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## **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

### **FOR THE COUNTY OF LOS ANGELES – SPRING STREET COURTHOUSE**

JESLYN BARRIOS, and KARINA ZAYAS,  
individually, and on behalf of the State of  
California and other aggrieved persons,

Plaintiffs,

v.

TRI-STATE COMMUNITY HEALTHCARE  
CENTER, a California corporation; and DOES 1  
through 50, inclusive,

Defendants.

Case No.: 24STCV28332

*[Assigned for All Purposes to the Hon.  
Samantha Jessner, Dept. 7]*

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

Preliminary Approval Hearing:

Date: January 23, 2026

Time: 11:00 a.m.

Dept: 7

Action Filed: October 29, 2024

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

2 **PLEASE TAKE NOTICE** that on January 23, 2026, at 11:00 a.m., or as soon thereafter  
3 as the matter may be heard in Department 7 of the above-entitled Court, located 312 North  
4 Spring Street, Los Angeles, California 90012, Plaintiffs Jeslyn Barrios and Karina Zayas  
5 (collectively “Plaintiffs”) will and hereby do move this Court for an Order:

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

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

19 This Motion is based on this Notice of Motion, the accompanying Memorandum of  
20 Points and Authorities, the Declaration of John G. Yslas, the Declaration of Kenneth H. Yoon,  
21 the Declaration of Jeslyn Barrios, the Declaration of Karina Zayas, and on all records and  
22 documents on file, together with such oral and documentary evidence that may be presented at  
23 the hearing on this matter.

24 Dated: September 4, 2025

**WILSHIRE LAW FIRM, PLC**

25 By: /s/ Courtney M. Miller  
26 Courtney M. Miller  
27 Attorneys for Plaintiff Karina Zayas  
28

## **TABLE OF CONTENTS**

|      |                                                                                                                                   |    |
|------|-----------------------------------------------------------------------------------------------------------------------------------|----|
| I.   | INTRODUCTION.....                                                                                                                 | 1  |
| II.  | PROCEDURAL HISTORY .....                                                                                                          | 2  |
| III. | SUMMARY OF THE SETTLEMENT TERMS .....                                                                                             | 3  |
|      | A. Terms of the Proposed Settlement .....                                                                                         | 3  |
|      | B. Proposed Settlement Administration.....                                                                                        | 4  |
|      | C. Proposed Release .....                                                                                                         | 5  |
| IV.  | THE PROPOSED SETTLEMENT AGREEMENT MEETS ALL CRITERIA FOR<br>PRELIMINARY APPROVAL .....                                            | 5  |
|      | A. Provisional Certification of the Class is Appropriate .....                                                                    | 5  |
|      | 1. The Proposed Class is Numerous and Ascertainable.....                                                                          | 6  |
|      | 2. A Well-Defined Community of Interest Exists.....                                                                               | 6  |
|      | 3. A Class Action is Superior to a Multitude of Individual Lawsuits .....                                                         | 8  |
|      | B. The Settlement Meets the Standards for Preliminary Approval .....                                                              | 9  |
|      | 1. The Settlement is Entitled to a Presumption of Fairness .....                                                                  | 9  |
|      | 2. The Settlement is Reasonable Given the Strengths of Plaintiffs' Claims and<br>the Risks and Expense of Further Litigation..... | 10 |
|      | C. The Requested Service Payment is Reasonable.....                                                                               | 13 |
|      | D. The Requested Attorneys' Fees and Costs Are Reasonable .....                                                                   | 14 |
| V.   | CONCLUSION .....                                                                                                                  | 14 |

## **TABLE OF AUTHORITIES**

### **CASES**

|                                                                                                |       |
|------------------------------------------------------------------------------------------------|-------|
| <i>Ayala v. Antelope Valley Newspapers, Inc.</i> , 59 Cal.4th 522 (2014) .....                 | 6, 7  |
| <i>Bell v. Farmers Ins. Exch.</i> , 115 Cal.App.4th 715 (2004) .....                           | 13    |
| <i>Brinker Restaurant Corp. v. Superior Court</i> , 53 Cal.4th 1004 (2012) .....               | 5, 6  |
| <i>Cellphone Termination Fee Cases</i> , 186 Cal.App.4th 1380 (2010).....                      | 13    |
| <i>Chavez v. Netflix, Inc.</i> , 162 Cal.App.4th 43 (2008).....                                | 9, 14 |
| <i>Dean Witter Reynolds, Inc. v. Superior Court</i> , 211 Cal.App.3d 758 (1989) .....          | 8     |
| <i>Dunk v. Ford Motor Co.</i> , 48 Cal.App.4th 1794 (1996) .....                               | 9     |
| <i>Duran v. U.S. Bank Nat’l Ass’n</i> , 59 Cal.4th 1 (2014).....                               | 6     |
| <i>Global Minerals &amp; Metals Corp. v. Superior Court</i> , 113 Cal.App.4th 836 (2003) ..... | 5, 6  |
| <i>Hendershot v. Ready to Roll Transp., Inc.</i> , 228 Cal.App.4th 1213 (2014) .....           | 6     |
| <i>Hernandez v. Restoration Hardware, Inc.</i> , 4 Cal.5th 260 (2018).....                     | 7     |
| <i>Kullar v. Foot Locker Retail, Inc.</i> , 168 Cal.App.4th 116 (2008).....                    | 9     |
| <i>Medraza v. Honda of North Hollywood</i> , 166 Cal.App.4th 89 (2008).....                    | 7     |
| <i>Nat’l Solar Equip. Owners’ Ass’n v. Grumman Corp.</i> , 235 Cal.App.3d 1273 (1991).....     | 8     |
| <i>Noel v. Thrifty Payless, Inc.</i> , 7 Cal.5th 955 (2019) .....                              | 6     |
| <i>Rebney v. Wells Fargo Bank</i> , 220 Cal.App.3d 1117 (1991).....                            | 10    |
| <i>Richmond v. Dart Industries</i> , 29 Cal.3d 462 (1981).....                                 | 8     |
| <i>Rose v. City of Hayward</i> , 126 Cal.App.3d 926 (1981) .....                               | 6     |
| <i>Sav-On Drug Stores, Inc. v. Superior Court</i> , 34 Cal.4th 319 (2004).....                 | 8, 13 |
| <i>Wershba v. Apple Computer, Inc.</i> , 91 Cal.App.4th 224 (2001).....                        | 7, 9  |

### **STATUTES**

|                                            |   |
|--------------------------------------------|---|
| Cal. Code Civ. Proc 384 .....              | 4 |
| Cal. Code Civ. Proc. § 382.....            | 8 |
| California Rules of Court, Rule 3.766..... | 4 |

## **MEMORANDUM OF POINTS AND AUTHORITIES**

### **I. INTRODUCTION**

Pursuant to California Rules of Court, Rule 3.769(d) and (e), Plaintiffs seek preliminary approval of the Parties' Class Action and PAGA Settlement Agreement ("Settlement Agreement"), resolving the wage and hour claims, including a representative claim brought under the Private Attorneys General Act of 2004 ("PAGA"), against Defendant Tri-State Community Healthcare Center ("Defendant"). The proposed Class is defined as all persons who worked for any Defendant in California as an hourly-paid or non-exempt employee ("Class Members") during the Class Period of July 5, 2018 to the date the Court grants preliminary approval of the Settlement ("Class Period"). The main terms of the Settlement are as follows:

1. A Gross Settlement Amount of \$735,000.00, which will be distributed to approximately 520 Class Members on a pro rata basis according to the total workweeks worked by each Class Member during the Class Period;
2. Attorneys' fees of up to one-third of the Gross Settlement Amount (\$245,000.00) and in reimbursement of litigation costs to Plaintiffs' Counsel up to \$35,000.00;
3. Class Representative Service Payments of up to \$15,000.00 to each Plaintiff;
4. Costs of settlement administration of up to \$10,000.00; and
5. Allocation of \$50,000.00 to PAGA penalties, seventy-five percent (65%) of which (\$32,500.00) will be paid to the Labor and Workforce Development Agency ("LWDA"), and twenty-five percent (35%) of which (\$17,500.00) will be paid to all current and former non-exempt, hourly paid employees who worked for Defendant in California at any time during the PAGA Period.

The Settlement meets all criteria for preliminary approval and falls within the range of reasonableness given the risks and expenses of further litigation. The Settlement was reached through informed, arm's length bargaining between experienced attorneys with the assistance of an experienced neutral. As such, Plaintiffs request that the Court grant preliminary approval of the Settlement, conditionally certify the Class for settlement purposes only, appoint Plaintiffs as the Class Representatives, appoint Plaintiffs' Counsel as Class Counsel, appoint Phoenix Settlement

Administrators Inc. (“Phoenix”) as the Settlement Administrator, authorize the Settlement Administrator to administer notice of the Settlement to the Class, and set a final approval hearing date.

## II. PROCEDURAL HISTORY

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

On May 22, 2024, plaintiff Karina Zayas gave written notice to the Labor and Workforce Development Agency (“LWDA”) and Defendant of the specific provisions of the Labor Code alleged to have been violated, including the facts and theories in support. *Id.* at ¶ 4, Exhibit 3. On October 18, 2024, plaintiff Jeslyn Barrios gave written notice to the Labor and Workforce Development Agency (“LWDA”) and Defendant of the specific provisions of the Labor Code alleged to have been violated, including the facts and theories in support. *Id.* at ¶ 4, Exhibit 4. The LWDA did not notify Plaintiffs that it intended to investigate. *Id.* at ¶ 4. Therefore, on July 26, 2024, plaintiff Karina Zayas filed a PAGA Action Complaint against Defendant seeking civil penalties pursuant to Labor Code § 2699, *et seq.*, Los Angeles Superior Court Case No. 24STCV18829. *Id.* at ¶ 4. On October 29, 2024, plaintiff Jeslyn Barrios filed a putative class action against Defendant for (1) violation of Labor Code §§ 226.7 and 512; (2) violation of Labor Code §§ 1194 and 510; (3) violation of Labor Code § 227.3; (4) violation of Labor Code § 226; (5) violation of Labor Code §§201-204; and (6) unfair business practices (“Instant Action”). *Id.* at ¶ 4. On or about January 10, 2025, plaintiff Jeslyn Barrios filed a First Amended Complaint adding a cause of action for civil penalties under PAGA. *Id.* at ¶ 4. On July 17, 2025, Plaintiffs filed a Second Amended Complaint in the Instant Action, effectively consolidating their claims in one action. *Id.* at ¶ 4.

1           The Parties subsequently participated in a private mediation with mediator Steven G. Mehta  
2 on March 25, 2025. Yslas Decl. at ¶ 5. The Parties did not reach an agreement to settle that day.  
3 *Id.* at ¶ 5. With the help of the mediator, the parties were able to ultimately reach an agreement as  
4 to settlement terms. *Id.* at ¶ 5. The negotiations were adversarial, conducted at arm's length, and  
5 tempered by the efforts of both sides to serve the interests of their clients. *Id.* at ¶ 5. The Parties  
6 negotiated the terms of the Settlement over the next several months, which was finalized in August  
7 2025. *Id.* at ¶ 6, Exhibit 1 ("Settlement Agreement"). On September 4, 2025, Plaintiffs submitted  
8 a copy of the Settlement Agreement to the LWDA. Yslas Decl. at ¶ 7, Exhibit 2.

### 9       **III. SUMMARY OF THE SETTLEMENT TERMS**

#### 10           **A. Terms of the Proposed Settlement**

11           The Parties have agreed to settle the claims alleged in this case for a Gross Settlement  
12 Amount of \$735,000.00. Settlement Agreement at § 1.23. Subject to Court approval, the following  
13 payments will be deducted from the Gross Settlement Amount: (1) class representative service  
14 payments of up to \$15,000.00 to each Plaintiff; (2) attorneys' fees of up to one-third (1/3) of the  
15 Gross Settlement Amount (\$245,000.00) and reimbursement of actual litigation costs to Plaintiffs'  
16 Counsel currently estimated not to exceed \$35,000.00; (3) costs of settlement administration of up  
17 to \$10,000.00 to the administrator; and (4) PAGA penalties in the amount of \$50,000.00, which  
18 will be allocated 65% to the LWDA (\$32,500.00) and 35% to Aggrieved Employees (\$17,500.00).  
19 Settlement Agreement at § 3.2 After all requested deductions are made, the remaining Net  
20 Settlement Amount is currently estimated to be \$395,000.00, which is an average of \$759.62 per  
21 Class Member. Yslas Decl. at ¶ 8.

22           Individual Class Payments will be calculated by dividing the Net Settlement Amount by  
23 the total number of Workweeks worked by all Participating Class Members during the Class Period  
24 then multiplying the result by each Participating Class Member's Workweeks. Settlement  
25 Agreement at § 3.2.4. For tax purposes, the Individual Class Payments will be allocated 20% to  
26 wages and 80% to penalties and interest. Settlement Agreement at § 3.2.4.1. Defendant will  
27 separately pay any and all employer payroll taxes owed on the wage portions of the Individual  
28 Class Payments separate from the Gross Settlement Amount. Settlement Agreement at § 3.1.

1 Individual PAGA Payments to Aggrieved Employees will be calculated by dividing the  
2 Aggrieved Employees' 35% share of PAGA Penalties (\$17,500.00) by the total number of PAGA  
3 Pay Periods worked by all Aggrieved Employees then multiplying the result by each Aggrieved  
4 Employee's PAGA Pay Periods. Settlement Agreement at § 3.2.5.1. Aggrieved Employees assume  
5 full responsibility and liability for any taxes owed on their Individual PAGA Payment. *Id.*

6 Any deductions not approved by the Court will be retained by the Settlement Administrator  
7 in the Net Settlement Amount. *See* Settlement Agreement at § 3.2. Funds from any uncashed  
8 checks will be transmitted by the Settlement Administrator to the California Controller's  
9 Unclaimed Property Fund in the name of the Class Member, thereby leaving no "unpaid residue"  
10 subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).  
11 Settlement Agreement at § 4.3.3. None of the Gross Settlement Amount will revert to Defendant.  
12 Settlement Agreement at § 3.1.

### 13 **B. Proposed Settlement Administration**

14 The Parties' proposed Class Notice complies with the requirements of California Rules of  
15 Court, Rule 3.766(d). *See* Exhibit A and Exhibit B to Settlement Agreement. It provides  
16 information regarding the nature of this lawsuit, a summary of the settlement terms, the formula  
17 used for calculating individual class and PAGA payments and instructions to dispute the  
18 calculations, instructions on how to opt-out of or object to the Settlement, the date, time, and  
19 location of the final approval hearing, and the amounts sought for the class representative service  
20 payment, attorneys' fees and litigation costs, and settlement administration costs. *See generally,*  
21 *id.* The Class Notice also notifies Class Members that they do not need to submit a claim to  
22 participate in the Settlement and receive a payment. *See id.* The Settlement Administrator will mail  
23 Class Members the summary Class Notice with Spanish translation by first-class mail. Settlement  
24 Agreement at § 8.4.1. The summary Class Notice shall include the Administrator's website which  
25 will have available the full version of the Class Notice with Spanish translation. *Id.*

26 If a Class Notice is returned as undeliverable, the Settlement Administrator will re-mail the  
27 Class Notice using any forwarding address provided by the U.S. Postal Service. Settlement  
28 Agreement at § 8.4.2. If no forwarding address is provided, the Settlement Administrator will

1 conduct a Class Member Address Search and re-mail the Class Notice to the most current address  
2 obtained. *Id.* The deadline to opt-out of the Settlement or to submit an objection or dispute will be  
3 extended by an additional fourteen (14) days for all Class Members whose Class Notice was  
4 remailed. Settlement Agreement at § 8.4.3.

### 5 **C. Proposed Release**

6 Release of Settled Class Claims: “All Participating Class Members, on behalf of themselves  
7 and their respective former and present representatives, agents, attorneys, heirs, administrators,  
8 successors and assigns, release Released Parties from all claims that were alleged, or reasonably  
9 could have been alleged, based on the Class Period facts stated in the Operative Complaint. Except  
10 as set forth in Section 5.3 of this Agreement, Participating Class Members do not release any other  
11 claims, including claims for vested benefits, wrongful termination, violation of the Fair  
12 Employment and Housing Act, unemployment insurance, disability, social security, workers’  
13 compensation or claims based on facts occurring outside the Class Period.” Settlement Agreement  
14 at § 5.2.

15 Release of Settled PAGA Claims: “All Aggrieved Employees are deemed to release, on  
16 behalf of themselves and their respective former and present representatives, agents, attorneys,  
17 heirs, administrators, successors and assigns, the Released Parties from all claims for PAGA  
18 penalties that were alleged, or reasonably could have been alleged, based on the Operative  
19 Complaint, and the PAGA Notices during the PAGA Period.” Settlement Agreement at § 5.3.

## 20 **IV. THE PROPOSED SETTLEMENT AGREEMENT MEETS ALL CRITERIA FOR** 21 **PRELIMINARY APPROVAL**

### 22 **A. Provisional Certification of the Class is Appropriate**

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

836, 859 (2003).

### 1. The Proposed Class is Numerous and Ascertainable

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

The Class here consists of current and former non-exempt employees of Defendant in California during the Class Period of May 22, 2020, through May 27, 2025. *See* Settlement Agreement at §§ 1.5 & 1.12. The Class is also readily ascertainable from Defendant’s business records, because all Class Members are or were employees of Defendant. Yslas Decl. at ¶ 10. Defendant’s records show there are approximately 520 Class Members, making joinder of all Class Members impracticable. *Id.*

### 2. A Well-Defined Community of Interest Exists

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

#### a. Common Questions Predominate

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

manageable. *Id.*

Plaintiffs have alleged that Defendant maintained common employment policies and/or practices that unlawfully deprived Class Members of wages, meal periods, rest periods, reimbursements for business expenses, accurate wage statements, and timely payment of wages upon separation of employment. Yslas Decl. at ¶ 11. These allegations present common factual and legal questions of, *inter alia*, whether Defendant applied the same scheduling, timekeeping, pay, meal period, rest period, and reimbursement policies to all Class Members, whether these policies and practices resulted in Labor Code violations, whether Defendant's conduct was intentional, and whether Class Members are entitled to damages and/or penalties. *Id.* These common questions could be resolved using Class Members' time records, payroll records, testimony from Defendant's designated representative(s), and Class Members' testimony. *Id.* Therefore, the Court can and should exercise its discretion to grant conditional class certification for settlement purposes.

b. Plaintiffs are Typical of the Class

Typicality does not require that the representative plaintiff's claims and those of the class members be identical or perfectly aligned. *Wershba v. Apple Computer, Inc.*, 91 Cal.App.4th 224, 228 (2001), disapproved on other grounds by *Hernandez v. Restoration Hardware, Inc.*, 4 Cal.5th 260, 269-280 (2018). Typicality does not require that a plaintiff's claims be identical to those of other class members, only that their claims and the defenses applicable to them are sufficiently similar to those of other class members that a named plaintiff is able to adequately represent the class and focus on common issues. *Medraza v. Honda of North Hollywood*, 166 Cal.App.4th 89, 99 (2008).

Plaintiffs have alleged that they and Class Members were employed by the same Defendant and injured by Defendant's common wage and hour policies and practices, including Defendant's scheduling, timekeeping, pay, meal period, rest period, and reimbursement policies. *See* Yslas Decl. at ¶ 11. Through informal discovery, including the production of documents by Defendant, Plaintiffs confirmed that these challenged policies and practices applied to Plaintiffs as well as Class Members. *See id.* at ¶ 9. Therefore, Plaintiffs' claims and Class Members' claims arise from

the same challenged employment policies and practices and are based on the same legal theories.

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

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

Plaintiffs’ interests are coextensive with Class Members’ interests. Declaration of Karina Zayas in Support of Plaintiffs’ Motion for Preliminary Approval (“Zayas Decl.”) at ¶¶ 2-4, 7; Declaration of Jeslyn Barrios in Support of Motion for Plaintiffs’ Preliminary Approval (“Barrios Decl.”) at ¶¶ 2-8. Plaintiffs have demonstrated an ability to advocate for the interests of Class Members by initiating this lawsuit, providing information to their attorneys, keeping in regular contact with their attorneys, making themselves available on the day of mediation/attending mediation and meeting with their attorneys to understand the claims and theories of liability at issue, and reviewing the proposed Settlement. Zayas Decl. at ¶ 7; Barrios Decl. at ¶¶ 7-13.

Likewise, Class Counsel have expended considerable time and effort on this case and will continue to do so through final approval. *See generally*, Yslas Decl. and the Declaration of Kenneth H. Yoon in Support of Plaintiffs’ Motion for Preliminary Approval of Class Action and PAGA Settlement (“Yoon Decl.”). Therefore, Plaintiffs should be appointed Class Representatives, and their counsel should be appointed Class Counsel.

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

Courts have held that class treatment of wage and hour claims is clearly “superior to the other available methods for the fair and efficient adjudication of the controversy.” *Dean Witter Reynolds, Inc. v. Superior Court*, 211 Cal.App.3d 758, 772-773 (1989). This is so because “[p]ublic policy has long favored the ‘full and prompt payment of wages due an employee.’” *Sav-On Drug Stores, Inc. v. Superior Court*, 34 Cal.4th 319, 340 (2004). Here, a class action is superior to a

1 multitude of individual lawsuits. Given the size and amount of each Class Members' claim, Class  
2 Members have little incentive to litigate their claims on an individual basis because the out-of-  
3 pocket expenses and personal commitment necessary to litigate each claim likely outweigh any  
4 potential recovery. Yslas Decl. at ¶ 10. Therefore, a class action is the superior method for seeking  
5 relief.

## 6 **B. The Settlement Meets the Standards for Preliminary Approval**

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

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

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

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

25 Courts have recognized that the involvement of a respected mediator provides a high degree  
26 of assurance that the settlement is the result of arm's length bargaining. *See Chavez v. Netflix, Inc.*,  
27 162 Cal.App.4th 43, 52-53 (2008). The Settlement in this matter was achieved with the assistance  
28 of a respected mediator following a full day of mediation. Yslas Decl. at ¶ 5. The negotiations were

adversarial, conducted at arm's length, and tempered by the efforts of both sides to serve the interests of their clients. *Id.*

b. Sufficient Investigation and Discovery Have Been Conducted

Prior to attending mediation, Plaintiffs' Counsel thoroughly investigated the claims, applicable laws, and potential defenses. *Id.* at ¶ 9. Plaintiffs' Counsel assessed the value to the class claims using the documents and data Defendant produced in informal discovery, including employment handbooks and policies, and a random sampling of time and payroll records. *Id.*

c. Plaintiffs' Counsel is Experienced in Similar Litigation

Plaintiff Karina Zayas is represented by Wilshire Law Firm, PLC and plaintiff Jeslyn Barrios is represented by Yoon Law, APC. *Id.* at ¶ 19. Wilshire Law Firm, PLC has extensive experience litigating wage and hour class actions on behalf of employees. *See id.* at ¶¶ 20-31. Wilshire Law Firm, PLC has been involved as counsel in numerous class actions that have resulted in millions of dollars in recovery. *See id.* Yoon Law, APC has extensive experience litigating wage and hour class actions on behalf of employees. *See* Yoon Decl. at ¶¶ 5-9. Yoon Law, APC has been involved as counsel in numerous class actions that have resulted in millions of dollars in recovery. *See id.*

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

A settlement does not have to provide 100% of the damages sought to be considered fair and reasonable. *See Rebney v. Wells Fargo Bank*, 220 Cal.App.3d 1117, 1139 (1991). Although the exposure Plaintiffs' Counsel calculated is substantial, the various risks at succeeding at class certification and through trial affected the valuation of the claims for settlement purposes. Yslas Decl. at ¶ 12.

Minimum and Overtime Wages: Plaintiffs' unpaid minimum and overtime wage claims were based on the allegation that Defendant required Class Members to perform work duties off-the-clock. *Id.* at ¶ 13. Based on Plaintiffs' conservative estimate that they each worked a total of 1 hour off-the-clock each week, Plaintiffs' Counsel assumed each Class Member worked 1 hour off-the-clock per week at the overtime rate of pay in calculating potential exposure to be approximately

1 \$1,242,171.90 for these claims. *Id.* However, Defendant argued that any off-the-clock time was  
2 undocumented and unknown to Defendant, and that Defendant was therefore not obligated to pay  
3 for this time. *Id.* Because this claim would have relied heavily on Class Member testimony and  
4 would not be evidenced in Defendant's time and payroll records, the risk of succeeding at class  
5 certification was substantial. *Id.* Accordingly, Plaintiffs' Counsel applied a risk discount based on  
6 a 40% chance of succeeding at class certification and a 40% chance of succeeding at trial on the  
7 merits, yielding a realistic damage estimate of approximately \$198,747.50 ( $\$1,242,171.90 \times 40\%$   
8  $\times 40\%$ ), or 24.07% of the Gross Settlement Amount. *Id.*

9 Meal Periods: Plaintiffs' meal period claim was based on the allegation that Defendant  
10 failed to provide Class Members with legally compliant meal periods or pay meal period premiums  
11 in lieu thereof. *Id.* at 14. Plaintiffs' Counsel found a violation rate of approximately 19.3% in  
12 Defendant's time and payroll records and calculated potential exposure on this claim to be  
13 approximately \$775,423.76. *Id.* However, Defendant argued that Class Members signed meal  
14 period waivers. *Id.* Accordingly, Plaintiffs' Counsel applied a risk discount based on a 50% chance  
15 of succeeding at class certification and a 40% chance of succeeding at trial on the merits, yielding  
16 a realistic damage estimate of approximately \$155,084.75 ( $\$775,423.76 \times 50\% \times 40\%$ ), or 18.78%  
17 of the Gross Settlement Amount. *Id.*

18 Rest Periods: Plaintiffs' rest period claim was based on the allegation that Defendant failed  
19 to provide Class Members with legally compliant rest periods or pay rest period premiums in lieu  
20 thereof. *Id.* at ¶ 15. Plaintiffs' Counsel applied a 100% violation rate to all shifts of 3.5 hours or  
21 more and calculated a potential exposure of \$4,170,763.44 for this claim. *Id.* However, Defendant  
22 argued that a 100% violation rate was unrealistic. *Id.* Because this claim would have relied  
23 exclusively on Class Member testimony, Plaintiffs' Counsel applied a risk discount based on a  
24 30% chance of succeeding at class certification and a 20% chance of succeeding at trial on the  
25 merits, yielding a realistic damage estimate of approximately \$250,245.81 ( $\$4,170,763.44 \times 30\%$   
26  $\times 20\%$ ), or 30.31% of the Gross Settlement Amount. *Id.*

27 Reimbursements: Plaintiffs' reimbursement claim was based on the allegation that  
28 Defendant required Class Members to purchase their own scrubs and to use their personal cell

1 phones to communicate with Defendant. *Id.* at 16. Based on Plaintiffs' estimate that they incurred  
2 approximately \$30 in unreimbursed expenses per month, Plaintiffs' Counsel assumed each Class  
3 Member incurred \$30 in unreimbursed expenses per month in calculating potential exposure to be  
4 approximately \$182,887.50 for this claim. *Id.* However, Defendant argued that these expenses were  
5 not required by Defendant, and that it could not have known that these expenses were being  
6 incurred. *Id.* Accordingly, Plaintiffs' Counsel applied a risk discount based on a 30% chance of  
7 succeeding at class certification and a 30% chance of succeeding at trial on the merits, yielding a  
8 realistic damage estimate of approximately \$16,459.88 ( $\$182,887.50 \times 30\% \times 30\%$ ), or 1.99% of  
9 the Gross Settlement Amount. *Id.*

10 Derivative Penalties: Plaintiffs alleged that as a result of Defendant's alleged failure to pay  
11 all wages and meal and rest period premiums owed, Defendant owed waiting time penalties and  
12 wage statement penalties. *Id.* at 17. However, Defendant argued that it had good faith defenses that  
13 made the imposition of these penalties unwarranted. *Id.* Moreover, Plaintiffs could not recover  
14 these penalties if they failed to prove the underlying claims. *Id.* Plaintiffs' Counsel calculated that  
15 potential exposure for the waiting time penalty claim was approximately \$2,583,574.92 (30 days  
16 per employee at 7.90 hours per day, based on the average hours per shift and 321 former employees  
17 in the relevant statutory time frame), and approximately \$835,450.00 for the wage statement  
18 penalty claim (\$50 for the first violations and \$100 for subsequent violations, with a \$4,000  
19 employee maximum, based on 349 employees and 8,529 pay periods in the relevant statutory time  
20 frame). *Id.* However, considering that the underlying claims are realistically estimated to be  
21 \$620,537.94, such a disproportionate award would also raise due process concerns. *Id.* As such,  
22 Plaintiffs discounted the figure to account for the risk and uncertainty of prevailing at trial,  
23 resulting in a realistic evaluation of \$155,014.50 ( $\$2,583,574.92 \times 30\% \times 20\%$ ) for waiting time  
24 penalty claims, or 18.77% of the Gross Settlement Amount and \$50,127.00 ( $\$835,450.00 \times 30\% \times$   
25  $20\%$ ) for wage statement penalty claims, or 6.07% of the Gross Settlement Amount. *Id.*

26 PAGA: For the PAGA claim, Plaintiffs' Counsel determined that Defendant's potential  
27 exposure could potentially reach \$770,500.00, assuming the initial \$100 penalty would apply for  
28 each of the 7,705 pay periods in the PAGA Period. *Id.* at 18. However, even assuming success on

1 the merits of each claim, PAGA gives the Court discretion to reduce penalties for a variety of  
2 reasons, including whether the amount of the award would be unjust, arbitrary and oppressive, or  
3 confiscatory. *Id.* As such, Plaintiffs allocated \$50,000.00 of the Gross Settlement Amount to settle  
4 the PAGA claims, or 6.8% of the Gross Settlement Amount. *Id.*

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

6 Plaintiffs seek a Class Representative Service Payment of up to \$15,000.00 each for  
7 accepting the responsibilities of representing the interests of the Class and potential costs that were  
8 not borne by any other Class Member. Settlement Agreement at § 3.2.1. A named plaintiff is  
9 eligible for payment that reasonably compensates her for undertaking and fulfilling a fiduciary  
10 duty to represent absent class members. *See Cellphone Termination Fee Cases*, 186 Cal.App.4th  
11 1380, 1393 (2010); *Bell v. Farmers Ins. Exch.*, 115 Cal.App.4th 715, 726 (2004).

12 Throughout this case, Plaintiffs assisted counsel in providing information necessary to  
13 prosecute the claims, maintained regular contact with counsel, and reviewed the Settlement to  
14 ensure it was fair to the Class. Zayas Decl. at ¶ 7; Barrios Decl. at ¶ 13. No action would likely  
15 have been taken by Class Members individually and no compensation would have been recovered  
16 for them, but for Plaintiffs' services on behalf of the Class. By actively pursuing this action,  
17 Plaintiffs furthered the California public policy goal of enforcing the State's wage and hour laws.  
18 *See Sav-On*, 34 Cal.4th at 340. The requested Class Representative Service Payments are  
19 reasonable and should be preliminarily approved. Plaintiff Zayas has provided a declaration  
20 regarding her work performed to date and will provide additional information as requested or  
21 required by the Court at final approval. Plaintiff Barrios will provide a declaration regarding her  
22 work performed through and to the date she files her declaration in support of her requested  
23 enhancement and this settlement as part of final approval, assuming the Court grants preliminary  
24 approval.

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

Plaintiffs seek appointment of Wilshire Law Firm, PLC and Yoon Law, APC as Class Counsel. The attorneys performed significant work and expended litigation costs in prosecuting this matter with no guarantee of payment. Yslas Decl. at ¶ 19; Yoon Decl. at ¶ 11. Plaintiffs' Counsel seeks preliminary approval for \$245,000.00 in attorneys' fees, which is one-third (1/3) of the Gross Settlement Amount, and reimbursement of actual litigation costs not to exceed \$35,000.00. Settlement Agreement at § 3.2.2. Given the work performed in this matter, the extensive information exchange, and the substantial recovery obtained on behalf of the Class, Plaintiffs' Counsel achieved a settlement through efficient and diligent work. *See generally*, Yslas Decl. and Yoon Decl. At final approval, Plaintiffs' Counsel will fully brief the merits of its request for the award of attorneys' fees and litigation costs.

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

**WILSHIRE LAW FIRM, PLC**

By: /s/ Courtney M. Miller  
Courtney M. Miller  
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