need not employ the "two-step approval process" required for class action settlements under Fed. R. Civ. Proc. Rule 23(e) and Cal. Rule of Court 3.769.

Finally, unlike a class action under Fed. R. Civ. Proc. Rule 23(e) or Cal. Rule of Court 3.769, the scope of release in a PAGA action is limited to *civil penalties*. While "judgment in [a PAGA] action is binding not only on the named employee Plaintiffs but also on government agencies and any aggrieved employee not a party to the proceeding," if judgment is entered extinguishing the PAGA claim, "the non-party employees, because they were not given notice of the action or afforded any opportunity to be heard, would not be bound by the judgment as to remedies other than civil penalties." *Arias v. Sup. Ct.*, 46 Cal. 4th 969, 985-87 (2009).

1. *Factors in Evaluating a Representative PAGA Settlement*

In deciding whether to approve a proposed settlement, a trial court has broad powers to determine if the proposed settlement is fair under the circumstances of the case. *Mallick v. Sup. Ct.,* 89 Cal.App.3d 434, 438 (1979). In exercising these powers, the overriding concern is to ensure that a proposed settlement is "fair, adequate, and reasonable." *Dunk v. Ford Motor Co.*, 48 Cal.App.4th 1794, 1801 (1996) (internal quotations omitted). Relevant factors for the Court to consider include, but are not limited to:

> [T]he strength of plaintiffs' case, the risk, expense, complexity and likely duration of further litigation, the risk of maintaining class action status through trial, the amount offered in settlement, the extent of discovery completed and the stage of the proceedings, the experience and views of counsel, the presence of a governmental participant, and the reaction of the class members to the proposed settlement.

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[2] "The [PAGA] does not create property rights or any other substantive rights" as "[i]t is simply a procedural statute allowing an aggrieved employee to recover civil penalties—for Labor Code violations—that otherwise would be sought by state labor law enforcement agencies." *Amalgamated Transit Union, Local 1756, AFL-CIO v. Sup. Ct.*, 46 Cal.4th 993, 1003 (2009).

Id. These factors require balancing, are non-exhaustive, and trial courts should tailor the factors to each case and give due regard to "what is otherwise a private consensual agreement between the parties." *Id*. In the context of a PAGA settlement, the third and eighth factors (risk of maintaining class action status and reaction of class members to settlement) are inapplicable.

Because settlements inherently involve compromise, even settlements providing for substantially narrower relief than likely would be obtained if the suit were successfully litigated can be reasonable because "the public interest may indeed be served by a voluntary settlement in which each side gives ground in the interest of avoiding litigation." *Wershba v. Apple Computer, Inc.*, 91 Cal.App.4th 224, 250 (2001) (quoting *Air Line Stewards, etc., Local 550 v. Am. Airlines, Inc.*, 455 F.2d 101, 109 (7th Cir. 1972)).

In addition, courts review the discovery process and information received through it to aid in assessing whether the parties sufficiently developed the claims and their supporting factual bases before reaching settlement. *Kullar v. Foot Locker Retail, Inc.,* 168 Cal.App.4th 116, 129-32 (2008). Information is sufficient where it allows the parties and the court to form "an understanding of the amount that is in controversy and the realistic range of outcomes of the litigation." *Clark v. Am. Residential Serv. LLC,* 175 Cal.App.4th 785, 801 (2009). This requirement exists so that the parties can provide the court with "a meaningful and substantiated explanation of the manner in which the factual and legal issues have been evaluated." *Kullar*, *supra*, 168 Cal.App.4th at 132-33.

a. <u>The Strength of Plaintiff's Case</u>

Although Plaintiff steadfastly maintains that his claims are meritorious, Plaintiff acknowledges that his position includes real risks and uncertainty. Korobkin Decl., ¶¶ 18-23.

Plaintiff alleges that Defendant failed to indemnify him and other Aggrieved Employees for the use of their personal cell phones for work purposes. For example, Plaintiff alleges that Defendant required Plaintiff and other aggrieved employees to submit their timesheets on a weekly basis using their personal cell phone or other personal Internet-enabled device. Plaintiff further alleges that he and other employees were also required to use their personal cell phones to participate in a work group chat on a daily basis. Korobkin Decl., ¶ 19.

For its part, Defendant argues that employees did not need to use personal cell phones for work and if they did, there are procedures in place for employees to request reimbursement of work-related expenses. Korobkin Decl., ¶ 19. Defendant further argues that to the extent reimbursement was required, it could only be liable for civil penalties for a maximum of one pay period per employee, since expenses may be reimbursed at any time prior to the termination of employment. *Id*. Defendant also argues that this claim would not be manageable on a representative basis, given differences among employees as to whether they incurred phone-related expenses, whether Defendant knew about such expenses, and whether such expenses were reasonable and therefore requiring reimbursement. *Id*.

Plaintiff next alleges that Defendant's timesheets did not include space to include their clock-in or clock-out times, or the times that they took meal periods, and therefore, Defendant failed to maintain time records as required under California law. Korobkin Decl., ¶ 20. In response, Defendant argues that employees were required to accurately report their work hours and to attest that the hours they reported were accurate and to note any discrepancies, such as a missed meal period, in their time records. *Id*. Moreover, Defendant asserts, there is no allegation that employees were under-paid and therefore, any potential liability for technical timekeeping violations would be so minimal as to be *de minimis*. *Id*.

Plaintiff further alleges that Defendant failed to comply with its final payment obligations under Labor Code §§ 201-202. Korobkin Decl., ¶ 21. For example, Plaintiff alleges that his own employment was terminated on or about October 9, 2023, but Defendant did not pay Plaintiff his final paycheck until approximately 11 days later, on or about October 20, 2023. *Id.* For its part, Defendant argues that employees were paid pursuant to its payroll policies and that no employee was ever under-paid their final wages. *Id*. Moreover, Defendant argues the amount of penalties would be very low for this claim, since it would only apply to one pay period (i.e., the final pay period) and only to former employees. *Id*.

Defendant further maintains that even if Plaintiff were successful on the merits, the Court would substantially reduce the penalties based on the discretionary factors in Labor Code § 2699(e)(2) (authorizing reduction in PAGA penalties "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 light of Defendant's good-faith attempts to comply with the law and the fact that no employee is alleged to have been under-paid their wages as a result of the violations alleged in this case. *See* Korobkin Decl., ¶ 22. Indeed, many courts have reduced PAGA penalties where the employer presented good-faith defenses and/or attempted to comply with the law. Korobkin Decl., ¶ 22; *see, e.g.*, *Thurman v. Bayshore Transit Mgmt., Inc.*, 203 Cal.App.4th 1112, 1135 (2012) (affirming reduction of PAGA penalties because "defendants took their obligations…seriously and attempted to comply with the law"); *Fleming v. Covidien, Inc.*, No. ED-CV-10-1487-RGK, 2011 WL 7563047 at *4 (C.D. Cal. Aug. 12, 2011) (reducing PAGA penalties by over 82%, in part because employer was "not aware" of violations); *Carrington v. Starbucks Corp.*, 30 Cal.App.5th 504, 529 (2018) (affirming PAGA penalty of just $5 per pay period where employer made "good faith attempts" to comply with the law).

b. <u>Risk, Expense, Complexity, and Duration of Further Litigation</u>

Although the Parties had engaged in significant informal discovery, the Parties still had much written and deposition discovery to conduct if the case did not settle. Substantive motion work and trial preparation also remained for the Parties, as well as potential appeals. As a result, the Parties would likely incur considerably more attorneys' fees and costs through trial and possible appeal. The Settlement avoids those risks and the accompanying expense.

c. <u>Amount Offered in Settlement Given Realistic Value of Claims</u>

The proposed Settlement provides a fair and reasonable monetary recovery for the State of California and Aggrieved Employees in the face of vigorously disputed claims, when compared with the potential realistic exposure.

As noted in the Settlement, there are an estimated 1,544 pay periods worked by Aggrieved Employees during the PAGA Period. For purposes of calculating potential damages, Plaintiff assumed he would be able to recover the "initial" civil penalty for PAGA violations since neither the LWDA nor the Court had made a finding that Defendant violated the Labor Code. *See, e.g.*, *Amaral v. Cintas Corp. No. 2*, 163 Cal.App.4th 1157, 1207 (2008) (finding "initial" violation rate applies until employer is notified that it is violating the Labor Code); *Bernstein v. Virgin America,* *Inc.*, 3 F.4th 1127, 1144 (9th Cir. 2021) (citing *Amaral* and holding employer should not have been subject to "subsequent violation" penalties because it "was not notified by the Labor Commissioner or any court that it was subject to the California Labor Code until the district court partially granted Plaintiffs' motion for summary judgment").

Thus, and assuming the "initial" violation penalty of $100 per pay period under Labor Code § 2699(f)(2) for each violation alleged, Plaintiff calculated Defendant's potential exposure on the timekeeping claim and on the expense reimbursement claim as $154,400 (i.e., $100 "initial" violations x 1,544 pay periods) each, for a total of $308,800. In addition, Plaintiff calculated potential exposure of $5,600 for Plaintiff's claim that Defendant paid final wages late to 56 former Aggrieved Employees (i.e., 56 former employees x $100). Thus, Plaintiff estimated Defendant's total potential PAGA exposure as $314,400. As discussed above, however, Defendant raised numerous defenses to Plaintiff's claims, both on the merits and with respect to the amount of penalties that might be awarded. In the face of Defendant's numerous defenses and the other hurdles mentioned above, the *realistic* potential exposure here is significantly lower than $314,400. Nonetheless, the negotiated settlement of $200,000.00 is approximately 64% of Defendant's *maximum* potential exposure, an excellent result. Korobkin Decl., ¶ 24.

Approval of the Settlement is appropriate, as the Settlement will provide a tangible monetary benefit to Aggrieved Employees and the State of California, while avoiding the risks and costs of continued litigation and trial. In addition, approval of the Settlement is appropriate because it furthers the purpose of PAGA. First, it requires Defendant to pay a significant six-figure amount for alleged Labor Code violations. Second, it acts as a deterrent to Defendant and/or other employers from violating the Labor Code in the future. Finally, it rectifies alleged violations by providing monetary recovery for both the State of California and the Aggrieved Employees.

d. <u>Discovery Completed and the Status of Proceedings</u>

Only after the completion of significant informal discovery and following debate and discussion with a third-party mediator regarding the merits and defenses of this case, did the Parties reach the proposed Settlement. Thus, this factor supports settlement approval.

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e. <u>The Experience and Views of Counsel</u>

"Parties represented by competent counsel are better positioned than courts to produce a settlement that fairly reflects each party's expected outcome in litigation." *In re Pac. Enter. Sec. Litig.*, 47 F.3d 373, 378 (9th Cir. 1995). Plaintiff is represented by experienced counsel with extensive experience in this field of law, who believe this Settlement to be fair and adequate for all involved. Korobkin Decl., ¶¶ 2-10. This factor strongly supports settlement approval. *Kullar*, 168 Cal.App.4th at 129 ("The court undoubtedly should give considerable weight to the competency and integrity of counsel and the involvement of a neutral mediator in assuring itself that a settlement agreement represents an arm's length transaction entered without self-dealing or other potential misconduct.").

B. <u>The Requested Award of Attorneys' Fees is Reasonable as a Percentage of the Settlement Fund as Confirmed by a Lodestar Cross-Check</u>

Plaintiff is entitled to attorneys' fees in this PAGA action under Labor Code § 2699(k)(1), which provides that "[a]ny employee who prevails in any [PAGA] action shall be entitled to an award of reasonable attorneys' fees and costs." *See also Gouskos v. Aptos Village Garage, Inc.*, 94 Cal.App.4th 754, 765 (2001) (recognizing that attorneys' fees to prevailing party are mandatory when the statute uses the word "shall"); *see also Graciano v. Robinson Ford Sales*, 144 Cal.App.4th 140, 153 (2006) ("[P]laintiffs may be considered 'prevailing parties' for attorney's fee purposes if they succeed on any significant issue in the litigation that achieves some of the benefit the parties sought in bringing suit") (italics omitted).

A fee award is justified where the legal action has produced its benefits by way of settlement. *See*, *e.g.*, *Westside Comty. for Independent Living, Inc. v. Obledo*, 33 Cal.3d 348, 352-53 (1983); *Serrano v. Priest*, 20 Cal.3d 25, 34 (1977) ("when a number of persons are entitled in common to a specific fund, and an action brought by a plaintiff…for the benefit of all results in the creation or preservation of that fund, such plaintiff…may be awarded attorney's fees out of the fund."); *Serrano v. Unruh*, 32 Cal.3d 621, 627 (1982) (in awarding a fee from the common fund obtained for the benefit of all parties, the trial court acts within its equitable power to prevent the other parties' unjust enrichment).

In calculating reasonable attorneys' fees, courts have recognized the benefits of the "percentage of the fund" method. *See*, *e.g.*, *Rawlings v. Prudential-Bache Properties, Inc.*, 9 F.3d 513, 516 (6th Cir. 1993) (the percentage of the fund method for calculating attorneys' fees more accurately reflects the results achieved for the putative class than the lodestar method and "establishes reasonable expectations on the part of plaintiffs' attorneys as to their expected recovery; and it encourages early settlement, which avoids protracted litigation."); *In re Rite Aid Corp. Sec. Litig.*, 396 F.3d 294, 300 (3d Cir. 2005) ("The percentage-of-recovery method is generally favored in common fund cases because it allows courts to award fees from the fund 'in a manner that rewards counsel for success and penalizes it for failure.'").

In *Laffitte*, the California Supreme Court held that trial courts have discretion to assess the reasonableness of fee awards with tools such as the "lodestar cross-check," whereby the trial court calculates counsel's lodestar and determines whether the "lodestar multiplier" needed to bring the lodestar on par with the percentage of recovery is reasonable. *Laffitte v. Robert Half Int'l, Inc.*, 1 Cal.5th 480, 503-06 (2016). While a trial court may utilize the lodestar cross-check, it need not do so. *Id*. at 506 ("[w]e hold further that the trial courts have discretion to conduct a lodestar cross-check on a percentage fee, as the court did here; they also retain the discretion to forgo a lodestar cross-check and use other means to evaluate the reasonableness of a requested percentage fee."). Under California law, lodestar multipliers can range "from 2 to 4 or even higher." *Chavez v. Netflix, Inc.*, 162 Cal.App.4th 43, 66 (approving multiplier of approximately 2.5) and n.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"); *Coalition for L. County Planning etc. Interest v. Bd. of Supervisors*, 76 Cal.App.3d 241, 251 (1977) (approving multiplier of 2.04).

In class and representative actions, where the value of the benefit conferred "can be monetized with a reasonable degree of certainty," a court may "adjust the lodestar in comparison to a percentage of the common fund to ensure that the fee awarded is reasonable and within the range of fees freely negotiated in the legal marketplace in comparable litigation." *Consumer Privacy Cases*, 175 Cal.App.4th 545, 557 (2009).

In this case, and as represented in the table below, Plaintiff's counsel has a lodestar of approximately $93,181.00, resulting in a *negative* multiplier of approximately 0.72 compared to the $66,666.66 fee request. Korobkin Decl., ¶ 27. The billing rates requested here are reasonable in view of counsel's experience and the *Laffey* Matrix. *Id.*, ¶¶ 28-33 & Exhibits 4-5 (2025-2026 *Laffey* Matrix and salary tables for Washington, D.C. and Los Angeles).

Name	**Rate**	**Hours**	**Pre-Multiplier Lodestar**
Tuvia Korobkin (18th Year Attorney)	$925	58.7	$54,297.50
Poya Ghasri (18th Year Attorney)	$925	24.6	$22,755.00
Alex Purcell (5th Year Attorney)	$495	29.3	$14,503.50
Legal Staff	$250	6.5	$1,625.00
Total Lodestar			**$93,181.00**

The requested fee award is justified because Plaintiff's counsel achieved a significant monetary recovery while bearing the substantial burden of representation on a contingency basis. Counsel expended significant time and resources in litigating this case, which resulted in a favorable result for the State of California, and Aggrieved Employees in the face of significant defenses. Counsel also bore the contingency risk of this litigation for the benefit of the Aggrieved Employees, as well as the State of California (which elected not to take the case after receiving Plaintiff's PAGA notice).

Plaintiff's counsel's previous experience in litigating wage and hour representative actions also supports the reasonableness of the fee request. Plaintiff's counsel is well-versed in wage and hour class and PAGA action litigation. Korobkin Decl., ¶¶ 2-9. Plaintiff's counsel's experience in similar matters was integral in evaluating the strengths and weaknesses of this case and the reasonableness of the Settlement. Because it is reasonable to compensate counsel commensurate with their skill, reputation, and experience, a fee award of one-third of the Gross Settlement Amount is reasonable. Based on all of the above, Plaintiff respectfully submits that the requested fee award is fair, reasonable and adequate and should be approved.

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C. The Requested Litigation Costs and Settlement Administration Costs Are Fair, Reasonable, and Adequate

Plaintiff's request for reimbursement of litigation costs of $12,021.86 is also fair and reasonable. All of Plaintiff's litigation costs were reasonably incurred. *See* Korobkin Decl., ¶ 34 & Exhibit 6. Moreover, the costs Plaintiff seeks are the types of costs routinely approved by courts. *See*, *e.g.*, *Harris v. Marhoefer*, 24 F.3d 16, 19 (9th Cir. 1994) (in civil rights fee-shifting case, counsel should recover "those out-of-pocket expenses that would normally be charged to a fee paying client"); *Ashker v. Sayre*, 2011 WL 825713 at * 3 (N.D. Cal. Mar. 7, 2011) ("costs of reproducing pleadings, motions and exhibits are typically billed by attorneys to their fee-paying clients" and are reimbursable); *In re Immune Response Sec. Litig.*, 497 F.Supp.2d 1166, 1177-78 (S.D. Cal. 2007) (mediation expenses, consultant and expert fees, filing fees, messenger and overnight delivery costs, and other costs are reimbursable).

Likewise, the request for administration costs of $2,500.00 is also fair and reasonable. Phoenix was selected because it is an experienced settlement administrator and returned a reasonable bid. *See* Declaration of Jodey Lawrence & Exhibits. Moreover, Phoenix will perform several important functions that are integral to the implementation of the Settlement. *Id.* Its requested fee is therefore reasonable.

D. The Court Should Approve Plaintiff's Requested Incentive Award Because It Is Fair, Adequate, and Reasonable in View of Plaintiff's Efforts and the Risks He Assumed in This Litigation

Courts routinely approve enhancement awards to compensate named plaintiffs for the services they provide and the risks they incur during representative litigation. *See, e.g., Bell v. Farmers Ins. Exch.*, 115 Cal.App.4th 715, 726 (2004) (upholding "service payments" to named plaintiffs); *Van Vranken v. Atlantic Richfield Co*., 901 F. Supp. 294 (N.D. Cal. 1995) (approving $50,000 incentive payment); *Rodriguez v. West Publishing Co.*, 563 F.3d 948, 958-59 (9th Cir. 2009) (observing incentive awards are "fairly typical" and are awarded to named plaintiffs "…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**") (emphasis added); *see also*

Bellinghausen v. Tractor Supply Co., 306 F.R.D. 245, 268 (N.D. Cal. 2015) (awarding $10,000 incentive award in wage-and-hour class/PAGA action, in addition to a $5,000 payment for the plaintiff's individual general release).

Here, Plaintiff seeks an incentive award of $5,000.00. *See* Settlement, § 3.2.3. Plaintiff believes that this request is reasonable given his efforts in this case and the risks he undertook on behalf of Aggrieved Employees. *See* Mendoza Decl., ¶¶ 4-6. Plaintiff provided substantial factual information to Counsel, participated in numerous discussions with Counsel regarding the case and the settlement, and reviewed the settlement agreement and other documents in connection with this case. Furthermore, Plaintiff also undertook the significant reputational risk in being the named plaintiff in a representative action against a former employer, and agreed to place his name on a lawsuit that benefitted not just himself, but also the State of California and dozens of Aggrieved Employees. *Id.,* ¶ 4; *see, e.g., Deaver v. Compass Bank*, 2015 WL 8526982 at **14-15 (N.D. Cal. Dec. 11, 2015) (approving a $7,500 incentive payment, finding that the award "particularly appropriate in this wage and hour class action, where Plaintiff undertook a significant 'reputational risk' in bringing this action against his former employer").

Accordingly, Plaintiff's requested enhancement payment is appropriate and justified as part of the Settlement.

V. CONCLUSION

For the reasons stated herein, Plaintiff respectfully requests that this Court grant Plaintiff's Motion and adopt the [Proposed] Judgment and Order Granting Settlement Approval.

Respectfully submitted,

Dated: June 4, 2026

MARQUEE LAW GROUP, A.P.C.

By: ______________________

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