

Karen I. Gold (State Bar No. 259031)
kgold@blackstonepc.com
Marissa A. Mayhood (State Bar No. 334376)
mmayhood@blackstonepc.com
Alexandra Rose (State Bar No. 329407)
arose@blackstonepc.com
Jasmine Y. Kianfard (State Bar No. 349975)
jkianfard@blackstonepc.com
BLACKSTONE LAW, APC
8383 Wilshire Boulevard, Suite 745
Beverly Hills, California 90211
Tel: (310) 622-4278 / Fax: (855) 786-6356

Attorneys for Plaintiff JUAN CAMPOS-
LEDEZMA, individually and on behalf of
others similarly situated & HECTOR
SANCHEZ, individually, and on behalf of
other similarly situated employees and
aggrieved employees pursuant to PAGA

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF STANISLAUS

JUAN CAMPOS-LEDEZMA, individually and
on behalf of others similarly situated, &
HECTOR SANCHEZ, individually, and on behalf
of other similarly situated employees and
aggrieved employees pursuant to PAGA

Plaintiff,

vs.

INSITUTE FOR ENVIRONMENTAL
HEALTH, INC., a Washington Corporation; and
DOES 1 through 25, inclusive,

Defendants.

Case No. CV-23-006693

Honorable Stacy P. Speiller
Department 22

**NOTICE OF MOTION AND MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT;
MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT THEREOF**

Date: October 15, 2025
Time: 8:30 a.m.
Dept.: 22

Complaint Filed: November 14, 2023
FAC Filed: February 4, 2025
Trial Date: Not Set

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE THAT on October 15, 2025 at 8:30 a.m. in Department 22 of the above-captioned Court located at 1010 10th Street, Sixth Floor, Modesto, California 95354, pursuant to California Code of Civil Procedure section 382 and Rule 3.769 of the California Rules of Court, Plaintiffs Juan Campos-Ledezma and Hector Sanchez (together, “Plaintiffs”) will and hereby do move the Court for an Order granting preliminary approval of the proposed class action and PAGA settlement between Plaintiffs and Defendant Institute of Environmental Health, Inc. (“Defendant”).

Plaintiffs request that the Court enter an Order:

1. Preliminarily approving the Joint Stipulation of Class Action and PAGA Settlement (“Settlement” or “Settlement Agreement”) attached as Exhibit 3 to the Declaration of Alexandra Rose in Support of Plaintiffs’ Motion for Preliminary Approval of Class Action and PAGA Settlement (“Rose Decl.”);
2. Certifying the Class for Settlement purposes;
3. Appointing Plaintiffs Juan Campos-Ledezma and Hector Sanchez as the Class Representatives for Settlement purposes;
4. Appointing o Jonathan M. Genish, Karen I. Gold, Marissa A. Mayhood, Alexandra Rose, and Jasmine Y. Kianfard of Blackstone Law, APC as Class Counsel for Settlement purposes;
5. Approving the proposed Notice of Class Action Settlement (“Class Notice”), attached as Exhibit A to the Settlement Agreement, to be mailed to the Class;
6. Approving the opt-out and objection procedures provided in the Settlement Agreement and set forth in the Class Notice;
7. For each Class Member, directing Defendant to furnish their full name, last known mailing address, Social Security number, number of Workweeks, number of Pay Periods (if applicable), and amount of their Prior Paid Individual Amount (if applicable) to the Settlement Administrator within fifteen (15) business days after entry of the order granting preliminary approval of the Settlement;
8. Approving the proposed deadlines for the settlement administration process; and
9. Setting a Final Approval Hearing.

1 Pursuant to California Labor Code section 2699(1)(2), on August 22, 2025, a copy of the
2 Settlement was submitted to the California Labor and Workforce Development Agency (“LWDA”) via
3 online submission through the LWDA’s website. (Rose Decl., ¶ 55 and Exh. 4).

4 This Motion is based upon this Notice, the attached Memorandum of Points and Authorities, the
5 Declaration of Alexandra Rose, the Declarations of Plaintiffs Juan Campos-Ledezma and Hector
6 Sanchez, the Declaration of the Settlement Administrator (Julie Green of CPT Group, Inc.), the pleadings
7 and other records on file with the Court in this matter, and any other further evidence or argument that
8 the Court may properly receive at or before the hearing.

9 Respectfully submitted,

10 Dated: 09/18/2025

BLACKSTONE LAW, APC

11 By: 
12 Alexandra Rose
13 Attorneys for Plaintiffs Juan Campos-Ledezma and
14 Hector Sanchez
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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Plaintiffs Juan Campos-Ledezma (“Plaintiff Campos-Ledezma”) and Hector Sanchez (“Plaintiff Sanchez”) (together, “Plaintiffs”) seek preliminary approval of the Joint Stipulation of Class Action and PAGA Settlement (“Settlement” or “Settlement Agreement”) entered into between Plaintiffs and Defendant Institute of Environmental Health, Inc. (“Defendant”) (collectively, with Plaintiffs, the “Parties”). (Declaration of Alexandra Rose in Support of Plaintiffs’ Motion for Preliminary Approval of Class Action and PAGA Settlement [“Rose Decl.”], Exh. 3). The Settlement terms are outlined as follows:

- Class Size: Approximately 794 individuals.
- Gross Settlement Amount: One Million One Hundred Seventy-Six Thousand Four Hundred Twelve Dollars and Zero Cents (\$1,176,412.00).
- Prior Paid Amount: One Hundred Twenty-Six Thousand Four Hundred Twelve Dollars and Zero Cents (\$126,412.00) that was already paid to Class Members from the Gross Settlement Amount for *Pick-Up Stix* individual release agreements.
- Attorneys’ Fees and Costs: Attorneys’ fees of thirty-five percent (35%) of the Gross Settlement Amount (\$411,744.20 if the Gross Settlement Amount is \$1,176,412.00) plus actual litigation costs and expenses not to exceed Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00), to be paid from the Gross Settlement Amount.
- Enhancement Payments: Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) each (total, \$15,000.00), to be paid from the Gross Settlement Amount.
- Settlement Administration Costs: Not to exceed Fourteen Thousand Dollars and Zero Cents (\$14,000.00), to be paid from the Gross Settlement Amount.
- PAGA Amount: One Hundred Thousand Dollars and Zero Cents (\$100,000.00) from the Gross Settlement Amount, 75% of which will be paid to the Labor and Workforce Development Agency (“LWDA”) and the remaining 25% to be paid to the PAGA Employees.
- Estimated Net Settlement Amount: Six Hundred Ten Thousand Six Hundred Sixty-Seven Dollars and Eighty Cents (\$610,667.80) to be distributed to Settlement Class Members.

1 As set forth herein, the Settlement is the product of informed discovery and arms-length
2 negotiations, and provides a fair, adequate, and reasonable recovery for the Class. Plaintiffs therefore
3 respectfully request that the Court grant preliminarily approval of the Settlement, conditionally certify
4 the Class, approve the proposed Notice of Class Action Settlement (“Class Notice”), and set a hearing
5 date for final settlement approval, among other requested relief.

6 II. FACTUAL AND PROCEDURAL BACKGROUND

7 Defendant acquired, owns, and operates approximately forty (40) companies servicing various
8 aspects of the food safety industry in which it provides laboratory testing and related services to help its
9 customers implement food safety and quality systems. Plaintiff Campos-Ledezma was employed by
10 Defendant as an hourly-paid, non-exempt Microbiologist from approximately November 2019 to
11 approximately May 2021. (Declaration of Plaintiff Campos-Ledezma in Support of Motion for
12 Preliminary Approval of Class Action and PAGA Settlement [“Campos-Ledezma Decl.”], ¶ 2).

13 Plaintiff Campos-Ledezma was employed by Defendant as an hourly-paid, non-exempt
14 Microbiologist from approximately November 2019 to approximately May 2021. (Declaration of
15 Plaintiff Juan Campos-Ledezma in Support of Motion for Preliminary Approval of Class Action and
16 PAGA Settlement [“Campos-Ledezma Decl.”], ¶ 2). Plaintiff Sanchez was employed by Defendant as
17 an hourly-paid, non-exempt Sampler from approximately May 2023 to approximately June 2023.
18 (Declaration of Plaintiff Hector Sanchez in Support of Motion for Preliminary Approval of Class Action
19 and PAGA Settlement [“Sanchez Decl.”], ¶ 2).

20 On November 14, 2023, Plaintiff Campos-Ledezma filed a Class Action Complaint for Damages
21 in the action entitled *Juan Campos-Ledezma, et al. v. Institute of Environmental Health, Inc.*, Stanislaus
22 County Superior Court Case No. CV-23-006693 (“Action”), thereby commencing a putative class action
23 against Defendant. (Rose Decl., ¶ 9).

24 On January 5, 2024, Defendant propounded written formal discovery onto Plaintiff Campos-
25 Ledezma (specifically, Special Interrogatories (Set One) and Requests for Production of Documents (Set
26 One)). (*Id.*, ¶ 10).

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1 On February 5, 2024, Plaintiff Campos-Ledezma propounded written formal discovery onto
2 Defendant (specifically, Form Interrogatories – General (Set One), Form Interrogatories – Employment
3 Law (Set One), Special Interrogatories (Set One), Special Interrogatories (Set Two), and Requests for
4 Production of Documents (Set One)). (*Id.*, ¶ 11).

5 On February 6, 2024, Plaintiff Campos-Ledezma responded to Defendant’s discovery requests
6 (specifically, Special Interrogatories (Set One) and Requests for Production of Documents (Set One)).
7 (*Id.*, ¶ 12).

8 On February 26, 2024, Plaintiff Sanchez filed a Class Action Complaint in the action entitled
9 *Hector Sanchez v. Institute of Environmental Health, Inc.*, Monterey County Superior Court Case No.
10 24CV000755 (“Sanchez Action”), thereby commencing a putative class action against Defendant. (*Id.*,
11 ¶ 13).

12 On March 22, 2024, Defendant responded to Plaintiff Campos-Ledezma’s discovery requests
13 (specifically, Form Interrogatories – General (Set One), Form Interrogatories – Employment Law (Set
14 One), Special Interrogatories (Set One), Special Interrogatories (Set Two), and Requests for Production
15 of Documents (Set One)). (*Id.*, ¶ 14).

16 On May 2, 2024, a Belaire-West notice was mailed to three hundred and ninety (390) putative
17 class members by a third-party administrator. (*Id.*, ¶ 15).

18 On May 28, 2024, Plaintiff Sanchez provided written notice to the LWDA by online submission
19 and to Defendant by U.S. Certified Mail, pursuant to California Labor Code Section 2699.3, of the
20 specified provisions of the California Labor Code alleged to have been violated by Defendant (“PAGA
21 Letter”). (Rose Decl., ¶ 16 and Exh. 2).

22 On October 17, 2024, Plaintiff Sanchez filed a First Amended Class and Representative Action
23 Complaint in the Sanchez Action. (*Id.*, ¶ 17).

24 On December 4, 2024, the Parties participated in a formal mediation conducted by Katherine J.
25 Edwards, Esq. (“Mediator”), a neutral and respected mediator with extensive experience in complex wage
26 and hour matters, which did not result in a settlement at that time. (*Id.*, ¶ 18).

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1 On February 4, 2025, Plaintiffs filed a First Amended Class and Representative Action
2 Complaint (“Operative Complaint”) in the Action, which added Plaintiff Sanchez as a named plaintiff
3 and a cause of action under the California Private Attorneys General Act, California Labor Code section
4 2699.3 (“PAGA”). (*Id.*, ¶ 19). The Operative Complaint alleges ten (10) causes of action for violations
5 of the California Labor Code for failure to pay minimum wages, failure to pay overtime wages, failure
6 to provide compliant meal periods and premium payments in lieu thereof, failure to provide compliant
7 rest periods and premiums payments in lieu thereof, failure to timely pay wages during employment,
8 failure to provide accurate wage statements, failure to timely pay wages upon termination, and failure to
9 reimburse necessary business expenses, for violations of California Business & Professions Code Section
10 17200, *et seq.* based on the aforementioned California Labor Code violations, and for civil penalties
11 under the Private Attorneys General Act of 2004 pursuant to California Labor Code Section 2698 *et seq.*
12 (“PAGA”) based on the aforementioned California Labor Code violations. (*Ibid.*)

13 On February 19, 2025, the Sanchez Action was dismissed without prejudice. (*Id.*, ¶ 20).

14 On April 16, 2025, Plaintiffs propounded written formal discovery onto Defendant (specifically,
15 Special Interrogatories (Set Three) and Requests for Production of Documents (Set Two)). (*Id.*, ¶ 21).

16 On May 6, 2025, after further negotiations, the Parties reached a settlement of the Action. (*Id.*, ¶
17 22).

18 On August 21, 2025, the Parties executed the Settlement Agreement. (*Id.*, ¶ 23 and Exh. 3).

19 **III. THE SETTLEMENT TERMS**

20 **A. Class Definition**

21 For purposes of settlement only, the Parties have agreed that the Class shall be defined as “all
22 current and former hourly-paid and/or non-exempt employees who worked for Defendant in the State of
23 California at any time during the Class Period” (“Class” or Class Member(s)). (Rose Decl., ¶ 24;
24 Settlement Agreement, ¶ 9.b). The Class Period is defined as the period from November 14, 2019 through
25 January 15, 2025. (Rose Decl., ¶ 24; Settlement Agreement, ¶ 9.f). Based on information provided by
26 Defendant, as of December 4, 2024, it is estimated that there are a total of seven hundred ninety-four
27 (794) Class Members. (Rose Decl., ¶ 24).

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1 **B. Amount of Settlement**

2 The Parties have agreed to settle the class and PAGA claims at issue in the Operative Complaint
3 for a non-reversionary Gross Settlement Amount of One Million One Hundred Seventy-Six Thousand
4 Four Hundred Twelve Dollars and Zero Cents (\$1,176,412.00), exclusive of employer-side payroll taxes.
5 (Rose Decl., ¶ 25; Settlement Agreement, ¶ 9.q). As Defendant has already paid the Prior Paid Amount
6 of One Hundred Twenty-Six Thousand Four Hundred Twelve Dollars and Zero Cents (\$126,412.00) to
7 certain Class Members, the maximum amount of additional payment Defendant will pay as part of the
8 Gross Settlement Amount is One Million Fifty Thousand Dollars and Zero Cents (\$1,050,000.00), not
9 including employer-side payroll taxes, unless the Escalator Clause is implicated. (Settlement Agreement,
10 ¶ 9.q).

11 **C. Allocation and Funding of the Gross Settlement Amount**

12 The Gross Settlement Amount is a common fund and therefore includes all requested costs, fees,
13 and other allocations. (Rose Decl., ¶ 25; Settlement Agreement, ¶ 9.q). The Gross Settlement Amount
14 includes: (1) Prior Paid Amount of One Hundred Twenty-Six Thousand Four Hundred Twelve Dollars
15 and Zero Cents (\$126,412.00) that was already paid to Class Members for *Pick-Up Stix* individual release
16 agreements; (2) Class Counsel's fees in the amount of thirty-five percent (35%) of the Gross Settlement
17 Amount (i.e., \$411,744.20 if the Gross Settlement Amount is \$1,176,412.00); (3) Class Counsel's actual
18 litigation costs and expenses, not to exceed Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00);
19 (4) Settlement Administration Costs, not to exceed Fourteen Thousand Dollars and Zero Cents
20 (\$14,000.00); (5) Enhancement Payments in the aggregate amount of Fifteen Thousand Dollars and Zero
21 Cents (\$15,000.00); and (6) PAGA Amount of One Hundred Thousand Dollars and Zero Cents
22 (\$100,000.00). (Rose Decl., ¶ 25; Settlement Agreement, ¶¶ 9.q, 12, 13, 14, and 15). After the Attorneys'
23 Fees and Costs, Settlement Administration Costs, Enhancement Payments, and PAGA Amount are
24 deducted from the Gross Settlement Amount, the Net Settlement Amount that will be available for Class
25 Members is currently estimated to be Six Hundred Ten Thousand Six Hundred Sixty-Seven Dollars and
26 Eighty Cents (\$610,667.80). (Rose Decl., ¶ 25). Additionally, 25% of the PAGA Amount ("PAGA
27 Employee Amount"), which is \$25,000.00 out of \$100,000.00, will be fully distributed to "all current and
28 former hourly-paid and/or non-exempt employees who worked for Defendant in the State of California

1 at any time during the PAGA Period” (“PAGA Employee(s)”). (Rose Decl., ¶ 25; Settlement Agreement,
2 ¶¶ 9.x, 9.y, 9.z, and 14). The “PAGA Period” is defined as the period from May 28, 2023 through January
3 15, 2025. (Rose Decl., ¶ 25; Settlement Agreement, ¶ 9.aa).

4 The Net Settlement Amount will be distributed and paid to all Class Members who do not submit
5 a timely and valid Request for Exclusion (“Settlement Class Member(s)”) on a *pro rata* basis based on
6 the number of weeks each Class Member performed at least some work for Defendant as an hourly-paid
7 and/or non-exempt employee in California during the Class Period (“Workweeks”). (Rose Decl., ¶ 26;
8 Settlement Agreement, ¶¶ 9.nn and 9.oo). The *pro rata* share of the Net Settlement Amount that a Class
9 Member may be eligible to receive under the Class Settlement (“Individual Settlement Share”) will be
10 calculated by the Settlement Administrator, in accordance with the Settlement Agreement. (Rose Decl.,
11 ¶ 26; Settlement Agreement, ¶¶ 9.t and 17).

12 The PAGA Employee Amount will be distributed and paid to all PAGA Employees on a *pro rata*
13 basis based on the number of pay periods each PAGA Employee performed at least some work for
14 Defendant as an hourly-paid and/or non-exempt employee in California during the PAGA Period (“Pay
15 Periods”). (Rose Decl., ¶ 27; Settlement Agreement, ¶¶ 9.bb and 14). The *pro rata* share of the PAGA
16 Employee Amount that a PAGA Employee may be eligible to receive under the PAGA Settlement
17 (“Individual PAGA Payment”) will be calculated by the Settlement Administrator, in accordance with
18 the Settlement Agreement. (Rose Decl., ¶ 27; Settlement Agreement, ¶¶ 9.r and 14).

19 Each Individual Settlement Share will be allocated as twenty percent (20%) wages and eighty
20 percent (80%) penalties, interest, and non-wage damages. (Rose Decl., ¶ 28; Settlement Agreement, ¶
21 19). The portion allocated to wages will be reported on an IRS Form W-2 and the portions allocated to
22 penalties, interest, and non-wage damages will be reported on an IRS Form 1099 (if applicable) by the
23 Settlement Administrator. (Rose Decl., ¶ 28; Settlement Agreement, ¶ 19). The Settlement Administrator
24 will withhold the employee’s share of taxes and withholdings with respect to the wages portion of the
25 Individual Settlement Shares, and issue checks to Settlement Class Members for their net payment of
26 their Individual Settlement Share (“Individual Settlement Payment”). (Rose Decl., ¶ 28; Settlement
27 Agreement, ¶¶ 9.s and 19). The employer’s share of taxes and contributions in connection with the wages
28 portion of Individual Settlement Shares will be paid by Defendant separately and in addition to the Gross

Settlement Amount. (Rose Decl., ¶ 28; Settlement Agreement, ¶¶ 9.q and 19). Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties and will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator. (Rose Decl., ¶ 28; Settlement Agreement, ¶ 19).

The Settlement Agreement is a non-reversionary and non-claims made settlement. (Rose Decl., ¶ 19; Settlement Agreement, ¶¶ 9.q and 37). The Net Settlement Amount will be fully distributed to Settlement Class Members and the PAGA Amount will be fully distributed to the LWDA and PAGA Employees, in accordance with the Settlement Agreement. (Rose Decl., ¶ 29; Settlement Agreement, ¶¶ 14 and 17). No money will revert to Defendant. (Rose Decl., ¶ 29; Settlement Agreement, ¶ 9.q).

Each Individual Settlement Payment and Individual PAGA Payment check will be valid and negotiable for one hundred and eighty (180) calendar days from the date the checks are issued, and thereafter, shall be canceled. (Rose Decl., ¶ 30; Settlement Agreement, ¶ 37). Any funds associated with such canceled checks will be distributed by the Settlement Administrator to the State of California's Unclaimed Property Division in the name of the Settlement Class Member and/or PAGA Employee. (Rose Decl., ¶ 30; Settlement Agreement, ¶ 37).

D. Released Claims

Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiffs and all Settlement Class Members will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Class Claims. (Settlement Agreement, ¶ 38).

Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiffs, the State of California with respect to all PAGA Employees, and all PAGA Employees will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released PAGA Claims. (*Id.*, ¶ 39).

"Released Class Claims" means any and all claims which were alleged or which could have been alleged based on the factual allegations in the Operative Complaint and/or PAGA Letter, arising during the Class Period, which specifically includes but is not limited to claims for Defendant's alleged failure to pay overtime and minimum wages, provide compliant meal and rest periods and associated premium payments, timely pay wages during employment and upon termination, provide accurate wage

statements, and reimburse necessary business-related expenses and/or violation(s) of California Labor Code §§ 98.6, 201, 201.3, 202, 203, 204, 210, 213, 216, 218.5, 218.6, 221, 222, 223, 225.5, 226, 226.3, 226.6, 226.7, 227.3, 232, 232.5, 233, 234, 245-248.5, 432, 432.5, 432.7, 510, 512, 558, 558.1, 1024.5, 1102.5, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 1527, 2800, 2802, 2810.5, 3366, 3457, 6401, 6402, 6403, 8397.4, the applicable Industrial Welfare Commission Wage Order(s), California Business and Professions Code sections 16600, 16700, and 17200, *et seq.*, California Civil Code section 1786, *et seq.*, and 15 U.S.C. section 1681, *et seq.*, and all the claims, charges, complaints, liens, demands, causes of action, obligations, damages, and liabilities, known or suspected based on the allegations and/or statutes/orders above. (*Id.*, ¶ 9.gg).

“Released PAGA Claims” means any and all claims arising from any of the factual allegations in the Operative Complaint and/or PAGA Letter, arising during the PAGA Period, for civil penalties under the Private Attorneys General Act of 2004, California Labor Code sections 2698 *et seq.*, which specifically includes but is not limited to claims for Defendant’s alleged failure to pay overtime and minimum wages, provide compliant meal and rest periods and associated premium payments, timely pay wages during employment and upon termination, provide compliant wage statements, maintain complete and accurate payroll records, and reimburse necessary business-related expenses and/or violation(s) of California Labor Code §§ 98.6, 201, 201.3, 202, 203, 204, 210, 212, 213, 216, 218.5, 218.6, 221, 222, 223, 225.5, 226, 226.3, 226.6, 226.7, 227.3, 232, 232.5, 233, 234, 245-248.5, 432, 432.5, 432.7, 510, 512, 558, 558.1, 1024.5, 1102.5, 11744, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 1527, 2800, 2802, 2810.5, 3366, 3457, 6401, 6402, 6403, 8397.4, and the applicable Industrial Welfare Commission Wage Order(s). (*Id.*, ¶ 9.hh).

“Released Parties” means Defendant and its affiliates, parents, and each of their company-sponsored employee benefit plans, and their respective successors and predecessors in interest, all of their respective officers, directors, employees, administrators, fiduciaries, trustees, and agents, and each of their past, present and future officers, directors, shareholders, employees, agents, principals, heirs, representatives, attorneys, accountants, auditors, consultants, insurers, and reinsurers. (*Id.*, ¶ 9.ii).

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IV. STANDARD OF REVIEW FOR PRELIMINARY APPROVAL

The settlement of a class action requires court approval. (*See Dunk v. Ford Motor Co.*, 48 Cal. App. 4th 1794 (1996)). “In general, questions whether a settlement was fair and reasonable, whether notice to the class was adequate, whether certification of the class was proper, and whether the attorney fee award was proper are matters addressed to the trial court’s broad discretion.” (*Wershba v. Apple Computer, Inc.*, 91 Cal.App.4th 224, 234-35 (2001) (disapproved on other grounds)).

The review and approval of a proposed class action settlement involves a two-step process. (*See* Cal. Rules of Court, Rule 3.769(c)). First, counsel submit the proposed terms of the settlement and the Court makes a preliminary assessment of whether the settlement appears to be sufficiently within the range of a fair settlement to justify providing notice of the proposed settlement to class members. After notice is provided to the class, the Court must conduct a second inquiry into whether the proposed settlement is fair, reasonable, and adequate. (*Ibid*).

The initial evaluation of the settlement at the preliminary approval step “is not a fairness hearing.” (*Armstrong v. Board of School Directors of City of Milwaukee*, 616 F.2d 305, 314 (7th Cir. 1980)). Rather, the limited purpose of this initial inquiry is to determine, at a threshold level, only whether the proposed settlement is within the range of possible approval and, as a result, “whether there is any reason to notify the class members of the proposed settlement and to proceed with a fairness hearing.” A presumption of fairness exists where: (1) the settlement is reached through arm’s length bargaining; (2) investigation and discovery are sufficient to allow counsel and the court to act intelligently; (3) counsel is experienced in similar litigation; and (4) the percentage of objectors is small. (*See In re Microsoft I-V Cases*, 135 Cal. App. 4th 706, 723 (2006)).

Preliminary approval does not require a court to make a final determination that the settlement is fair, reasonable, and adequate. Rather, that decision is made only at the final approval stage, after notice of the settlement has been given to the class members and they have had an opportunity to object or exclude themselves from the settlement. (*See* Cal. Rules of Court, Rule 3.769(g)). In considering a potential class settlement, the court need not reach any ultimate conclusions on the issues of fact and law which underlie the merits of the dispute and need not engage in a trial on the merits. (*See Officers for Justice v. Civil Service Commission*, 688 F.2d 615, 625 (9th Cir. 1982)).

1 **V. THE SETTLEMENT IS PRESUMED FAIR**

2 **A. The Settlement Was Reached as a Result of Arm’s-Length Bargaining**

3 California courts recognize that “a presumption of fairness exists where . . . [a] settlement is
4 reached through arm’s-length bargaining.” (*Wershba*, 91 Cal.App.4th at 245; *see also Clark v. Am.*
5 *Residential Servs. LLC*, 175 Cal.App.4th 785, 799 (2009)). Here, the Parties’ settlement negotiations
6 were at all times made at arm’s-length and were adversarial. (Rose Decl., ¶ 31). The Settlement was
7 reached following additional negotiations after a full day of mediation with a highly respected mediator
8 with substantial experience mediating wage and hour cases. (Ibid). At all times, Plaintiffs were willing
9 and prepared to litigate this matter through class certification and trial if the Parties had been unable to
10 reach a favorable resolution. (*Id.*, ¶ 52).

11 **B. Sufficient Investigation and Discovery by Experienced Class Counsel**

12 Courts typically assess the status of discovery in determining whether a class action settlement
13 agreement is fair, reasonable, and adequate. (*Dunk*, 48 Cal.App.4th at 1801). Prior to mediation,
14 Defendant produced a random sampling of putative class members’ time and pay records as well as
15 Defendant’s relevant wage and hour policies, and information regarding the total number of putative class
16 members, the number of current versus former employees, the total workweeks worked by the putative
17 class members, and the average rate of pay for the putative class members. (Rose Decl., ¶ 32).

18 This allowed Class Counsel to conduct an informed assessment and analysis of the strengths and
19 weaknesses of the claims and the potential class-wide damages. (*Id.*, ¶ 33). Based on information
20 exchanged, the Parties extensively briefed issues regarding class certification and liability and provided
21 their analyses to the Mediator who helped the Parties debate the strengths and weakness of their respective
22 positions. (*Id.*, ¶ 34). Additionally, settlement negotiations were conducted by highly capable and
23 experienced counsel. (Rose Decl., ¶¶ 1-8). Accordingly, Class Counsel had sufficient information and
24 experience to act intelligently in negotiating the Settlement.

25 **C. The Settlement is Fair and Reasonable in Light of the Parties’ Respective Legal Positions**
26 **and Recovery Risks**

27 A settlement is not judged against what might have been recovered had a plaintiff prevailed at
28 trial, nor does the settlement have to obtain 100% of the damages sought to be fair and reasonable.

(*Wershba*, 91 Cal.App.4th at 246, 250). In evaluating the reasonableness of a settlement, a trial court must consider “the 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.” (*Kullar v. Foot Locker Retail, Inc.*, 168 Cal.App.4th 116, 128 (2008)).

Here, the reasonableness of the Settlement is underscored by the fact that Defendant has legal and factual grounds for defending the Action. Based upon Class Counsel’s experience litigating similar complex matters, Plaintiffs reasonably expected a vigorous and lengthy defense to both class certification and the merits of the Action absent a settlement.

1. Class Counsel’s Analysis of the Maximum Available Liability and Damages

Class Counsel analyzed all available data and estimated Defendant’s maximum potential exposure to be approximately \$13,044,423, assuming the litigation was successful at trial on all claims at issue and every employee had a violation for each claim on every shift worked. (Rose Decl., ¶ 35). This maximum potential analysis was then reduced based on the challenges facing the likelihood of obtaining class certification, prevailing at trial, and other attendant risks. (Ibid). This estimate is based off an estimated maximum liability for all claims at issue and the total aggregate workweeks during the relevant time period, less interest, and based on the analysis of the data which was extrapolated out for all class members across the entire putative class period, which included: \$3,541,780 for meal period violations (less meal period premiums paid); \$4,684,581 for rest period violations at a 100% violation rate; \$1,002,478 for unpaid off-the-clock work for 1 hour per workweek of off-the-clock work; \$354,030 for unreimbursed business expenses; \$2,543,604 for waiting time penalties; and \$917,950 for wage statement penalties. (Ibid). Plaintiffs further estimated that Defendant faced an additional exposure of \$292,500 in potential, non-stacked (i.e., one penalty, per employee, per pay period during the PAGA statutory period) PAGA penalties. (Ibid). Together with the PAGA penalties, Defendant’s maximum potential exposure totaled \$13, 336,923 in damages. (Ibid).

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2. Class Counsel's Risk-Based Analysis and Risk-Based Adjustments

While Plaintiffs believe that Defendant faced significant exposure, substantial barriers to a recovery existed. First and foremost, in or around May 2024, Defendant commenced a *Pick-Up Stix* campaign in which it obtained signed individual settlement agreements from putative class members, which threatened the potential class size. (*Id.*, ¶ 36). Additionally, Defendant argued that its employee agreement that employees sign during onboarding contains an enforceable arbitration provision with a class action waiver. (*Ibid.*). Accordingly, the individual settlements and arbitration agreements presented significant challenges to class certification, as well as the overall value of Plaintiffs' claims. (*Ibid.*). Defendant also contended that Plaintiffs' claims are not suitable for class certification because individual issues and affirmative defenses would predominate should this case go to trial. (*Id.*, ¶ 38; *See Brinker Restaurant Corp. v. Superior Court*, 53 Cal.4th 1004 (2012); *Duran v. U.S. Bank Nat. Assn.*, 59 Cal.4th 1, 35-36 (2014); *Wal-Mart Stores, Inc. v. Dukes*, 131 S.Ct. 2541, 2551 (2011)). While Plaintiffs and Class Counsel disagree with Defendant's predictions, they also recognize that there is a significant risk that the Court may deny class certification. (Rose Decl., ¶ 38; *see also, Findings of the Study of California Class Action Litigation*, 2000-2006, available at <http://www.courts.ca.gov/documents/class-action-lit-study.pdf> (finding that only 21.4% of all class actions were certified either as part of a settlement or as part of a contested certification motion)).

For example, Plaintiffs' meal period claims, which were based on Defendant's alleged failure to provide lawful meal periods, have been increasingly difficult to certify in recent years. (Rose Decl., ¶ 39; *See Brinker*, 53 Cal. 4th at 1034-35). Plaintiffs' theory of liability for meal period violations was based on allegations that Defendant had failed to implement its policies and that its practices failed to allow Class Members to take meal breaks in the manner required under California law. (Rose Decl., ¶ 39; *See Bradley v. Networkers Int'l, LLC*, 211 Cal.App.4th 1129, 1150 (2012) (holding that "the lack of a meal/rest break policy and the uniform failure to authorize such breaks are matters of common proof.")). Defendant contended that its policies and practices at all times during the Class Period were lawful. (Rose Decl., ¶ 39). Defendant further argued that the rate of purported meal period violations reflected in the data would require individualized inquiry and that such inquiry would prohibit a class from being certified. (*Ibid.*). Class Counsel also had to consider the risk that the Court would find validity in an

1 individualized proof defense to certification of Plaintiffs' meal period claim. (Ibid).

2 Additionally, a large portion of Defendant's overall liability lies in Plaintiffs' rest period
3 allegations. (*Id.*, ¶ 40). As with the meal period allegations, Defendant contended that it had a lawful
4 written rest period policy, provided compliant rest breaks, and relieved Class Members of all duties as
5 required under California law. (Ibid). Additionally, this claim was even more uncertain given the
6 difficulties associated with proving the alleged rest period violations, as Defendant was not required to
7 record these breaks. (Ibid). Given the lack of records demonstrating rest period violations, there were
8 legitimate concerns Plaintiffs would not be able to certify these claims or prove substantial damages with
9 requisite certainty, which made the estimated value of this claim subject to much challenge. (Ibid).

10 Plaintiffs also faced challenges certifying and proving liability for their minimum wage and
11 overtime claims. (*Id.*, ¶ 41). These claims were largely based on Defendant's unrecorded, off-the-clock
12 work performed by the Class Members both before and after their shifts and during purported meal
13 periods. (Ibid). For example, Class Members reported that Defendant required employees to clock out
14 during their meal breaks but required that they continue working to ensure that their required tasks were
15 complete. (Ibid). However, the individualized nature of why this work was performed and the
16 individualized nature of damages presented substantial concerns regarding the manageability of the case
17 and the risk the Court could find these issues prevented certification, and the estimated damages for this
18 claim were based on an assumption that all Class Members worked off the clock for at least one hour per
19 week. (Ibid).

20 Plaintiffs also contended that Defendant failed to reimburse Plaintiffs and the other Class
21 Members for necessary business-related expenses, such as the usage of personal cell phones for work-
22 related purposes (*Id.*, ¶ 42). Defendant contended that it had a policy and practice of reimbursing
23 employees for necessary business-related expenses. (Ibid). Defendant further contended that, with
24 respect to the alleged expenses for which Plaintiffs and the other Class Members never requested
25 reimbursement from Defendant, it did not know and had no reason to know that alleged business-related
26 expenses had been incurred. (Ibid). Defendant further contended that the reason for why a Class Member
27 undertook certain expenses, while not others, and failed to receive reimbursement for certain expenses
28 while not others, would raise individual issues that could not be certified. (Ibid).

1 There are also substantial risks associated with Plaintiffs' waiting time penalties and wage
2 statement claims. (*Id.*, ¶ 43). First, these claims were derivative of Plaintiffs' claims for unpaid meal
3 period premiums, unpaid rest period premiums, unpaid minimum wages, and if certification was denied
4 on those underlying claims, these derivative claims for penalties would also likely fail. (*Ibid.*). Further,
5 even if Plaintiffs prevailed on their underlying claims, they would still be required to demonstrate that
6 Defendant's violations of California Labor Code section 203 were *willful* violations. (Rose Decl., ¶ 43;
7 *See, e.g., Choate v. Celite Corp.*, 215 Cal App. 4th 1460, 1468 (2013) (holding that "an employer's
8 reasonable, good faith belief that wages are not owed may negate a finding of willfulness")). Wage
9 statement claims have also seen varying treatment at the appellate level because such claims have an
10 element of discretion attached to them rather than a pure calculation of damages after liability is proven.
11 (Rose Decl. ¶ 43; *Jaimez v. DAIOHS USA, Inc.*, 181 Cal.App.4th 1286 (2010) *with Price v. Starbucks*
12 *Corp.*, 192 Cal.App.4th 1136 (2011)). Accordingly, these derivative claims, which comprised a
13 substantial portion of Defendant's estimated liability, were therefore uncertain. (Rose Decl., ¶ 43).

14 Class Counsel also recognized that, even if Plaintiffs prevailed at class certification, proving the
15 amount of wages due to Class Members would be an expensive, time-consuming, and uncertain
16 proposition. (*Id.*, ¶ 44). In order to prove liability and damages, Class Counsel will need to request and
17 analyze thousands of pages of documents, obtain the Class Members' contact information, contact them,
18 and obtain their declarations at great expense. (*Ibid.*). Obtaining the cooperation of current employees
19 would also be difficult, given the likely reluctance to aid prosecution of a lawsuit against a current
20 employer. (*Ibid.*). On the other hand, Defendant would likely be able to obtain the cooperation of its
21 employees. (*Ibid.*). Moreover, even if Plaintiffs prevailed at class certification and trial, possible appeals
22 would substantially delay any recovery by the Class. (*Ibid.*).

23 Therefore, taking into account how each of the above risks potentially effected Plaintiffs' ability
24 to first obtain class certification, and then prove the underlying violations, plus the cost and delay in
25 recovering the alleged potential damages, Class Counsel discounted Defendant's estimated liability based
26 on the challenges facing their ability to succeed on class certification by 70% to \$4,001,077. (*Id.*, ¶ 45).
27 The merits-based risk factors further reduced Defendant's estimated liability by an additional 65%.
28 (*Ibid.*). This resulted in an adjusted estimated liability of \$1,400,377. (*Ibid.*). In light thereof, the

1 settlement amount of \$1,176,412 is a significant settlement. (Ibid).

2 Class Counsel also contemplated the risks of proceeding with the PAGA claims and potential
3 liability Defendant could face from these claims as part of the global resolution. (*Id.*, ¶ 46). Existing
4 case law makes PAGA claims subject to the same defenses and risks as Plaintiffs' underlying wage
5 claims. (Rose Decl., ¶ 46; see, *Elliot v. Spherion Pac. Work, LLC*, 572 F.Supp.2d 1169, 1181-82 (C.D.
6 Cal. 2008) ("Plaintiff's claim under [PAGA] is wholly dependent upon her other claims. Because all of
7 Plaintiffs' other claims fail as a matter of law, so does her PAGA claim")). Class Counsel also anticipated
8 that even if successful on the merits at trial, the imposition of cumulative civil penalties based on the
9 alleged wage and hour violations could be considered unjust, arbitrary and oppressive, or confiscatory,
10 and that Defendant would argue that it made a good faith attempt to comply with its legal obligations
11 warranting a reduction in penalties. (Rose Decl., ¶ 46).¹ Class Counsel also anticipated Defendant would
12 argue that the violations per pay period were low, warranting an additional reduction in civil penalties.
13 (Ibid). Finally, Class Counsel was also mindful of the fact that PAGA is fundamentally not intended to
14 be compensatory in nature but is instead intended to facilitate enforcement of California's labor laws by
15 financing state activities and educating and deterring non-compliance. (Ibid).

16 Therefore, after considering this multitude of factors, Plaintiffs and Class Counsel concluded that
17 it was in the best interest of the State of California and the PAGA Employees to enter into the Settlement,
18 and to allocate One Hundred Thousand Dollars and Zero Cents (\$100,000.00) of the Gross Settlement
19 Amount towards the PAGA claims, which represents approximately 8.5% of the Gross Settlement
20 Amount. (*Id.*, ¶ 47). This percentage of the settlement is well within the range of wage and hour
21 settlements regularly approved in both state and federal court for cases that include both a class and
22 PAGA action. (Ibid). Typically, such hybrid cases allocate only 1% of the gross settlement value to
23

24 ¹ See, e.g., *Thurman v. Bayshore Transit Management, Inc.*, 203 Cal.App.4th 1112, 1131 (2012) (imposition of both statutory
25 and civil penalties for same conduct is impermissible double recovery) (disapproved on other grounds); *Aguirre v. Genesis*
26 *Logistics*, 2013 WL 10936035, at *3 (C.D. Cal. 2013) ("duplicative effect" of penalties is a factor in favor of "reducing ...the
27 PAGA penalty"); *Smith v. Lux Retail North America, Inc.*, 2013 WL 2932243, at *3 (N.D. Cal. June 13, 2013) (declining to
28 stack penalties based on the same conduct); *Castillo v. ADT, LLC*, 2017 WL 363108, at *4 (E.D. Cal. Jan. 25, 2017); *Sanchez*
v. McDonalds Restaurants of California, Inc., 2017 WL 4620746 (LA Super. Ct. July 6, 2017) (declining to stack penalties
arising out of the same conduct); *Fleming v. Covidien, Inc.*, 2011 WL 756304718, at *4 (C.D. Cal. Aug. 12, 2011) (reducing
PAGA penalties by 80%); *Cotter v. Lyft, Inc.*, 193 F.Supp.3d 1030 (N.D. Cal. 2016) (indicating that a substantial reduction is
warranted where good faith dispute exists in legal obligations); *Carrington v. Starbucks Corp.*, 30 Cal.App.5th 504, 529 (2018)
(approving reduction in penalties from \$50 per pay period to \$5 per pay period based on good faith attempts to comply with
obligations and minimal violations).

1 resolve PAGA claims, and, indeed, settlements allocations as little as 0.22% of the gross settlement
2 amount have been approved as reasonable by courts. (Ibid). Moreover, the overall relief obtained by the
3 Settlement is significant, not only from a monetary perspective, but also because it fulfills the public
4 policy objectives of PAGA—to promote enforcement of California’s labor laws, provide funds to the
5 state, and deter future non-compliance by the employer. (Ibid).

6 The Settlement is in the best interest of the Class Members, the PAGA Employees, and the State
7 of California and is within the accepted range of recoveries for this type of litigation given the inherent
8 risk of litigation, the risk of obtaining and maintaining class certification, and the costs of further
9 litigation. (*Id.*, ¶ 48).

10 VI. CERTIFICATION FOR SETTLEMENT PURPOSES IS WARRANTED

11 Code of Civil Procedure Section 382 provides that three basic requirements must be met in order
12 to sustain any class action: (1) there must be an ascertainable class; (2) there must be a well-defined
13 community of interest in the question of law or fact affecting the parties to be represented; and (3)
14 certification will provide substantial benefits to litigants and the courts, i.e., proceeding as a class action
15 is superior to other methods. (*See Dunk*, 48 Cal.App.4th at 1806). Plaintiffs contend that the Action,
16 which is based upon Defendant’s wage and hour policies and practices, satisfies the class certification
17 requirements under California Code of Civil Procedure section 382. Defendant denies Plaintiffs’
18 allegations, but for purposes of the Settlement only, Defendant has stipulated to certification of the Class.

19 A. An Ascertainable Class Exists Which is So Numerous That Joinder of All Members is 20 Impracticable

21 Whether an ascertainable class exists turns on three factors: (1) the class definition, (2) the size of
22 the class, and (3) the means of identifying the class members. (*See Miller v. Woods*, 148 Cal.App.3d 862,
23 873 (1983)). In this case, all three considerations strongly favor class certification. Here, the Class is
24 defined as “all current and former hourly-paid and/or non-exempt employees who worked for Defendant
25 in the State of California at any time during the Class Period.” (Rose Decl., ¶ 24; Settlement Agreement,
26 ¶ 9.b). This provides a clear and definite scope for the proposed class.

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1 Next, the Class is sufficiently numerous. There is no magic number that satisfies the numerosity
2 requirement. Courts have certified classes with as few as ten or twenty-eight class members. (*Rose v.*
3 *City of Hayward*, 126 Cal.App.3d 926, 934 (1981); *Bowles v. Superior Court*, 44 Cal. 2d 574 (1995);
4 *Hebbard v. Colgrove*, 28 Cal.App.3d 1017, 1030 (1972)). Here, the estimated Class size of seven hundred
5 ninety-four (794) individuals meets the numerosity requirement.

6 Finally, the question of whether class members are easily identifiable turns on whether a plaintiff
7 can establish “the existence of an ascertainable class.” (*Daar v. Yellow Cab Co.*, 67 Cal.2d 695 at 706
8 (1967)). The existence of an ascertainable class in this case can be established through Defendant’s
9 payroll records, and the Class definition is sufficiently specific to enable the Parties, Class Members, and
10 the Court to determine the parameters of the Class. (*See Clothesrigger, Inc. v. GTE Corp.*, 191
11 Cal.App.3d 605, 617 (1987)).

12 **B. The Class Shares a Well-Defined Community of Interest**

13 The community of interest requirement embodies three factors: (1) predominant questions of law
14 and fact; (2) class representatives with claims or defenses typical of the class; and (3) class representatives
15 who can adequately represent the class. (*Dunk*, 48 Cal.App.4th at 1806). Here, all three requirements
16 are easily satisfied.

17 The commonality criterion requires the existence of common question of law or fact and is
18 generally established with the issues of predominance and typicality. (*See Daar*, 67 Cal.2d 695, 706).
19 What is required is that a common question of fact or law exists which predominates over issues unique
20 to individual plaintiffs. The existence of individual issues or facts—generally present in any case arising
21 from employment—is not a bar to class certification as long as they do not render class litigation
22 unmanageable or predominate over the common issues. (*See B.W.I. Custom Kitchen v. Owens-Illinois,*
23 *Inc.*, 191 Cal.App.3d 1341, 1354 (1987)).

24 Here, Plaintiffs’ claims present common issues of law and fact that predominate and warrant class
25 certification. Plaintiffs allege that Defendant denied compliant meal and rest periods to employees,
26 required employees to perform work off-the-clock, and failed to fully compensate employees for all time
27 actually worked. These policies and practices meant that Defendant allegedly failed to pay minimum and
28 overtime wages, and other related claims. Plaintiffs allege that Defendant’s policies and practices were

1 uniform as to all Class Members. Thus, class treatment is appropriate.

2 To satisfy the typicality requirement, California law does not require that plaintiffs' claims be
3 identical to the other class members. Rather, the test of typicality for a class representative is whether
4 other members have the same or similar injury, whether the action is based on conduct which is not
5 unique to the named plaintiff, and whether other class members have been injured by the same course of
6 conduct. (*See Seastrom v. Neways, Inc.*, 149 Cal.App.4th 1496, 1502 (2007)). The typicality requirement
7 for a class representative refers to the nature of the claim or defense of the representative, and not to the
8 specific facts from which it arose or the relief sought. (*See Ibid*).

9 Here, Plaintiffs allege that their claims are similar to that of the other Class Members and that
10 Plaintiffs' claims arise out of the same alleged course of conduct giving rise to the claims of the other
11 Class Members. Because Plaintiffs' claims are based upon the same alleged conduct and business
12 practices as those of Class Members, the typicality requirement has been satisfied.

13 Finally, the question of adequacy of representation "depends on whether the plaintiff's attorney
14 is qualified to conduct the proposed litigation and the plaintiff's interests are not antagonistic to the
15 interests of the class." (*McGee v. Bank of America*, 60 Cal.App.3d 442, 450 (1976)). Here, these
16 considerations are satisfied. Class Counsel is well-regarded and is qualified and experienced in
17 employment-related, class-action litigation. (Rose Decl., ¶¶ 1-8). Plaintiffs will vigorously, adequately,
18 and fairly represent the interests of the Class. Plaintiffs have, at all times, throughout the course of the
19 litigation considered the interests of the Class and understood that they must take steps to adequately
20 represent the Class and their interests. (Campos-Ledezma Decl., ¶ 10; Sanchez Decl., ¶ 10). Because
21 Plaintiffs' claims are typical of other Class Members and are not based on unique circumstances, there is
22 no antagonism between the interests of Plaintiffs and the Class.

23 **C. A Class Action is Superior to a Multiplicity of Litigation**

24 Under the circumstances, proceeding as a class action is a superior means of resolving this dispute,
25 as the Class Members and the Court will derive substantial benefits. Class certification would serve as
26 the only means to deter and redress the alleged violations. (*See Linder v. Thrifty Oil Co.*, 23 Cal.4th 429,
27 434 (2000) (relevant considerations include the probability that each class member will come forward to
28 prove his or her separate claim and whether the class approach would actually serve to deter and redress

the alleged wrongdoing)). Further, individual actions arising out of the same operative facts would unduly burden the courts and could result in inconsistent results. Therefore, class action proceedings are superior to individual litigation.

VII. THE REQUESTED ENHANCEMENT PAYMENTS ARE REASONABLE

Plaintiffs in class action lawsuits are eligible for reasonable incentive payments as compensation “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.*, 186 Cal.App.4th 399, 412 (2010)). Courts routinely grant approval of class action settlement agreements containing enhancements for the class representative, which are necessary to provide incentive to represent the class and are appropriate given the benefit the class representatives help to bring about for the class. (*See In re Online DVD Rental*, 779 F.3d 934, 947-948 (9th Cir. 2014) (approving incentive award 417 times larger than individual payments where incentive award made up a mere .17% of the settlement); *Gaudin v. Saxon Mortgage Servs., Inc.*, 2015 WL 7454183, at *10 (N.D. Cal. Nov. 23, 2015) (finding service award of \$15,000 to be “fair and reasonable”)).

Plaintiffs initiated this litigation on behalf of their former co-workers who will now be entitled to receive payment from the Settlement. Plaintiffs invested substantial time and effort into litigation, including their own research, reviewing documents, and extensive discussions with Class Counsel. (Campos-Ledezma Decl., ¶¶ 3-5; Sanchez Decl., ¶¶ 3-5). Further, the requested amounts for Plaintiffs are also reasonable given the average award and the benefit gained by other Class Members. For these reasons, Plaintiffs request that Enhancement Payments of Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500) each (total, \$15,000.00) be preliminarily approved by the Court. (Rose Decl., ¶ 49; Campos-Ledezma Decl., ¶ 12; Sanchez Decl., ¶ 12).

VIII. THE REQUESTED ATTORNEYS’ FEES AND COSTS ARE REASONABLE

Trial courts have “wide latitude” in assessing the value of attorneys’ fees and their decisions are “not to be disturbed on appeal absent a manifest abuse of discretion.” (*Lealao v. Beneficial Cal, Inc.*, 82 Cal.App.4th 19, 41 (2000)). California law provides that attorney fee awards should be equivalent to fees paid in the legal marketplace to compensate for the result achieved and risk incurred. (*Id.* at 47). In cases where class members present claims against a common fund and the defendant agrees to a percentage of

the fund as part of the settlement, use of the percentage method is appropriate. (*Id.* at 32).

Here, the requested attorneys' fees of thirty-five percent (35%) of the Gross Settlement Amount (i.e., \$411,744.20 if the Gross Settlement Amount is \$1,176,412.00) is disclosed to Class Members in the proposed Class Notice. (Settlement Agreement, Exh. A). The requested fee was freely negotiated, is common in the legal marketplace, and is not opposed by Defendant. The Motion for Final Approval will elaborate on the nature of the legal services provided and will also support Class Counsel's request for the reimbursement of litigation costs and expenses not to exceed Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00). (Rose Decl., ¶¶ 50 and 52). The Attorneys' Fees and Costs that are not ultimately approved by the Court shall instead be included in the Net Settlement Amount to be distributed to Settlement Class Members. (Settlement Agreement, ¶ 12).

IX. THE CLASS NOTICE AND THE OPT-OUT AND OBJECTION PROCESS MEETS DUE PROCESS REQUIREMENTS

The Parties have jointly drafted the Class Notice, which will be mailed to the Class Members. (*Id.*, Exh. A). The Class Notice will include information regarding the nature of the Action, a summary of the terms of the Settlement, the Class definition, information on how to object to and/or opt-out of the Class Settlement and to dispute Workweeks and/or Pay Periods, and the date of the Final Approval Hearing. (*Ibid.*). The Class Notice will list each Class Member's total Workweeks and their estimated Individual Settlement Share and each PAGA Employee's total Pay Periods and their estimated Individual PAGA Payment. (*Ibid.*).

Within fifteen (15) business days after entry of the preliminary approval order, Defendant will provide a list in a formatted readable Microsoft Office Excel spreadsheet to the Settlement Administrator containing the following information for each Class Member: full name; last known mailing address; Social Security number; number of Workweeks, number of Pay Periods (if applicable); and amount of their Prior Paid Individual Amount (if applicable) (collectively referred to as the "Class List"). (*Id.*, ¶¶ 9.d and 26). Within seven (7) calendar days after receiving the Class List from Defendant, the Settlement Administrator will perform a search based on the National Change of Address Database or other similar services available, such as provided by Experian, for information to update and correct for any known or identifiable address changes, and will mail a Class Notice in English and Spanish to all Class Members

1 via First-Class U.S. Mail, using the most current, known mailing addresses identified by the Settlement
2 Administrator. (*Id.*, ¶ 27.a). The Parties have agreed to use CPT Group, Inc. as the Settlement
3 Administrator. (Rose Decl., ¶ 53; Settlement Agreement, ¶ 9.ll).

4 In determining whether to approve a settlement of a class action, a trial court has virtually
5 complete discretion as to the manner of giving notice to class members, and review on appeal is governed
6 by the abuse of discretion standard. (*See In re Cellphone Fee Termination Cases*, 186 Cal.App.4th 1380
7 (2010)). Here, Class Counsel is not aware of an alternative method of providing notice to the Class which
8 would result in a higher likelihood of actual notice. (Rose Decl., ¶ 54). The original source of the mailing
9 addresses is from Class Members, who provided the information to Defendant. (*Ibid*).

10 Class Members will have forty-five (45) calendar days from the initial mailing of the Class Notice
11 by the Settlement Administrator to submit a Request for Exclusion, Notice of Objection, and/or Dispute
12 (“Response Deadline”). (Settlement Agreement, ¶ 9.kk).

13 Any Class Notice returned to the Settlement Administrator as undeliverable on or before the
14 Response Deadline will be sent promptly via First-Class U.S. Mail to the forwarding address affixed
15 thereto and the Settlement Administrator will indicate the date of such re-mailing on the Class Notice.
16 (*Id.*, ¶ 27.b). If no forwarding address is provided, the Settlement Administrator will promptly attempt
17 to determine a correct address using a skip-trace or other search, using the name, address, and/or Social
18 Security number of the Class Member, and perform a single re-mailing within five (5) calendar days.
19 (*Ibid*). In the event that a Class Notice is re-mailed to a Class Member, the Response Deadline for that
20 Class Member shall be extended fifteen (15) calendar days from the original Response Deadline. (*Id.*, ¶
21 9.kk).

22 Class Members will have an opportunity to dispute the number of Workweeks and/or Pay Periods
23 to which they have been credited, as reflected in their respective Class Notices, by submitting a timely
24 and valid letter (“Dispute”) to the Settlement Administrator, by mail, postmarked on or before the
25 Response Deadline. (*Id.*, ¶¶ 9.j and 28). A Dispute must: (a) contain the case name and number of the
26 Action; (b) contain the Class Member’s full name, signature, address, telephone number, and the last four
27 (4) digits of the Class Member’s Social Security number; (c) clearly state that the Class Member disputes
28 the number of Workweeks and/or Pay Periods credited to that Class Member and what the Class Member

1 contends is the correct number; and (d) be returned by mail to the Settlement Administrator at the
2 specified address, postmarked on or before the Response Deadline. (*Id.*, ¶ 9.j).

3 Any Class Member wishing to be excluded from the Class Settlement must submit a timely and
4 valid letter (“Request for Exclusion”) to the Settlement Administrator, by mail, postmarked on or before
5 the Response Deadline. (*Id.*, ¶¶ 9.jj and 29). A Request for Exclusion must: (a) contain the case name
6 and number of the Action; (b) contain the Class Member’s full name, signature, address, telephone
7 number, and last four (4) digits of the Class Member’s Social Security number; (c) clearly state that the
8 Class Member does not wish to be included in the Class Settlement; and (d) be returned by mail to the
9 Settlement Administrator at the specified address, postmarked on or before the Response Deadline. (*Id.*,
10 ¶ 9.jj). Notwithstanding the above, all PAGA Employees will be bound by the PAGA Settlement and
11 will be issued their Individual PAGA Payment, irrespective of whether they submit a Request for
12 Exclusion. (*Id.*, ¶ 29).

13 To object to the Class Settlement, Settlement Class Members must submit a timely and complete
14 written objection (“Notice of Objection”) to the Settlement Administrator, by mail, postmarked on or
15 before the Response Deadline. (*Id.*, ¶¶ 9.w and 30). A Notice of Objection must: (a) contain the case
16 name and number of the Action; (b) contain the objector’s full name, signature, address, telephone
17 number, and the last four (4) digits of the objector’s Social Security number; (c) contain a written
18 statement of all grounds for the objection accompanied by any legal support for such objection; (d)
19 contain copies of any papers, briefs, or other documents upon which the objection is based; and (e) be
20 returned by mail to the Settlement Administrator at the specified address, postmarked on or before the
21 Response Deadline. (*Id.*, ¶ 9.w). Settlement Class Members, individually or through counsel, may also
22 present their objection orally at the Final Approval Hearing, regardless of whether they have submitted a
23 Notice of Objection. (*Id.*, ¶ 30).

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Dated: 09/18/2025

BLACKSTONE LAW, APC

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NOTICE OF MOTION AND MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT; MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT THEREOF