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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES – SPRING STREET COURTHOUSE

VIOLETA JASMIN ZACARIAS, individually, and on behalf of all others similarly situated,

Plaintiff,

v.

LEEMAR ENTERPRISES, INC., a California corporation; LEEMAR INVESTMENTS, INC., a California corporation; LEEMAR INVESTMENTS I, INC., a California corporation; LEEMAR INVESTMENTS II, LLC, a California limited liability company; UNITED LERONE HOLDINGS, LLC, a California limited liability company; UNITED LERONE I, LLC, a California limited liability company; UNITED LERONE II, LLC, a California limited liability company; UNITED LERONE III, LLC, a California limited liability company; UNITED LERONE IV, LLC, a California limited liability company; UNITED LERONE V, LLC, a California limited liability company; POCO LOCOS, LLC, a California limited liability company; AACR FARMS LLC, a California limited liability company; and DOES 1 through 10, inclusive,

Defendants.

Case No.: 24STCV10220
CLASS ACTION

[*Assigned for all purposes to*: *Hon. William F. Highberger, Dept. 10]*

PLAINTIFF'S NOTICE OF MOTION AND MOTION FOR APPROVAL OF PAGA SETTLEMENT; MEMORANDUM OF POINTS AND AUTHORITIES

Settlement Approval Hearing:
Date: February 23, 2027
Time: 11:00 a.m.
Dept: 10

Action Filed: April 23, 2024
Trial date: Not set

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on February 23, 2027, at 11:00 a.m., or as soon thereafter as the matter may be heard in Department 10 of the above-entitled Court, located at 312 North Spring Street, Los Angeles, CA 90012, Plaintiff Violeta Jasmin Zacarias ("Plaintiff") will and hereby does move for an order approving the settlement of the PAGA claim alleged against Defendants United Lerone Holdings, LLC; United Lerone I, LLC; United Lerone II, LLC; United Lerone III, LLC; United Lerone IV, LLC; and United Lerone V, LLC (collectively, the "Defendants"), in accordance with Labor Code § 2699(s)(2). The proposed settlement is set forth in the PAGA Settlement Agreement ("Settlement" or "Settlement Agreement") attached as Exhibit 2 to the Declaration of John G. Yslas. Plaintiff further moves for an order (1) awarding PAGA Counsel a PAGA Counsel Fees Payment of $125,400.00 (one-third of the Gross Settlement Amount) and a PAGA Counsel Litigation Expenses Payment of $20,960.09; (2) awarding Plaintiff a PAGA Representative Service Award of $10,000.00; (3) appointing Phoenix Class Action as the Administrator and approving an Administration Expenses Payment of up to $6,000.00; and (4) entering judgment and setting a compliance hearing.

This Motion will be based on this notice, the accompanying points and authorities, the Declaration of John G. Yslas, the Declaration of Violeta Jasmin Zacarias, and the complete files and records in this action. Pursuant to Labor Code § 2699(s)(2), the Labor and Workforce Development Agency ("LWDA") has been served with this motion and the Settlement Agreement as set forth in the accompanying proof of service.

Dated: November 2, 2026

WILSHIRE LAW FIRM, PLC

By: _____

John G. Yslas
Arrash T. Fattahi
Arman A. Salehi
Trenten N. Bilodeaux
Attorneys for Plaintiff

TABLE OF CONTENTS

I. INTRODUCTION 5

II. RELEVANT FACTS AND PROCEDURAL HISTORY 5

III. TERMS OF THE PAGA SETTLEMENT 8

A. Aggrieved Employees 8

B. Settlement Terms 8

C. Releases 10

D. Settlement Administration 10

IV. THE COURT SHOULD GRANT APPROVAL OF THE PAGA SETTLEMENT 11

A. Legal Standard 11

B. The PAGA Penalties Secured by the Settlement Are Genuine and Meaningful and Fulfill PAGA's Underlying Purpose to Benefit the Public 13

C. The Settlement is Reasonable Given the Risks of Further Litigation 14

V. THE ATTORNEYS' FEES AND COSTS ARE FAIR AND REASONABLE 17

A. PAGA Counsel's Requested Attorneys' Fees Are Reasonable under the Common Fund Method 17

B. A Lodestar Cross-Check Confirms the Reasonableness of the Requested Fee 18

C. PAGA Counsel's Rates Are Similar to Those Approved by California Courts in Comparable Cases. 20

D. PAGA Counsel's Costs Are Reasonable 20

VI. THE REQUESTED PAGA REPRESENTATIVE SERVICE AWARD IS REASONABLE 21

VII. CONCLUSION 21

TABLE OF AUTHORITIES

STATE CASES

Carrington v. Starbucks Corp., 30 Cal.App.5th 504 (2018).....14

City and County of San Francisco v. Sweet, 12 Cal.4th 105 (1995).....18

Dunk v. Ford Motor Co., 48 Cal.App.4th 1794 (1996).....12

Gouskos v. Aptos Village Garage, Inc., 94 Cal.App.4th 754 (2001).....17

Graciano v. Robinson Ford Sales, Inc., 144 Cal. App. 4th 140 (2006).....17

Huff v. Securitas Sec. Servs., USA, Inc., 23 Cal.App.5th 745 (2018).....12

In re Consumer Privacy Cases, 175 Cal.App.4th 545 (2009).....18

Iskanian v. CLS Transportation, 59 Cal. 4th 348 (2014).....5, 12, 17

Kim v. Reins Int'l California, Inc., 9 Cal.5th 73 (2020).....12

Kullar v. Foot Locker Retail, Inc., 168 Cal.App.4th 116 (2008).....12

Laffitte v. Robert Half Int'l, Inc., 1 Cal.5th 480 (2016).....18

Lealao v. Beneficial Cal., Inc., 82 Cal.App.4th 19 (2000).....18

Melnyk v. Robledo, 64 Cal.App.3d 618 (1976).....19

Moniz v. Adecco USA, Inc., 72 Cal. App. 5th 56 (Cal. Ct. App. Nov. 30, 2021).....12

PLCM Group, Inc. v. Drexler, 22 Cal.4th 1084 (2000).....19

Quinn v. State of California, 15 Cal.3d 162 (1975).....18

Serrano v. Priest, 20 Cal.3d 25 (1977).....18

ZB, N.A. v. Superior Court, 8 Cal. 5th 175 (2019).....5, 9, 12

STATUTES AND RULES

Cal. Labor Code § 2699(e)(2).....17

Cal. Labor Code § 2699(g)(1).....5, 17

Cal. Labor Code § 2699(k)(l).....20

Cal. Labor Code § 2699(l).....11

TREATISES

Newberg on Class Actions, 4th Ed. 2002.....18

FEDERAL CASES

Boeing v. Van Gemert, 444 U.S. 472 (1980) 18

Cardenas v. McLane Foodservice, Inc., No. BCV-23-102915, 2011 U.S. Dist. LEXIS 13126 (C.D. Cal. Jan. 31, 2011) 14

Echavez v. Abercrombie & Fitch Co., No. CV 11-09754-GAF, 2017 WL 3669607 (C.D. Cal. Mar. 23, 2017) 13

Fleming v. Covidien, No. ED CV 10-01487 RGK (OPx), 2011 U.S. Dist. LEXIS 154590 (C.D. Cal. Aug. 12, 2011) 14

Flores v. Starwood Hotels & Resorts Worldwide, Inc., 253 F.Supp.3d 1074 (C.D. Cal. 2017) 12

In re Activision Securities Litigation, 723 F.Supp. 1373 (N.D. Cal. 1989) 18

Jordan v. TCS Grp., Inc., No. EDCV161701JVSSPX, 2018 WL 1409590 (C.D. Cal. Jan. 5, 2018) 13

McKenzie v. Federal Exp. Corp., 765 F.Supp.2d 1222 (C.D. Cal. 2011) 13

O'Connor v. Uber Technologies, Inc., 201 F. Supp. 3d 1110 (N.D. Cal. 2016) 12

Vincent v. Hughes Air West, Inc., 557 F.2d 759 (9th Cir. 1977) 18

MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Plaintiff Violeta Jasmin Zacarias ("Plaintiff") and Defendants United Lerone Holdings, LLC; United Lerone I, LLC; United Lerone II, LLC; United Lerone III, LLC; United Lerone IV, LLC; and United Lerone V, LLC (collectively, the "Defendants") (Plaintiff and Defendants collectively, the "Parties") reached a settlement of the California Private Attorneys General Act, Cal. Labor Code § 2698 et seq. ("PAGA") claims asserted in this action. In accordance with Labor Code § 2699(s)(2), Plaintiff now asks this Court to review and approve the settlement of Plaintiff's PAGA claims. This is a PAGA-only settlement for civil penalties; it is not a class settlement and does not release the individual wage claims, if any, of the affected employees other than those of Plaintiff. Cal. Labor Code § 2699(k)(1); *Iskanian v. CLS Transp. L.A., LLC*, 59 Cal.4th 348, 381 (2014); *ZB, N.A. v. Superior Court*, 8 Cal.5th 175, 182 (2019) (unpaid wages are not recoverable under PAGA).

The PAGA Settlement is set forth in the accompanying PAGA Settlement Agreement ("Settlement" or "Settlement Agreement"). A true and correct copy of the Settlement Agreement which sets forth the terms for the settlement of the PAGA claims is attached as Exhibit 2 to the Declaration of John G. Yslas in Support of Motion for Approval of PAGA Settlement ("Yslas Decl."), filed concurrently herewith. Capitalized terms shall have the same meaning as defined in the Settlement Agreement. Plaintiff submitted the Settlement Agreement to the LWDA on October 30, 2026. Yslas Decl. ¶ 34.

II. RELEVANT FACTS AND PROCEDURAL HISTORY

On April 23, 2024, Plaintiff filed this action as a putative class action against Defendants and six other entity defendants, 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; and (8) unfair business practices. Settlement Agreement § 2.1; Yslas Decl. ¶ 3. Plaintiff thereafter voluntarily dismissed each of the six other entity defendants without prejudice: AACR Farms LLC

on September 16, 2024; Poco Locos LLC on October 16, 2024; Leemar Investments, Inc., Leemar Investments I, Inc., and Leemar Investments II, LLC on January 27, 2025; and Leemar Enterprises, Inc. on April 14, 2025. Yslas Decl. ¶ 3, Ex. 9 (Joint Stipulation for Leave to File First Amended Complaint ("Joint Stip.")) at 1:11–19. Only Defendants remain in the Action. Settlement Agreement § 2.1; Yslas Decl. ¶ 3.

Pursuant to Labor Code section 2699.3, subdivision (a), Plaintiff gave timely written notice on June 20, 2024, to the Labor and Workforce Development Agency ("LWDA") and Defendants of the specific provisions of the Labor Code alleged to have been violated, including the facts and theories in support (LWDA-CM-1035440-24). Yslas Decl. at ¶ 4. Pursuant to Labor Code § 2699.3(a)(2)(A), the LWDA had 65 calendar days from the notice, through August 24, 2024, to notify Plaintiff and Defendants whether it intended to investigate the alleged violations. The LWDA did not notify Plaintiff or Defendants that it intended to investigate. *Id.*; *see also* Joint Stip., Ex. A (proposed First Amended Complaint) ¶¶ 89–90.

Thereafter, the Parties met and conferred and agreed to mediate the PAGA Action with Todd Smith, Esq., a well-respected and experienced mediator in wage-and-hour class and representative actions. Settlement Agreement § 2.3; Yslas Decl. at ¶ 5. In advance of mediation, PAGA Counsel conducted a thorough investigation into the facts of, and applicable law to, the PAGA Action. Settlement Agreement § 2.4; Yslas Decl. at ¶ 5. Prior to mediation, Plaintiff obtained through informal discovery a representative sampling of Defendants' timekeeping and payroll data for Aggrieved Employees of United Lerone III and United Lerone V, consisting of records for 27 employees covering 5,211 shifts and 642 bi-weekly pay periods between June 2023 and October 2025, together with the policy documents Defendants produced, including two 2024 employee handbooks, meal period waiver acknowledgments, arbitration agreement forms, and a training hours form. *Id*. PAGA Counsel worked with Defense Counsel and a consultant to obtain the sampling and, with the assistance of the consultant and Plaintiff, analyzed the data and policies and extrapolated the sampling to the full PAGA Period to assess liability and Defendants' potential exposure. *Id*. Based on this information, PAGA Counsel was able to evaluate the strengths and weaknesses of the claims and to negotiate the proposed Settlement intelligently and effectively. *Id*.

On November 17, 2025, the Parties engaged in an all-day mediation session before Mr. Smith. Settlement Agreement § 2.3; Yslas Decl. at ¶ 6. With the help of the mediator, the Parties were able to reach an agreement on general settlement terms at mediation, which resulted in a settlement on a PAGA-only basis. *Id.*; Joint Stip. at 1:20–21. The Settlement was negotiated in light of all known facts and circumstances and the uncertainty associated with litigation – including the risk of Plaintiff not being able to maintain representative claims, the difficulty of proving Plaintiff's claims in a manageable trial, the merits of Defendants' potential defenses, and the significant delay and potential appellate issues inherent to litigation – and was reached after extensive arm's length negotiations, with the assistance of the mediator. Although conducted professionally, the negotiations were adversarial, and each side was prepared to litigate its position through trial and appeal if a settlement had not been reached. Yslas Decl. at ¶ 6, Ex. 2.

The Parties fully executed the Settlement Agreement on September 4, 2026. Yslas Decl. ¶ 6, Ex. 2. As the Settlement Agreement contemplates, Settlement Agreement §§ 2.1, 2.5, on October 21, 2026, counsel for Plaintiff and Defendants executed and submitted a Joint Stipulation for Leave to File First Amended Complaint. Yslas Decl. ¶ 3, Ex. 9; Joint Stip. at 2:10–18. The First Amended Complaint ("FAC"), attached to the Joint Stipulation as Exhibit A, (1) removes the six dismissed defendants, (2) eliminates the class claims, for which Plaintiff will file a separate request for dismissal under California Rules of Court, rule 3.770, and (3) adds a ninth cause of action for civil penalties under PAGA. Joint Stip. at 1:22–26. Plaintiff asserts the first through eighth causes of action in the FAC individually and the ninth cause of action as a representative action under PAGA. Joint Stip., Ex. A (FAC) ¶¶ 2–3, 88–92. On October 23, 2026, the Court granted the Joint Stipulation and granted Plaintiff leave to file the FAC. Yslas Decl. ¶ 3, Ex. 9. The Court ordered that the FAC be separately filed and electronically served within thirty (30) days of the order, and that Defendants will have thirty (30) days from the date Plaintiff files and electronically serves the FAC to file a responsive pleading. Joint Stip. at 3:6–9; Yslas Decl. ¶ 3, Ex. 9. Plaintiff filed and electronically served the FAC on October 27, 2026, and the FAC is now the operative complaint in this Action. Yslas Decl. ¶ 3.

/ / /

III. TERMS OF THE PAGA SETTLEMENT

A. Aggrieved Employees

"Aggrieved Employee" means a person employed by Defendants in California and classified as a non-exempt or hourly-paid employee who worked for Defendants during the PAGA Period. Settlement Agreement § 1.4. "PAGA Period" means the period from June 20, 2023, through October 29, 2025. *Id.* § 1.19. Defendants estimate that Aggrieved Employees worked approximately 12,540 PAGA Pay Periods during the PAGA Period. *Id.* §§ 4.1, 8; Yslas Decl. ¶ 8. Based on the consultant's analysis, Plaintiff estimates there are approximately 602 Aggrieved Employees. Yslas Decl. ¶ 8. If the actual number of PAGA Pay Periods exceeds the estimate by more than 10%, Defendants must either increase the Gross Settlement Amount pro rata or shorten the PAGA Period so that the PAGA Pay Periods total 13,794. Settlement Agreement § 8.

B. Settlement Terms

The Settlement Agreement negotiated by the Parties provides for a Gross Settlement Amount ("GSA") payment in the amount of $376,200.00 to resolve the PAGA Action. Settlement Agreement § 3.1; Yslas Decl. at ¶ 7. The GSA will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, the PAGA Representative Service Award, the PAGA Counsel Fees Payment, the PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment. Yslas Decl. at ¶ 7. After deducting the PAGA Representative Service Award ($10,000.00), PAGA Counsel Fees Payment ($125,400.00), PAGA Counsel Litigation Expenses Payment ($20,960.09), and Administration Expenses Payment ($6,000.00) from the GSA, the remaining amount, estimated at $213,839.91, constitutes the PAGA Penalties. Settlement Agreement §§ 1.23, 3.2; Yslas Decl. ¶ 7. Sixty-five percent of the PAGA Penalties ($138,995.94) will be paid to the LWDA as the LWDA PAGA Payment, and thirty-five percent ($74,843.97) will constitute the Net Settlement Amount ("NSA") to be distributed to Aggrieved Employees as Individual PAGA Payments. Settlement Agreement §§ 1.11, 1.15, 3.2.4; Yslas Decl. ¶ 7.

PAGA Penalties: The PAGA Penalties will be allocated sixty-five percent (65%) to the LWDA PAGA Payment and thirty-five percent (35%) to the NSA for Individual PAGA Payments. Settlement Agreement § 3.2.4. This allocation tracks Labor Code § 2699(m). The amended statute governs because Plaintiff's PAGA notice was filed on June 20, 2024, after the June 19, 2024 cutoff, and the PAGA claim was first asserted in the FAC. Lab. Code § 2699(v); Yslas Decl. ¶¶ 3–4.

Individual PAGA Payments: The Administrator will calculate each Individual PAGA Payment by (a) dividing the Net Settlement Amount by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Settlement Agreement § 3.2.4.1.

PAGA Representative Service Award: Subject to Court approval, the Plaintiff shall be paid a PAGA Representative Service Award not to exceed $10,000.00 for her time and effort in bringing and presenting the Action. Settlement Agreement § 3.2.1.

PAGA Counsel Fees Payment: Subject to Court approval, PAGA Counsel shall be entitled to receive an award of reasonable attorneys' fees of not more than one third (1/3) of the GSA which is currently estimated to be $125,400.00. Settlement Agreement § 3.2.2.

PAGA Counsel Litigation Expenses Payment: Per the Settlement Agreement, PAGA Counsel shall be entitled to request reimbursement of costs, not to exceed $30,000.00. Settlement Agreement § 3.2.2. Counsel has incurred $20,660.09 in expenses on items such as filing fees, service fees, mediation fees, and consultant fees. Yslas Decl. at ¶ 32. PAGA Counsel anticipates incurring $300.00 in future costs for filing fees and service fees for a total of $20,960.09 in costs. *Id*. The $9,039.91 difference between the $30,000.00 cap and the costs requested will remain in the Gross Settlement Amount for allocation as PAGA Penalties. *Id.*; Settlement Agreement § 3.2.2.

Administration Expenses Payment: The Parties agreed to appoint Phoenix Class Action ("Phoenix") as the Administrator for the Settlement. Settlement Agreement §§ 1.2, 7.1. Phoenix

has submitted a flat-fee bid of $6,000.00. Yslas Decl. ¶ 38, Ex. 8. The Administration Expenses Payment, which is not to exceed $6,000.00, shall be paid from the GSA. Settlement Agreement § 3.2.3.

C. Releases

Plaintiff's Release: In consideration for the PAGA Representative Service Award and other consideration provided by the Settlement Agreement, Plaintiff generally releases the Released Parties from all known and unknown claims that relate in any way to her employment with Defendants or the other Released Parties, or to the separation of that employment, and expressly waives California Civil Code section 1542. Plaintiff's Release does not extend to claims to enforce the Settlement Agreement or to claims that cannot be lawfully released. Settlement Agreement § 5.1.

Release by Aggrieved Employees: "All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notice." Settlement Agreement § 5.2.

D. Settlement Administration

Defendants will provide the Aggrieved Employee Data to the Administrator not later than thirty (30) days after the Approval Order. Settlement Agreement §§ 1.5, 4.2. Defendants have a continuing duty to immediately notify PAGA Counsel if they discover that the Aggrieved Employee Data omitted Aggrieved Employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. *Id*.

The Effective Date is the date the Court enters its Order Approving the PAGA Settlement. Settlement Agreement § 1.9. Defendants shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator within fourteen (14) days after the Approval Order. *Id*. at § 4.3.

Within fourteen (14) days after Defendants fully fund the Gross Settlement Amount, the

Administrator will mail checks for the PAGA Representative Service Award, Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA Counsel Fees Payment, and the PAGA Counsel Litigation Expenses Payment. Settlement Agreement § 4.4. Disbursement of the PAGA Counsel Litigation Expenses Payment shall not precede disbursement of Individual PAGA Payments. *Id.* The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are returned undelivered without USPS forwarding address. *Id*. at § 4.4.2. Within seven (7) days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Aggrieved Employee Address Search. *Id*.

Individual PAGA Payment checks will be void no less than one hundred eighty (180) days after mailing. Settlement Agreement § 4.4.1. For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee. Settlement Agreement § 4.4.3. The Administrator will issue Aggrieved Employees IRS Form 1099s for Individual PAGA Payments. *Id*. at § 3.2.4.2.

Pursuant to California Labor Code Section 2699(s)(1), Plaintiff submitted a copy of the proposed First Amended Complaint to the LWDA on October 30, 2026, and will submit a file-stamped copy of the First Amended Complaint to the LWDA within ten (10) days of its filing. Yslas Decl. at ¶ 34, Ex. 6. Pursuant to California Labor Code Section 2699(s)(2), Plaintiff submitted the proposed Settlement Agreement to the LWDA on October 30, 2026. Yslas Decl. at ¶ 34, Ex. 6. Plaintiff will submit a copy of the Court's judgment and order approving the Settlement Agreement to the LWDA within ten (10) days after entry of judgment or order. Lab. Code § 2699(s)(3); Yslas Decl. ¶ 34.

IV. THE COURT SHOULD GRANT APPROVAL OF THE PAGA SETTLEMENT

A. Legal Standard

Labor Code § 2699(s)(2) provides that the Court "shall review and approve any

settlement of any civil [PAGA] action filed pursuant to this part. The proposed settlement shall be submitted to the agency at the same time that it is submitted to the court." In doing so, the trial court must consider whether the settlement is "fair, reasonable, and adequate in view of PAGA's purposes to remediate present labor law violations, deter future ones, and to maximize enforcement of state labor laws." *Moniz v. Adecco USA, Inc*., 72 Cal.App.5th 56, 77–78 (2021), *disapproved on other grounds by Adolph v. Uber Techs., Inc.*, 14 Cal.5th 1104 (2023); *see also O'Connor v. Uber Technologies, Inc*., 201 F. Supp. 3d 1110, 1133 (N.D. Cal. 2016) (adopting guidance from the LWDA providing that "when a PAGA claim is settled, the relief provided for under the PAGA [must] be genuine and meaningful, consistent with the underlying purpose of the statute to benefit the public").

The court's role in reviewing PAGA settlements differs from its gatekeeping function in the class action context. In class actions, courts have a fiduciary duty to protect the interests of absent class members, whose individual claims will be discharged. *Kullar v. Foot Locker Retail, Inc*., 168 Cal.App.4th 116, 129 (2008). In that role, courts make an "independent assessment of the adequacy of the settlement terms." *Id.* at 132; *see Dunk v. Ford Motor Co.*, 48 Cal.App.4th 1794, 1800–01 (1996).

However, a PAGA representative action is "not akin to a class action," it "is a species of qui tam action." *Flores v. Starwood Hotels & Resorts Worldwide, Inc*., 253 F.Supp.3d 1074, 1076 (C.D. Cal. 2017). When reviewing a PAGA-only settlement, courts do not consider the value of individuals' claims for damages because a PAGA settlement does not release those claims. *See Kim v. Reins Int'l California, Inc*., 9 Cal.5th 73, 87 (2020) (PAGA claims differ from individual claims); *ZB, N.A. v. Superior Court*, 8 Cal.5th 175, 188 (2019) (noting that PAGA penalties do not seek damages that are compensatory in nature). "The state's interest in such an action is to enforce its laws, not to recover damages on behalf of a particular individual." *Huff v. Securitas Sec. Servs., USA, Inc*., 23 Cal.App.5th 745, 760 (2018). Instead of focusing on fair recovery for individual claims, the goal of PAGA enforcement is to achieve "maximum compliance with state labor laws." *Id*. at 756; *see also Iskanian*, 59 Cal.4th at 383 (noting that the goal of PAGA is to impose civil penalties for Labor Code violations "significant enough to

deter violations"); *McKenzie v. Federal Exp. Corp*., 765 F.Supp.2d 1222, 1233 (C.D. Cal. 2011) ("Unlike a class action seeking damages… for injured employees, the purpose of PAGA is to incentivize private parties to recover civil penalties for the government that otherwise may not have been assessed and collected by overburdened state enforcement agencies.").

Although the class-specific scrutiny described in *Kullar* does not govern a PAGA-only settlement that releases no individual damages claims, Plaintiff has nonetheless placed before the Court the type of information that *Kullar* emphasized: the nature of each claim, the amount of potential exposure, how that exposure was calculated, the risks that justify a discount, and the work counsel performed to evaluate the claims before settling. Yslas Decl. ¶¶ 5, 8–11; *see Kullar*, 168 Cal.App.4th at 128–133.

B. The PAGA Penalties Secured by the Settlement Are Genuine and Meaningful and Fulfill PAGA's Underlying Purpose to Benefit the Public

The Settlement of $376,200.00 penalizes Defendants for the alleged violations of California's labor laws in an amount that is significant enough to deter violations and provide genuine and meaningful relief – and approximately $213,839.91[1] in PAGA Penalties to the State of California and Aggrieved Employees – thus fulfilling the underlying purpose of PAGA to benefit the public. Yslas Decl. ¶¶ 8–10; *see Jordan v. TCS Grp., Inc*., No. EDCV161701JVSSPX, 2018 WL 1409590, at *3 (C.D. Cal. Jan. 5, 2018) (approving $150,000.00 PAGA penalty payment that had "a substantial deterrent effect on Defendants and other California employers"); *Echavez v. Abercrombie & Fitch Co*., No. CV 11-09754-GAF, 2017 WL 3669607, at *3 (C.D. Cal. Mar. 23, 2017) (approving allocation of $340,000 of a $700,000 settlement to PAGA penalties for an estimated 10,000 aggrieved employees).

This PAGA Settlement amount compares favorably to the estimated amount of PAGA penalties. Plaintiff calculated that PAGA civil penalties at the $100 base rate were potentially

[1] The PAGA Penalties amount of $213,839.91 was calculated using the following arithmetic: $376,200.00 minus $125,400.00 for PAGA Counsel's attorneys' fees, minus $20,960.09 for PAGA Counsel's litigation expenses, minus $6,000.00 for administration costs, and minus $10,000.00 for the PAGA Representative Service Award.

$1,254,000.00 for an estimated 602 Aggrieved Employees based on 12,540 pay periods.[2] Yslas Decl. at ¶ 8. PAGA Counsel, with the assistance of a consultant, derived this figure from Defendants' pay period estimate and the sampling of time and payroll data and policy documents obtained in informal discovery. Yslas Decl. ¶¶ 5, 8; Settlement Agreement §§ 2.4, 4.1. Importantly, however, these calculations assume a violation in every pay period at the full $100 rate, when in fact, it is likely that any penalties awarded would be at a lower rate. Labor Code § 2699(e)(2) permits a Court to award a lesser amount than the maximum civil penalty if based on the facts and circumstances to do otherwise would result in an award that is "unjust, arbitrary and oppressive or confiscatory." *See Carrington v. Starbucks Corp*., 30 Cal.App.5th 504 (2018) (affirming a judgment after trial that only provided for a PAGA penalty of $5 per pay period). Therefore, at trial, any PAGA penalties awarded could be significantly less than Plaintiff's calculation even where Plaintiff prevailed on the PAGA claim. *See Fleming v. Covidien*, No. ED CV 10-01487 RGK (OPx), 2011 U.S. Dist. LEXIS 154590 (C.D. Cal. Aug. 12, 2011) (a federal court reduced PAGA penalties from $2,800,000.00 to $500,000.00, a reduction of 82.2%, because the court found maximum penalties "unjust" because the employees had suffered no injuries).

C. The Settlement is Reasonable Given the Risks of Further Litigation

In order to recover any PAGA penalties, Plaintiff would be required at trial to prove each of the underlying Labor Code violations. *See Cardenas v. McLane Foodservice, Inc*., No. SACV 10-473 DOC (FFMx), 2011 U.S. Dist. LEXIS 13126, *10 (C.D. Cal. Jan. 31, 2011) ("Given the statutory language [of PAGA], a plaintiff cannot recover on behalf of individuals whom the plaintiff has not proven suffered a violation of the Labor Code by the defendant."). Here, Plaintiff would need to prove, among other things, that each Aggrieved Employee suffered a violation for each period the employee worked in relation to (1) failure to pay for all hours

[2] Stacking is where more than one civil penalty is imposed in a pay period for the same conduct. The valuation of $100.00 is the civil penalty amount without stacking. If stacking is permitted, then the valuation increases with each additional penalty added to each pay period. Courts that have considered the issue have declined to "stack" penalties. *See Carrington v. Starbucks Corp*., 30 Cal.App.5th 504 (2018).

worked, including minimum, straight time, and overtime wages; (2) failure to provide meal periods; (3) failure to authorize and permit rest periods; (4) failure to pay all earned wages twice per month; (5) failure to maintain accurate records of hours worked and meal periods; (6) failure to timely pay all wages at termination; (7) failure to furnish accurate itemized wage statements; and (8) failure to indemnify for necessary expenditures. *See* Yslas Decl. ¶ 4, Ex. 1 (PAGA Notice).

Defendants maintain that Plaintiff and the Aggrieved Employees were properly compensated, and that Defendants did not commit any violations of the Labor Code as to Plaintiff or the Aggrieved Employees. Yslas Decl. ¶ 9. Accordingly, Defendants dispute and deny Plaintiff's allegations and claims asserted in the operative complaint which are resolved by the Settlement Agreement. *Id*. Defendants asserted additional defenses to the PAGA claim, not only as to liability but also as to the amount of the penalties. *Id*. The risk differs by claim. Plaintiff's unpaid wage claim rests on alleged "off-the-clock" work, which by definition is not captured in recorded time and which Defendants could contest by pointing to their timekeeping records. *Id*. ¶ 9(a); FAC ¶ 15. Plaintiff's own meal period allegation is that violations occurred "regularly, but not always," FAC ¶ 16, and the sampling bears that out: after crediting the meal premiums Defendants paid, 16.4% of meal-eligible shifts had a violation, and if Defendants establish that the blanket meal period waivers they produced are valid, that rate falls to approximately 2.2%. *Id*. ¶ 9(b). Rest periods are not recorded, so proof as to each Aggrieved Employee would depend on testimony and policy evidence, and Defendants could argue that employees chose not to take them. *Id*. ¶ 9(c). The final wage and wage statement claims are largely derivative of those claims, *id*. ¶ 9(d), and Defendants could argue that employees were not required to use personal cell phones for work and that some were reimbursed. *Id*. ¶ 9(e). In addition, Defendant United Lerone III asserts that Plaintiff signed an arbitration agreement that waives representative PAGA claims and has stated that it would move to compel arbitration, which would at a minimum delay the PAGA claim and could send Plaintiff's individual PAGA claim to arbitration. *Id*. ¶ 9(f); *see Adolph v. Uber Techs., Inc.*, 14 Cal.5th 1104 (2023). Finally, even if Plaintiff prevailed, Defendants could argue that no penalties prior to the PAGA

notification should be awarded because the violations were not intentional, and at least one Court has so ruled, and that the Court should exercise its discretion under Labor Code § 2699(e)(2) to reduce any penalties. *Id*. ¶ 9(g). These defenses present a risk to the PAGA claim and the potential that some or all the PAGA penalties sought may not be awarded. *Id*.

While Plaintiff is confident in the merits of the case, a legitimate controversy exists as to each cause of action for penalties, the factual allegations, the evidentiary basis, and the underlying claims. Yslas Decl. at ¶ 10. Plaintiff also took into account the fact that continued litigation would be expensive, involving arbitration, formal discovery, depositions, trial, and possible appeals, and would substantially delay and potentially reduce any recovery to the State of California and the Aggrieved Employees. *Id*. The maximum exposure of $1,254,000.00 assumes a violation in every one of the 12,540 pay periods at $100 per pay period, and the Gross Settlement Amount of $376,200.00 is approximately 30% of that figure. *Id*. ¶¶ 8, 10. Because that maximum assumes a violation and a full penalty in every pay period, Plaintiff adjusted it using the violation rates observed in the sampling. Applying those rates to the 12,540 PAGA Pay Periods in the Settlement Agreement, net meal period violations (46.3%) occurred in approximately 5,806 pay periods and regular-rate overtime underpayments (approximately 6.5%) in approximately 815 pay periods. *Id*. ¶¶ 8, 10. Violations measurable from Defendants' records therefore occurred in approximately 6,621 pay periods (52.8%), which at $100.00 per pay period yields an estimated PAGA exposure of $662,100.00. *Id*. ¶ 10. Plaintiff's counsel then discounted that figure to account for the defenses raised by Defendants (namely, the implementation of meal period waiver agreements, which drastically reduces the meal period violation rate) and the risk and uncertainty of prevailing at trial, resulting in a realistic evaluation of approximately $496,575.00 (75% of $662,100.00). *Id*. Accordingly, the Gross Settlement Amount of $376,200.00 is approximately 76% of the estimated realistic PAGA exposure ($376,200.00 ÷ $496,575.00). *Id*. The Settlement releases only PAGA civil penalties, not the Aggrieved Employees' individual claims for unpaid wages, premium pay, or other damages. Settlement Agreement § 5.2.

Thus, when the risks of litigation, the burdens of proof necessary to establish liability,

and the probability of appeal of a favorable judgment are considered, it is clear the settlement amount of $376,200.00 is reasonable and in the best interest of the State of California and the public. Yslas Decl. at ¶ 11. Plaintiff objectively and knowledgably balanced the strengths and weaknesses of her claims against the risk of continued litigation and was able to determine a realistic range of settlement recovery for PAGA penalties. *Id*. The Settlement therefore accomplishes PAGA's objectives by imposing sufficient civil penalties "to punish and deter" Defendants from future alleged Labor Code violations, while also ensuring that the penalties are not "unjust, arbitrary and oppressive, or confiscatory." Lab. Code § 2699(e)(2); *Iskanian, 59 Cal.4th at 384*.

V. THE ATTORNEYS' FEES AND COSTS ARE FAIR AND REASONABLE

PAGA Counsel seeks approval of attorneys' fees from the PAGA settlement in the amount of $125,400.00 representing one third (1/3) of the GSA and costs of $20,960.09 (the Settlement caps costs at $30,000.00). Settlement Agreement § 3.2.2. Plaintiff is entitled to attorneys' fees under Labor Code section 2699(k)(1), which provides that "[a]ny employee who prevails in any action shall be entitled to an award of reasonable attorney's fees and costs." Lab. Code § 2699(k)(1); *see also Gouskos v. Aptos Village Garage, Inc*., 94 Cal.App.4th 754, 765 (2001) (holding that attorneys' fees to prevailing party are mandatory when the statute uses the word "shall"). It is undisputed that Plaintiff is the prevailing party. *See Graciano v. Robinson Ford Sales, Inc*., 144 Cal.App.4th 140, 153 (2006) ("[P]laintiffs may be considered 'prevailing parties' for attorney's fee purposes if they succeed on any significant issue in the litigation that achieves some of the benefit the parties sought in bringing suit.") (internal citation omitted). Accordingly, Plaintiff is entitled to recover attorneys' fees and costs.

A. PAGA Counsel's Requested Attorneys' Fees Are Reasonable under the Common Fund Method

The request for attorneys' fees as a percentage of the gross settlement amount is supported by the "common fund theory," where "one who expends attorneys' fees in winning a suit which creates a fund from which others derive benefits, may require those passive beneficiaries to bear a fair share of the litigation costs." *Serrano v. Priest*, 20 Cal.3d 25, 35

(1977).

The purpose of the common fund approach is to "spread litigation costs proportionally among all the beneficiaries so that the active beneficiary does not bear the entire burden alone." *Vincent v. Hughes Air West, Inc*., 557 F.2d 759, 769 (9th Cir. 1977). Thus, the common fund doctrine has been applied "consistently in California when an action brought by one party creates a fund in which other persons are entitled to share." *City and County of San Francisco v. Sweet*, 12 Cal.4th 105, 110 (1995).

A number of other courts have recognized the advantages of awarding fees as a percentage of the common fund over the alternative lodestar approach, which usually involves wading through voluminous and often indecipherable time records. *See*, e.g., *In re Activision Securities Litigation*, 723 F.Supp. 1373, 1375 (N.D. Cal. 1989). The percentage approach is preferable to the lodestar method because: (1) it provides predictability to counsel; (2) encourages efficient resolution of the litigation by providing an incentive for early, yet reasonable, settlement; and (3) reduces the demands on judicial records. *Id*. at 1378-79; *see also Lealao v. Beneficial Cal., Inc*., 82 Cal.App.4th 19, 28 (2000).

The percentage of attorneys' fees set forth in the Settlement Agreement, one third (1/3) of the Gross Settlement Amount, is reasonable. Historically, courts have awarded percentage fees in the range of 20% to 50% in common fund cases. *Newberg on Class Actions*, 4th Ed. 2002, § 14:6. Furthermore, California and federal courts have long recognized that a percentage of recovery for attorneys' fees is properly awarded on the basis of the total value. *Boeing v. Van Gemert*, 444 U.S. 472, 480-481 (1980); *see also In re Consumer Privacy Cases*, 175 Cal.App.4th 545, 558 n.13 (2009) ("Empirical studies show that, regardless whether the percentage method or the lodestar method is used, fee awards in class actions average around one-third of the recovery.").

B. A Lodestar Cross-Check Confirms the Reasonableness of the Requested Fee

Although *Laffitte v. Robert Half Int'l, Inc*., 1 Cal.5th 480, 489 (2016) makes clear that a lodestar cross-check is not required, PAGA Counsel's lodestar supports the reasonableness of the requested fee. The lodestar is determined by multiplying the number of hours reasonably

expended by the reasonable hourly rate. *PLCM Group, Inc. v. Drexler*, 22 Cal.4th 1084, 1095 (2000). "The lodestar figure may then be adjusted, based on consideration of factors specific to the case, in order to fix the fee at the fair market value for the legal services provided." *Id*. The factors that can be considered include "the nature of the litigation, its difficulty, the amount involved, the skill required in its handling, the skill employed, the attention given, the success or failure, and other circumstances in the case." *Melnyk v. Robledo*, 64 Cal.App.3d 618, 623-624 (1976) (citations omitted).

The total hours expended on this action by PAGA Counsel were reasonable and in line with comparable cases. While it is not necessary to substantiate the fee award with a lodestar in this PAGA Action, it should be noted that PAGA Counsel spent approximately 194.4 hours prosecuting this action, which were divided among the attorneys working on this case according to skill level. Yslas Decl. at ¶¶ 29-30. Multiplying the total hours expended by PAGA Counsel by their reasonable hourly rates yields a lodestar of $154,470.00. *Id*. at ¶ 29. This amount surpasses the requested fee award of $125,400.00, resulting in a negative multiplier of approximately 0.81 ($125,400.00 / $154,470.00). *Id*. at ¶ 30. This amount does not include the time PAGA Counsel will spend at the approval hearing and assisting the Administrator following approval. *Id*. The hours expended by each attorney were not duplicative and reflect the extensive investigation and analysis that was required to achieve this Settlement. PAGA Counsel's lodestar reflects the efficiencies achieved by attorneys experienced in this field. *Id*. Moreover, PAGA Counsel has singularly assumed the risk and costs of litigation purely on a contingency basis. *Id*. And, while Plaintiff is confident in the merits of her claims, a legitimate controversy exists as to each cause of action, posing an actual risk that Plaintiff could not maintain the claims on a representative basis or prevail at trial. *Id*. Despite these risks, PAGA Counsel took this case on a contingency basis to pursue civil penalties on behalf of the State of California and the Aggrieved Employees (a particularly vulnerable group of hourly paid workers). *Id*.

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C. PAGA Counsel's Rates Are Similar to Those Approved by California Courts in Comparable Cases.

PAGA Counsel's hourly rates are comparable to those charged by other class action plaintiffs' counsel and the firms defending class actions. Yslas Decl. at ¶ 23. PAGA Counsel's rates are well within the range of hourly rates that the Los Angeles legal marketplace would compensate counsel for similar services accomplishing similar results. *Id*. For example, in *Bronshteyn v. State of California*, Los Angeles County Superior Ct. No. 19SMCV00057, Order Granting Plaintiff's Motion for Statutory Attorneys' Fees and Costs filed March 30, 2023, the court found that counsel's 2022 hourly rates of $1,100 and $1,000 per hour were reasonable for the plaintiff's five senior attorneys, including $1,000 per hour for the plaintiff's 23-year lead counsel and $850 per hour for a senior associate. *Id*. The rates requested here are well in line with those found reasonable in *Bronshteyn*. In *Tran v. Golden State FC LLC*, *et al*. (LASC Case No. BC699931), Fee Order filed 4/8/2022, the court found hourly rates of $1,300 per hour reasonable for plaintiff's 32-year attorney and $1,000 per hour reasonable for a 14-year attorney. *Id*.

Likewise, PAGA Counsel's hourly rates are reasonable when compared to rates charged within the relevant legal marketplace. Yslas Decl. ¶¶ 26-27, Ex. 3, 4. In light of the foregoing, and considered against the risks of continued litigation, and the importance of advocating for employment rights and a speedy recovery, the relief provided under the Settlement represents a very strong result for the Aggrieved Employees. PAGA Counsel's fee request is fair and reasonable and should be approved.

D. PAGA Counsel's Costs Are Reasonable

PAGA Counsel is entitled to reimbursement of its litigation costs under PAGA. *See* Lab. Code § 2699(k)(1) ("Any employee who prevails in any action shall be entitled to an award of reasonable attorney's fees and costs."). The Settlement provides for reimbursement of costs not to exceed $30,000.00. Settlement Agreement § 3.2.2. To date, PAGA Counsel has incurred costs in the amount of $20,660.09. Yslas Decl. at ¶ 32, Ex. 5. Additionally, PAGA Counsel anticipates incurring $300.00 in future costs for filing fees and service fees for a total of $20,960.09 in costs. *Id*. The $9,039.91 difference between the $30,000.00 cap and the costs requested will

remain in the Gross Settlement Amount for allocation as PAGA Penalties. *Id.* These costs were reasonably incurred in prosecuting this Action on behalf of the Aggrieved Employees and should be approved by the Court. Accordingly, PAGA Counsel respectfully requests the Court approve costs in the amount of $20,960.09.

VI. THE REQUESTED PAGA REPRESENTATIVE SERVICE AWARD IS REASONABLE

Both the State of California and the Aggrieved Employees are beneficiaries of a settlement that would not have been made possible but for the effort and commitment of Plaintiff. The Settlement provides the Plaintiff shall be paid a PAGA Representative Service Award not to exceed $10,000.00, in recognition of her efforts in bringing and presenting the Action. Settlement Agreement § 3.2.1. The requested payment is intended to recognize Plaintiff's effort in bringing the Action, serving as private attorneys general under PAGA, assisting counsel with the investigation, litigation, and settlement, regularly conferring with counsel on the status of the case, and reviewing the proposed settlement to ensure that its terms are fair and achieve PAGA's objectives.

Plaintiff has provided a declaration detailing the risk she faced in bringing the suit, the notoriety and personal difficulties she encountered, the amount of time and effort she spent on this litigation, the duration of this litigation, and the personal benefit she will receive as a result of the litigation. *See generally* Declaration of Plaintiff Violeta Jasmin Zacarias in Support of Plaintiff's Motion for Approval of PAGA Settlement ("Zacarias Decl."). Plaintiff also faced the real risk that future employers may not hire her because she lent her name as a PAGA representative in this case, and she could have been liable for Defendants' litigation costs if the case went to trial and she lost. Zacarias Decl. at ¶¶ 4, 6. Accordingly, Plaintiff respectfully requests that the Court approve the PAGA Representative Service Award in the amount of $10,000.00.

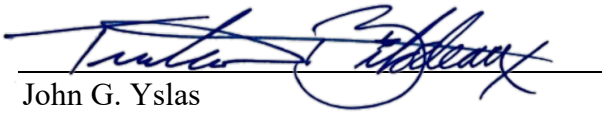
VII. CONCLUSION

Based on the foregoing, Plaintiff respectfully requests this Court approve the PAGA settlement as set forth in the Settlement Agreement and enter the proposed order and judgment

submitted herewith.

Dated: November 2, 2026

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