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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO

ISMAEL MERCADO and SAVANNAH RHUE,
individually and on behalf of others similarly
situated,

Plaintiffs,

vs.

NATURAL ALTERNATIVES
INTERNATIONAL, INC.; and DOES 1 through
25, inclusive,

Defendants.

Case No. 37-2023-00052115-CU-OE-CTL
(Consolidated with Case No. 24CU008031C)

Honorable Blaine K. Bowman
Department SD-74

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

Date: February 20, 2026
Time: 8:30 a.m.
Dept.: SD-74

Complaint Filed: December 1, 2023
Trial Date: Not Set

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

2 **PLEASE TAKE NOTICE THAT on February 20, 2026 at 8:30 a.m.**in Department SD-74 of
3 the above-captioned Court located at 330 West Broadway, San Diego, California 92101, pursuant to
4 California Code of Civil Procedure section 382 and Rule 3.769 of the California Rules of Court, Plaintiffs
5 Ismael Mercado, Savannah Rhue, and Alex Ortiz (“Plaintiffs”) will and hereby do move the Court for an
6 Order granting preliminary approval of the proposed class action and PAGA settlement between
7 Plaintiffs and Defendant Natural Alternatives International, Inc. (“Defendant”).

8 Plaintiff requests that the Court enter an Order:

9 1. Preliminarily approving the Joint Stipulation of Class Action and PAGA Settlement
10 (“Settlement” or “Settlement Agreement”) attached as Exhibit 2 to the Declaration of Annabel Blanchard
11 in Support of Plaintiffs’ Motion for Preliminary Approval of Class Action and PAGA Settlement
12 (“Blanchard Decl.”);

13 2. Certifying the Class for Settlement purposes;

14 3. Appointing Plaintiffs Ismael Mercado, Savannah Rhue, and Alex Ortiz as the Class
15 Representatives for Settlement purposes;

16 4. Appointing Jonathan M. Genish, Barbara DuVan-Clarke, Danielle L. GruppChang, P.J.
17 Van Ert, Melissa Rodriguez, and Annabel Blanchard of Blackstone Law, APC as Class Counsel for
18 Settlement purposes;

19 5. Approving the proposed Notice of Class Action Settlement (“Class Notice”), substantially
20 in the form attached as Exhibit A to the Settlement Agreement, as to form and content, and directing its
21 mailing by First Class U.S. Mail to all Class Members;

22 6. Approving the opt-out and objection procedures provided in the Settlement Agreement
23 and set forth in the Class Notice;

24 7. For each Class Member, directing Defendant to furnish the Class List to the Settlement
25 Administrator within fourteen (14) calendar days of Preliminary Approval. The Class List shall be
26 formatted in a readable Microsoft Office Excel spreadsheet containing the following information for each
27 Class Member: (1) full name; (2) last known mailing address; (3) Social Security number; (4) dates
28 worked for Defendant as an hourly-paid and/or non-exempt employee during the Class Period; and (5)

1 such other information as is necessary for the Settlement Administrator to calculate Workweeks and Pay
2 Periods;

3 8. Approving the proposed deadlines for the settlement administration process; and

4 9. Setting a Final Approval Hearing.

5 Pursuant to California Labor Code section 2699(1)(2), on January 23, 2026, 2026, a copy of the
6 proposed Settlement was submitted to the California Labor and Workforce Development Agency
7 (“LWDA”) via online submission through the LWDA’s website. (Blanchard Decl., ¶ 47 and Exh. 3)

8 This Motion is based upon this Notice, the attached Memorandum of Points and Authorities, the
9 Declaration of Annabel Blanchard, the Declarations of Plaintiffs Ismael Mercado, Savannah Rhue and
10 Alex Ortiz, the Declaration of the Settlement Administrator (Sean Hartranft of Apex Class Action
11 Administration), the pleadings and other records on file with the Court in this matter, and any other
12 further evidence or argument that the Court may properly receive at or before the hearing.

13
14 Respectfully submitted,

15 Dated: January 23, 2026

BLACKSTONE LAW, APC

16 By: A. Blanchard
17 Annabel Blanchard
18 Attorney for Plaintiffs Ismael Mercado, Savannah
19 Rhue and Alex Ortiz
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1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 Plaintiffs Ismael Mercado, Alex Ortiz, and Savannah Rhue (“Plaintiffs”) seek preliminary
4 approval of the Joint Stipulation of Class Action and PAGA Settlement (“Settlement” or “Settlement
5 Agreement”) entered into between Plaintiffs and Defendant Natural Alternatives International, Inc.
6 (“Defendant”) (together, with Plaintiffs, the “Parties”). (Declaration of Annabel Blanchard in Support of
7 Plaintiffs’ Motion for Preliminary Approval of Class Action and PAGA Settlement [“Blanchard Decl.”],
8 Exh. 2). The Settlement terms are outlined as follows:

- 9
- Class Size: Approximately 534 Class Members.
 - 10 • Gross Settlement Amount: One Million Two Hundred and Fifty Thousand Dollars
11 (\$1,250,000.00).
 - 12 • Attorneys’ Fees and Costs: Attorneys’ fees of up to thirty-five percent (35%) of the Gross
13 Settlement Amount (\$437,500.00 if the Gross Settlement Amount is \$1,250,000.00) plus
14 actual litigation costs and expenses not to exceed Forty Thousand Dollars (\$40,000.00), to
15 be paid from the Gross Settlement Amount.
 - 16 • Enhancement Payments: Ten Thousand Dollars (\$10,000.00) to each Plaintiff (for a total of
17 \$30,000.00), to be paid from the Gross Settlement Amount.
 - 18 • Settlement Administration Costs: Not to exceed Eight Thousand Five Hundred Dollars
19 (\$8,500.00), to be paid from the Gross Settlement Amount.
 - 20 • PAGA Amount: Fifty Thousand Dollars (\$50,000.00) from the Gross Settlement Amount,
21 65% of which (\$32,500.00) will be paid to the California Labor and Workforce Development
22 Agency (“LWDA”) and the remaining 35% (\$17,500.00) to be paid to the PAGA Employees.
 - 23 • Estimated Net Settlement Amount: Six Hundred Eighty-Four Thousand Dollars
24 (\$684,000.00) to be distributed to Settlement Class Members.

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

II. FACTUAL AND PROCEDURAL BACKGROUND

Defendant is a company that manufactures and distributes vitamin supplements. Plaintiff Ismael Mercado was employed by Defendant as an hourly-paid, non-exempt operator from approximately October 2018 to approximately August 2020. (Declaration of Plaintiff Ismael Mercado in Support of Motion for Preliminary Approval of Class Action and PAGA Settlement [“Mercado Decl.”], ¶ 2). Plaintiff Alex Ortiz was employed by Defendant as an hourly-paid, non-exempt forklift operator from approximately November 2020 to approximately August 2023. (Declaration of Plaintiff Alex Ortiz in Support of Motion for Preliminary Approval of Class Action and PAGA Settlement [“Ortiz Decl.”], ¶ 2). Plaintiff Savannah Rhue was employed by Defendant as an hourly-paid, non-exempt assembly line associate from approximately October 2020 to approximately February 2021. (Declaration of Plaintiff Savannah Rhue in Support of Motion for Preliminary Approval of Class Action and PAGA Settlement [“Rhue Decl.”], ¶ 2).

On December 1, 2023, Plaintiffs Mercado and Rhue filed a Class Action Complaint for Damages in the action entitled *Ismael Mercado et al. v. Natural Alternatives International, Inc.*, San Diego County Superior Court Case No. 37-2023-00052115-CU-OE-CTL (“Class Action”), thereby commencing a putative class action against Defendant. (*Id.*, ¶ 9).

On June 21, 2024, Plaintiff Ortiz provided written notice to the LWDA by online submission and to Defendant by U.S. Certified Mail, pursuant to California Labor Code Section 2699.3, of the specified provisions of the California Labor Code alleged to have been violated by Defendant. (Blanchard Decl., ¶ 10).

On August 26, 2024, Plaintiff Ortiz filed a Complaint for Enforcement Action Under the Private Attorneys General Act in the action entitled *Alex Ortiz v. Natural Alternatives International, Inc.*, San Diego County Superior Court Case No. 24CU008031C (“PAGA Action”). (*Id.*, ¶ 11).

On July 3, 2025, the Parties participated in a formal mediation conducted by Monique Ngo-Bonnici (“Mediator”), a well-respected mediator with extensive experience in complex wage and hour matters, and with the assistance of the Mediator’s proposal, the Parties reached an agreement to resolve this dispute on a class and representative basis. (*Id.*, ¶ 13). The Parties then worked diligently to negotiate and memorialize the terms in a long form settlement agreement. (*Ibid.*).

1 On September 5, 2025, the Parties orally stipulated before the Court to consolidate the Class
2 Action and PAGA Action. (*Id.*, ¶ 14).

3 On January 22, 2026, the Parties executed the Settlement Agreement. (*Id.*, ¶ 15 and Exh. 2).

4 **III. THE SETTLEMENT TERMS**

5 **A. Class Definition**

6 For purposes of settlement only, the Parties have agreed that the Class shall be defined as “all
7 current and former hourly-paid and/or non-exempt employees who worked for Defendant in the State of
8 California at any time during the Class Period” (“Class” or “Class Member(s)”). (Blanchard Decl., ¶ 16;
9 Settlement Agreement, ¶ 10.b). The Class Period is defined as the period from January 1, 2019 through
10 September 3, 2025. (Blanchard Decl., ¶ 16; Settlement Agreement, ¶ 10.f). Based on information
11 provided by Defendant, as of July 3, 2025, it is estimated that there are a total of five hundred thirty-four
12 (534) Class. (Blanchard Decl., ¶ 16).

13 **B. Amount of Settlement**

14 The Parties have agreed to settle the class and PAGA claims at issue in the Actions for a non-
15 reversionary Gross Settlement Amount of One Million Two Hundred and Fifty Thousand Dollars and
16 Zero Cents (\$1,250,000.00), exclusive of employer-side payroll taxes. (Blanchard Decl., ¶ 17; Settlement
17 Agreement, ¶ 10.q).

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

19 The Gross Settlement Amount is a common fund and therefore includes all requested costs, fees,
20 and other allocations. (Blanchard Decl., ¶ 17; Settlement Agreement, ¶ 10.q). The Gross Settlement
21 Amount includes: (1) Class Counsel’s fees in the amount of up to thirty-five percent (35%) of the Gross
22 Settlement Amount (i.e., \$437,500.00 if the Gross Settlement Amount is \$1,250,000.00); (2) Class
23 Counsel’s actual litigation costs and expenses, not to exceed Forty Thousand Dollars and Zero Cents
24 (\$40,000.00); (3) Settlement Administration Costs, not to exceed Eight Thousand Five Hundred Dollars
25 and Zero Cents (\$8,500.00); (4) Enhancement Payments in the amount of Ten Thousand Dollars and Zero
26 Cents (\$10,000.00) to each Plaintiff (for a total of \$30,000.00); and (5) PAGA Amount of Fifty Thousand
27 Dollars and Zero Cents (\$50,000.00). (Blanchard Decl., ¶ 17; Settlement Agreement, ¶¶ 13, 14, 15, and
28 16). After the above-estimated amounts are deducted from the Gross Settlement Amount, the Net

1 Settlement Amount that will be available for Class Members is currently estimated to be Six Hundred
2 Eighty-Four Thousand Dollars and Zero Cents (\$684,000.00). (Blanchard Decl., ¶ 17). Additionally,
3 thirty-five percent (35%) of the PAGA Amount (“PAGA Employee Amount”), which is \$17,500.00 out
4 of \$50,000.00, will be fully distributed to “all current and former hourly-paid and/or non-exempt
5 employees who worked for Defendant in the State of California at any time during the PAGA Period”
6 (“PAGA Employee(s)”). (Blanchard Decl., ¶ 17; Settlement Agreement, ¶¶ 10.x, 10.y, 10.z, 10.aa, and
7 15). The “PAGA Period” is defined as the period from June 21, 2023 through September 3, 2025.
8 (Blanchard Decl., ¶ 17; Settlement Agreement, ¶ 10.aa).

9 The Net Settlement Amount will be distributed and paid to all Class Members who do not submit
10 a timely and valid Request for Exclusion (“Settlement Class Member(s)”) on a *pro rata* basis based on
11 the number of weeks each Class Member worked for Defendant as an hourly-paid and/or non-exempt
12 employee in California during the Class Period (“Workweeks”). (Blanchard Decl., ¶ 18; Settlement
13 Agreement, ¶¶ 10.mm and 10.nn). The *pro rata* share of the Net Settlement Amount that a Class Member
14 may be eligible to receive under the Class Settlement (“Individual Settlement Share”) will be calculated
15 by the Settlement Administrator, in accordance with the Settlement Agreement. (Blanchard Decl., ¶ 18;
16 Settlement Agreement, ¶¶ 10.t and 18).

17 The PAGA Employee Amount will be distributed and paid to all PAGA Employees on a *pro rata*
18 basis based on the number of pay periods each PAGA Employee worked for Defendant as an hourly-paid
19 and/or non-exempt employee in California during the PAGA Period (“Pay Periods”). (Blanchard Decl.,
20 ¶ 19; Settlement Agreement, ¶¶ 10.cc and 15). The *pro rata* share of the PAGA Employee Amount that
21 a PAGA Employee may be eligible to receive under the PAGA Settlement (“Individual PAGA Payment”)
22 will be calculated by the Settlement Administrator, in accordance with the Settlement Agreement.
23 (Blanchard Decl., ¶ 19; Settlement Agreement, ¶¶ 10.r and 19).

24 Each Individual Settlement Share will be allocated as ten percent (10%) wages and ninety percent
25 (90%) penalties, interest, and non-wage damages. (Blanchard Decl., ¶ 20; Settlement Agreement, ¶ 20).
26 The portion allocated to wages will be reported on an IRS Form W-2 and the portions allocated to
27 penalties, interest, and non-wage damages will be reported on an IRS Form 1099 (if applicable) by the
28 Settlement Administrator. (Blanchard Decl., ¶ 20; Settlement Agreement, ¶ 20). The Settlement

1 Administrator will withhold the employee's share of taxes and withholdings with respect to the wages
2 portion of the Individual Settlement Shares, and issue checks to Settlement Class Members for their net
3 payment of their Individual Settlement Share ("Individual Settlement Payment"). (Blanchard Decl., ¶ 20;
4 Settlement Agreement, ¶¶ 10.s and 20). The employer's share of taxes and contributions in connection
5 with the wages portion of Individual Settlement Shares will be paid by Defendant separately and in
6 addition to the Gross Settlement Amount. (Blanchard Decl., ¶ 20; Settlement Agreement, ¶¶ 10.l and 20).
7 Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties and will be
8 reported on an IRS Form 1099 (if applicable) by the Settlement Administrator. (Blanchard Decl., ¶ 20;
9 Settlement Agreement, ¶ 20).

10 The Settlement Agreement is a non-reversionary and non-claims made settlement. (Blanchard
11 Decl., ¶ 21; Settlement Agreement, ¶¶ 10.q and 38). The Net Settlement Amount will be fully distributed
12 to Settlement Class Members and the PAGA Employee Amount will be fully distributed to PAGA
13 Employees, in accordance with the Settlement Agreement. (Blanchard Decl., ¶ 21; Settlement
14 Agreement, ¶¶ 18 and 19). No money will revert to Defendant. (Blanchard Decl., ¶ 21; Settlement
15 Agreement, ¶ 10.q).

16 Each Individual Settlement Payment and Individual PAGA Payment check will be valid and
17 negotiable for one hundred and eighty (180) calendar days from the date the checks are issued, and
18 thereafter, shall be canceled. (Blanchard Decl., ¶ 22; Settlement Agreement, ¶ 38). Any funds associated
19 with such canceled checks shall be distributed by the Settlement Administrator to the State of California's
20 Unclaimed Property Division in the name of the Settlement Class Member and/or PAGA Employee.
21 (Blanchard Decl., ¶ 22; Settlement Agreement, ¶ 38).

22 **D. Released Claims**

23 Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiffs and all
24 Settlement Class Members will be deemed to have fully, finally, and forever released, settled,
25 compromised, relinquished, and discharged the Released Parties of all Released Class Claims.
26 (Settlement Agreement, ¶ 39).

27 Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiffs, the State of
28 California with respect to all PAGA Employees, and all PAGA Employees will be deemed to have fully,

1 finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of
2 all Released PAGA Claims. (Settlement Agreement, ¶ 40).

3 “Released Class Claims” means any and all claims under state, federal and local law which were
4 alleged or which could have been reasonably alleged based on the factual allegations in the Operative
5 Complaint, arising during the Class Period, which shall specifically include, but are not limited to, claims
6 for Defendant’s alleged failure to pay overtime and minimum wages, provide compliant meal and rest
7 periods and associated premium payments, including second meal period premiums, unpaid wages,
8 unpaid overtime or double time wages, unpaid minimum wages, off-the-clock work, regular rate of pay,
9 failure to pay wages of any kind during employment or due at separation, failure to provide accurate and
10 itemized wage statements, failure to maintain payroll records as required by law, failure to reimburse for
11 business expenses, unfair competition, unfair business practices, unlawful business practices, fraudulent
12 business practices, working conditions and compensation arrangements, penalties, interest, fees, costs,
13 and any other claims of violations of California Labor Code Sections 201, 202, 203, 204, 210, 226(a),
14 226.7, 510, 512(a), 1194, 1197, 1197.1, 1198, 2800, and 2802, the applicable Industrial Welfare
15 Commission Wage Order, and California Business and Professions Code sections 17200, *et seq.* (*Id.*, ¶
16 10.ff).

17 “Released PAGA Claims” means any and all claims arising from, or which could reasonably arise
18 from, any of the factual allegations in the PAGA Letter and the Operative Complaint, arising during the
19 PAGA Period, for civil penalties under the Private Attorneys General Act of 2004, California Labor Code
20 Sections 2698 *et seq.*, which include, but are not limited to, claims for Defendant’s alleged failure to pay
21 overtime and minimum wages, provide compliant meal and rest periods and associated premium
22 payments, timely pay wages during employment and upon termination, provide compliant wage
23 statements, maintain complete and accurate payroll records, and reimburse necessary business-related
24 expenses in violation of California Labor Code Sections 201, 202, 203, 204, 210, 226(a), 226.7, 510,
25 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare
26 Commission Wage Order. (*Id.*, ¶ 10.gg).

27 “Released Parties” shall collectively mean: (i) Defendant Natural Alternatives International, Inc.;
28 (ii) each of Defendant’s respective past, present and future parents, subsidiaries and affiliates including,

without limitation, any corporation, limited liability company, partnership, trust, foundation and non-profit entity which controls, is controlled by, or is under common control with Defendant; (iii) the past, present and future shareholders, directors, officers, agents, employees, attorneys, insurers, member, partner, manager, contractor, agent, consultant, representative, administrator, fiduciary, benefit plan, transferee, predecessors, successors and assigns of any of the foregoing; and (iv) any individual or entity which could be jointly liable with any of the foregoing. (*Id.*, ¶ 10.hh).

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

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

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

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

9 California courts recognize that “a presumption of fairness exists where . . . [a] settlement is
10 reached through arm's-length bargaining.” (*Wershba*, 91 Cal.App.4th at 245; *see also Clark v. Am.*
11 *Residential Servs. LLC*, 175 Cal.App.4th 785, 799 (2009)). Here, the Parties' settlement negotiations
12 were at all times made at arm's-length and were adversarial. (Blanchard Decl., ¶ 23). The Settlement
13 was reached following a full day of mediation with a highly respected mediator with substantial
14 experience mediating wage and hour cases. (*Ibid*). At all times, Plaintiffs were willing and prepared to
15 litigate this matter through class certification and trial if the Parties had been unable to reach a favorable
16 resolution. (*Id.*, ¶ 43).

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

18 Courts typically assess the status of discovery in determining whether a class action settlement
19 agreement is fair, reasonable, and adequate. (*Dunk*, 48 Cal.App.4th at 1801). Prior to mediation,
20 Defendant produced Plaintiffs' complete personnel files, a random sampling of putative class members'
21 time and pay records as well as Defendant's relevant wage and hour policies, and information regarding
22 the total number of putative class members, the number of current versus former employees, the total
23 workweeks worked by the putative class members, and the average rate of pay for the putative class
24 members. (Blanchard Decl., ¶ 24).

25 This allowed Class Counsel to conduct an informed assessment and analysis of the strengths and
26 weaknesses of the claims and the potential class-wide damages. (*Id.*, ¶ 25). Based on information
27 exchanged, the Parties extensively briefed issues regarding class certification and liability and provided
28 their analyses to the Mediator who helped the Parties debate the strengths and weakness of their respective

positions. (*Id.*, ¶ 26). Additionally, settlement negotiations were conducted by highly capable and experienced counsel. (Blanchard Decl., ¶¶ 1-8). Accordingly, Class Counsel had sufficient information and experience to act intelligently in negotiating the Settlement.

C. The Settlement is Fair and Reasonable in Light of the Parties' Respective Legal Positions and Recovery Risks

A settlement is not judged against what might have been recovered had a plaintiff prevailed at 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 Actions. 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 Actions 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 \$8,981,976.00, 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. (Blanchard Decl., ¶ 27). 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: \$631,600.00 for meal period violations (less meal period premiums paid); \$4,698,862.00 for rest period violations at a 100% violation rate; \$1,000,116.00 for unpaid off-the-clock work for 1 hour per workweek of off-the-clock work; \$71,539.00

1 for unpaid overtime wages; \$309,000.00 for unreimbursed business expenses; \$1,572,599.00 for waiting
2 time penalties; and \$698,300.00 for wage statement penalties. (Ibid). Plaintiff further estimated that
3 Defendant faced an additional exposure of \$786,700.00 in potential, non-stacked (i.e., one penalty, per
4 employee, per pay period during the PAGA statutory period) PAGA penalties. (Ibid). Together with the
5 PAGA penalties, Defendant's maximum potential exposure totaled \$9,768,676.00 in damages. (Ibid).

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

7 While Plaintiffs believe that Defendant faced significant exposure, substantial barriers to a
8 recovery existed. Defendant contended that Plaintiffs' claims were not suitable for class certification
9 because individual issues and affirmative defenses would predominate should this case go to trial.
10 (Blanchard Decl., ¶ 30; *See Brinker Restaurant Corp. v. Superior Court*, 53 Cal.4th 1004 (2012); *Duran*
11 *v. U.S. Bank Nat. Assn.*, 59 Cal.4th 1, 35-36 (2014); *Wal-Mart Stores, Inc. v. Dukes*, 131 S.Ct. 2541, 2551
12 (2011)). While Plaintiffs and Class Counsel disagree with Defendant's predictions, they also recognize
13 that there is a significant risk that the Court may deny class certification. (Blanchard Decl., ¶ 30; *see*
14 *also, Findings of the Study of California Class Action Litigation*, 2000-2006, available at
15 <http://www.courts.ca.gov/documents/class-action-lit-study.pdf> (finding that only 21.4% of all class
16 actions were certified either as part of a settlement or as part of a contested certification motion)).

17 For example, Plaintiffs' meal period claims, which were based on Defendant's alleged failure to
18 provide lawful meal periods, have been increasingly difficult to certify in recent years. (Blanchard Decl.,
19 ¶ 31; *See Brinker*, 53 Cal. 4th at 1034-35). Plaintiffs' theory of liability for meal period violations was
20 based on allegations that Defendant had failed to implement its policies and that its practices failed to
21 allow Class Members to take meal breaks in the manner required under California law. (Blanchard Decl.,
22 ¶ 31; *See Bradley v. Networkers Int'l, LLC*, 211 Cal.App.4th 1129, 1150 (2012) (holding that "the lack
23 of a meal/rest break policy and the uniform failure to authorize such breaks are matters of common
24 proof.")). Defendant contended that its policies and practices at all times during the Class Period were
25 lawful. (Blanchard Decl., ¶ 31). Indeed, Plaintiffs' analysis revealed only a 13.7% violation rate for
26 purported unique meal period violations. (Ibid). Defendant further argued that the rate of purported meal
27 period violations reflected in the data would require individualized inquiry and that such inquiry would
28 prohibit a class from being certified. (Ibid). Class Counsel also had to consider the risk that the Court

1 would find validity in an individualized proof defense to certification of Plaintiffs' meal period claim.
2 (Ibid).

3 Additionally, a large portion of Defendant's overall liability lies in Plaintiffs' rest period
4 allegations. (*Id.*, ¶ 32). As with the meal period allegations, Defendant contended that it had a lawful
5 written rest period policy, provided compliant rest breaks, and relieved Class Members of all duties as
6 required under California law. (Ibid). Additionally, this claim was even more uncertain given the
7 difficulties associated with proving the alleged rest period violations, as Defendant was not required to
8 record these breaks. (Ibid). Given the lack of records demonstrating rest period violations, there were
9 legitimate concerns Plaintiffs would not be able to certify these claims or prove substantial damages with
10 requisite certainty, which made the estimated value of this claim subject to much challenge. (Ibid).

11 Plaintiffs also faced challenges certifying and proving liability for their minimum wage and
12 overtime claims. (*Id.*, ¶ 33). These claims were largely based on Defendant's unrecorded, off-the-clock
13 work performed by the Class Members both before and after their shifts and during purported meal
14 periods. (Ibid). However, the individualized nature of why this work was performed and the
15 individualized nature of damages presented substantial concerns regarding the manageability of the case
16 and the risk the Court could find these issues prevented certification, and the estimated damages for this
17 claim were based on an assumption that all Class Members worked off the clock for at least one hour per
18 week. (Ibid).

19 Plaintiffs also contended that Defendant failed to reimburse Plaintiffs and the other Class
20 Members for necessary business-related expenses, such as the usage of personal cell phones for work-
21 related purposes, as well as the purchase of work boots necessary to do their jobs. (*Id.*, ¶ 34). Defendant
22 contended that it had a policy and practice of reimbursing employees for necessary business-related
23 expenses. (Ibid). Defendant further contended that, with respect to the alleged expenses for which
24 Plaintiffs and the other Class Members never requested reimbursement from Defendant, it did not know
25 and had no reason to know that alleged business-related expenses had been incurred. (Ibid). Defendant
26 further contended that the reason why a Class Member undertook certain expenses, while not others, and
27 failed to receive reimbursement for certain expenses while not others, would raise individual issues that
28 could not be certified. (Ibid).

1 There are also substantial risks associated with Plaintiffs' waiting time penalties and wage
2 statement claims. (*Id.*, ¶ 35). First, these claims were derivative of Plaintiffs' claims for unpaid meal
3 period premiums, unpaid rest period premiums, unpaid minimum wages, and unpaid overtime wages,
4 and if certification was denied on those underlying claims, these derivative claims for penalties would
5 also likely fail. (*Ibid.*). Further, even if Plaintiffs prevailed on their underlying claims, they would still
6 be required to demonstrate that Defendant's violations of California Labor Code section 203 were *willful*
7 violations. (Blanchard Decl., ¶ 35; *See, e.g., Choate v. Celite Corp.*, 215 Cal App. 4th 1460, 1468 (2013)
8 (holding that "an employer's reasonable, good faith belief that wages are not owed may negate a finding
9 of willfulness")). Wage statement claims have also seen varying treatment at the appellate level because
10 such claims have an element of discretion attached to them rather than a pure calculation of damages after
11 liability is proven. (Blanchard Decl. ¶ 35; *Jaimez v. DAIOHS USA, Inc.*, 181 Cal.App.4th 1286 (2010)
12 *with Price v. Starbucks Corp.*, 192 Cal.App.4th 1136 (2011)). Accordingly, these derivative claims,
13 which comprised a substantial portion of Defendant's estimated liability, were therefore uncertain.
14 (Blanchard Decl., ¶ 35).

15 Class Counsel also recognized that, even if Plaintiffs prevailed at class certification, proving the
16 amount of wages due to Class Members would be an expensive, time-consuming, and uncertain
17 proposition. (*Id.*, ¶ 36). In order to prove liability and damages, Class Counsel will need to request and
18 analyze thousands of pages of documents, obtain the Class Members' contact information, contact them,
19 and obtain their declarations at great expense. (*Ibid.*). Obtaining the cooperation of current employees
20 would also be difficult, given the likely reluctance to aid prosecution of a lawsuit against a current
21 employer. (*Ibid.*). On the other hand, Defendant would likely be able to obtain the cooperation of its
22 employees. (*Ibid.*). Moreover, even if Plaintiffs prevailed at class certification and trial, possible appeals
23 would substantially delay any recovery by the Class. (*Ibid.*).

24 Therefore, taking into account how each of the above risks potentially effected Plaintiffs' ability
25 to first obtain class certification, and then prove the underlying violations, plus the cost and delay in
26 recovering the alleged potential damages, Class Counsel discounted Defendant's estimated liability based
27 on the challenges facing his ability to succeed on class certification by 65% to \$3,419,036.60. (*Id.*, ¶ 37).
28 The merits-based risk factors further reduced Defendant's estimated liability by an additional 60%. (*Ibid.*).

1 This resulted in an adjusted estimated liability of \$1,367,614.64. (Ibid). In light thereof, the settlement
2 amount of \$1,250,000.00 is a significant settlement. (Ibid).

3 Class Counsel also contemplated the risks of proceeding with the PAGA claims and potential
4 liability Defendant could face from these claims as part of the global resolution. (*Id.*, ¶ 38). Existing
5 case law makes PAGA claims subject to the same defenses and risks as Plaintiffs' underlying wage
6 claims. (Blanchard Decl., ¶ 38; see, *Elliot v. Spherion Pac. Work, LLC*, 572 F.Supp.2d 1169, 1181-82
7 (C.D. Cal. 2008) ("Plaintiff's claim under [PAGA] is wholly dependent upon her other claims. Because
8 all of Plaintiff's other claims fail as a matter of law, so does her PAGA claim")). Class Counsel also
9 anticipated that even if successful on the merits at trial, the imposition of cumulative civil penalties based
10 on the alleged wage and hour violations could be considered unjust, arbitrary and oppressive, or
11 confiscatory, and that Defendant would argue that it made a good faith attempt to comply with its legal
12 obligations warranting a reduction in penalties. (Blanchard Decl., ¶ 38).¹ Class Counsel also anticipated
13 Defendant would argue that the violations per pay period were low, warranting an additional reduction
14 in civil penalties. (Ibid). Finally, Class Counsel was also mindful of the fact that PAGA is fundamentally
15 not intended to be compensatory in nature but is instead intended to facilitate enforcement of California's
16 labor laws by financing state activities and educating and deterring non-compliance. (Ibid).

17 Therefore, after considering this multitude of factors, Plaintiffs and Class Counsel concluded that
18 it was in the best interest of the State of California and the PAGA Employees to enter into the Settlement,
19 and to allocate Fifty Thousand Dollars (\$50,000.00) of the Gross Settlement Amount towards the PAGA
20 claims, which represents approximately 4% of the Gross Settlement Amount. (*Id.*, ¶ 39). This percentage
21 of the settlement is well within the range of wage and hour settlements regularly approved in both state
22 and federal court for cases that include both a class and PAGA action. (Ibid). Typically, such hybrid cases
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 allocate only 1% of the gross settlement value to resolve PAGA claims, and, indeed, settlements
2 allocations as little as 0.22% of the gross settlement amount have been approved as reasonable by courts.
3 (Ibid). Moreover, the overall relief obtained by the Settlement is significant, not only from a monetary
4 perspective, but also because it fulfills the public policy objectives of PAGA—to promote enforcement
5 of California’s labor laws, provide funds to the state, and deter future non-compliance by the employer.
6 (Ibid).

7 The Settlement is in the best interest of the Class Members, the PAGA Employees, and the State
8 of California and is within the accepted range of recoveries for this type of litigation given the inherent
9 risk of litigation, the risk of obtaining and maintaining class certification, and the costs of further
10 litigation. (*Id.*, ¶ 40).

11 VI. CERTIFICATION FOR SETTLEMENT PURPOSES IS WARRANTED

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

21 A. An Ascertainable Class Exists Which is So Numerous That Joinder of All Members is 22 Impracticable

23 Whether an ascertainable class exists turns on three factors: (1) the class definition, (2) the size of
24 the class, and (3) the means of identifying the class members. (*See Miller v. Woods*, 148 Cal.App.3d 862,
25 873 (1983)). In this case, all three considerations strongly favor class certification. Here, the Class is
26 defined as “all current and former hourly-paid and/or non-exempt employees who worked for Defendant
27 in the State of California at any time during the Class Period.” (Blanchard Decl., ¶ 16; Settlement
28 Agreement, ¶ 10.b). This provides a clear and definite scope for the proposed class.

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. (*Blanchard*
3 *v. 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 five hundred
5 and thirty-four (534) individuals (as of July 3, 2025) 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

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

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

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

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

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

Under the circumstances, proceeding as a class action is a superior means of resolving this dispute, as the Class Members and the Court will derive substantial benefits. Class certification would serve as the only means to deter and redress the alleged violations. (*See Linder v. Thrifty Oil Co.*, 23 Cal.4th 429, 434 (2000) (relevant considerations include the probability that each class member will come forward to 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. (Mercado Decl., ¶¶ 3-9; Ortiz Decl., ¶¶ 3-9; Rhue Decl., ¶¶ 3-9). Further, the requested amount for each Plaintiff is also reasonable given the average award and the benefit gained by other Class Members. For these reasons, Plaintiffs request that an Enhancement Payment of Ten Thousand Dollars and Zero Cents (\$10,000.00) to each Plaintiff (for a total of \$30,000.00) be preliminarily approved by the Court. (Blanchard Decl., ¶ 41).

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

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

2 Here, the requested attorneys' fees of up to thirty-five percent (35%) of the Gross Settlement
3 Amount (i.e., \$437,500.00 if the Gross Settlement Amount is \$1,250,000.00) is disclosed to Class
4 Members in the proposed Class Notice. (Settlement Agreement, Exh. A). The requested fee was freely
5 negotiated, is common in the legal marketplace, and is not opposed by Defendant. The Motion for Final
6 Approval will elaborate on the nature of the legal services provided and will also support Class Counsel's
7 request for the reimbursement of litigation costs and expenses not to exceed Forty Thousand Dollars and
8 Zero Cents (\$40,000.00). (Blanchard Decl., ¶¶ 42 and 44). The Attorneys' Fees and Costs that are not
9 ultimately approved by the Court shall instead be included in the Net Settlement Amount to be distributed
10 to Settlement Class Members. (Settlement Agreement, ¶ 13).

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

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

20 Within fourteen (14) calendar days after entry of the preliminary approval order, Defendant will
21 provide a list in a formatted readable Microsoft Office Excel spreadsheet to the Settlement Administrator
22 containing the following information for each Class Member: full name; last known mailing address;
23 Social Security number; dates worked for Defendant during the Class Period; and such other information
24 as is necessary for the Settlement Administrator to calculate Workweeks and Pay Periods (collectively
25 referred to as the "Class List"). (Settlement Agreement, ¶¶ 10.d and 27). Within seven (7) calendar days
26 after receiving the Class List from Defendant, the Settlement Administrator will perform a search based
27 on the National Change of Address Database or other similar services available, such as provided by
28 Experian, for information to update and correct for any known or identifiable address changes, and will

1 mail a Class Notice to all Class Members via First-Class U.S. Mail, using the most current, known mailing
2 addresses identified by the Settlement Administrator. (Settlement Agreement, ¶ 28.a). The Parties have
3 agreed to use Apex Class Action Administration as the Settlement Administrator. (Blanchard Decl., ¶ 45;
4 Settlement Agreement, ¶ 10.kk).

5 In determining whether to approve a settlement of a class action, a trial court has virtually
6 complete discretion as to the manner of giving notice to class members, and review on appeal is governed
7 by the abuse of discretion standard. (*See In re Cellphone Fee Termination Cases*, 186 Cal.App.4th 1380
8 (2010)). Here, Class Counsel is not aware of an alternative method of providing notice to the Class which
9 would result in a higher likelihood of actual notice. (Blanchard Decl., ¶ 46). The original source of the
10 mailing addresses is from Class Members, who provided the information to Defendant. (*Ibid*).

11 Class Members will have sixty (60) calendar days from the initial mailing of the Class Notice by
12 the Settlement Administrator to submit a Request for Exclusion, Notice of Objection, and/or Dispute
13 (“Response Deadline”). (Settlement Agreement, ¶ 10.jj).

14 Any Class Notice returned to the Settlement Administrator as undeliverable on or before the
15 Response Deadline will be sent promptly via First-Class U.S. Mail to the forwarding address affixed
16 thereto and the Settlement Administrator will indicate the date of such re-mailing on the Class Notice.
17 (Settlement Agreement, ¶ 28.b). If no forwarding address is provided, the Settlement Administrator will
18 promptly attempt to determine a correct address using a skip-trace or other search, using the name,
19 address, and/or Social Security number of the Class Member, and perform a single re-mailing within five
20 (5) calendar days. (*Ibid*). In the event that a Class Notice is re-mailed to a Class Member, the Response
21 Deadline for that Class Member shall be extended fourteen (14) calendar days from the original Response
22 Deadline. (Settlement Agreement, ¶ 10.jj).

23 Class Members will have an opportunity to dispute the number of Workweeks and/or Pay Periods
24 to which they have been credited, as reflected in their respective Class Notices, by submitting a timely
25 and valid letter (“Dispute”) to the Settlement Administrator, by mail, postmarked on or before the
26 Response Deadline. (Settlement Agreement, ¶¶ 10.j and 29). A Dispute must: (a) contain the case name
27 and number of the Action; (b) contain the Class Member’s full name, signature, address, telephone
28 number, and the last four (4) digits of the Class Member’s Social Security number; (c) clearly state that

1 the Class Member disputes the number of Workweeks and/or Pay Periods credited to that Class Member
2 and what the Class Member contends is the correct number; and (d) be returned by mail to the Settlement
3 Administrator at the specified address, postmarked on or before the Response Deadline. (Settlement
4 Agreement, ¶ 10.j).

5 Any Class Member wishing to be excluded from the Class Settlement must submit a timely and
6 valid letter (“Request for Exclusion”) to the Settlement Administrator, by mail, postmarked on or before
7 the Response Deadline. (Settlement Agreement, ¶¶ 10.ii and 30). A Request for Exclusion must: (a)
8 contain the case name and number of the Action; (b) contain the Class Member’s full name, signature,
9 address, telephone number, and last four (4) digits of the Class Member’s Social Security number; (c)
10 clearly state that the Class Member does not wish to be included in the Class Settlement; and (d) be
11 returned by mail to the Settlement Administrator at the specified address, postmarked on or before the
12 Response Deadline. (Settlement Agreement, ¶ 10.ii). Notwithstanding the above, all PAGA Employees
13 will be bound by the PAGA Settlement and will be issued their Individual PAGA Payment, irrespective
14 of whether they submit a Request for Exclusion. (Settlement Agreement, ¶ 30).

15 To object to the Class Settlement in writing, Settlement Class Members must submit a timely and
16 complete written objection (“Notice of Objection”) to the Settlement Administrator, by mail, postmarked
17 on or before the Response Deadline. (Settlement Agreement, ¶¶ 10.w and 31). A Notice of Objection
18 must: (a) contain the case name and number of the Action; (b) contain the objector’s full name, signature,
19 address, telephone number, and the last four (4) digits of the objector’s Social Security number; (c)
20 contain a written statement of all grounds for the objection accompanied by any legal support for such
21 objection; (d) contain copies of any papers, briefs, or other documents upon which the objection is based;
22 and (e) be returned by mail to the Settlement Administrator at the specified address, postmarked on or
23 before the Response Deadline. (Settlement Agreement, ¶ 10.w). Settlement Class Members, individually
24 or through counsel, may also present their objection orally at the Final Approval Hearing, regardless of
25 whether they have submitted a Notice of Objection. (Settlement Agreement, ¶ 31).

26 X. CONCLUSION

27 For all of the foregoing reasons, Plaintiffs respectfully request that this Court grant Plaintiffs’
28 Motion for Preliminary Approval of Class Action and PAGA Settlement and the relief requested herein.

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Respectfully submitted,

Dated: January 23, 2026

BLACKSTONE LAW, APC

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