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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN DIEGO

EMILIO VALENCIA, BENJAMIN HARRISON, JARED TURNER, JUSTIN TURNER, JUDEAUGUST SAN NICOLAS, and LILIANA MAGANA, individually, on behalf of all others similarly situated, and on behalf of the State of California and other aggrieved persons, and JOSE GASTELUM, individually and on behalf of all others similarly situated,

Plaintiffs,

v.

HUGHES CIRCUITS, INC., a California corporation; and DOES 1 through 10, inclusive,

Defendants.

Case No.: 37-2024-00019289-CU-OE-CTL

[Assigned for All Purposes to the Honorable Euketa Oliver, Dept. C-75]

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

Preliminary Approval Hearing:
Date: January 14, 2027
Time: 10:00 a.m.
Dept.: C-75

Action Filed: April 24, 2024
Trial Date: Not Set

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TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on January 14, 2027, at 10:00 a.m., or as soon thereafter as the matter may be heard in Department C-75 of the Superior Court of California, County of San Diego, located at the Hall of Justice, 330 W Broadway, San Diego, CA 92101, Plaintiffs Emilio Valencia, Benjamin Harrison, Jared Turner, Justin Turner, JudeAugust San Nicolas, Jose Gastelum, and Liliana Magana (collectively, the "Plaintiffs") will and hereby do move this Court for an Order:

1. Granting preliminary approval of the proposed Class Action and PAGA Settlement Agreement and Class Notice ("Settlement Agreement");
2. Conditionally certifying the proposed Class for settlement purposes only;
3. Appointing Plaintiffs as the Class Representatives;
4. Appointing Wilshire Law Firm, PLC and Verum Law Group, APC as Class Counsel;
5. Appointing ILYM Group, Inc. as the Administrator; and
6. Setting a final approval hearing date.

Pursuant to Code of Civil Procedure § 382 and California Rules of Court 3.769, *et seq*., this Motion is made on the grounds that the proposed Settlement satisfies all criteria for preliminary approval and falls well within the range of reasonableness. The Settlement was reached through informed, arm's length bargaining between experienced attorneys with the assistance of an experienced neutral, and Plaintiffs and Plaintiffs' Counsel will fairly and adequately represent the Class.

This Motion is based on this Notice of Motion, the accompanying Memorandum of Points and Authorities ("MPA"), the Declaration of John G. Yslas, the Declaration of Sam Kim, the Declaration of Yoonis Han, the Declaration of Liliana Magana, the Declaration of Emilio Valencia, the Declaration of Benjamin Harrison, the Declaration of Jared Turner, the Declaration of Justin Turner, the Declaration of JudeAugust San Nicolas, the Declaration of Jose Gastelum, and on all records and documents on file, together with such oral and documentary evidence that may be presented at the hearing on this matter.

///

///

Respectfully submitted,

Dated: October 27, 2026

WILSHIRE LAW FIRM, PLC
VERUM LAW GROUP, APC

By: 

John G. Yslas
Arrash T. Fattahi
Arman A. Salehi
Trenten N. Bilodeaux
Sam Kim
Yoonis Han

Attorneys for Plaintiffs

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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Pursuant to Code of Civil Procedure § 382 and California Rules of Court 3.769, *et seq*., Plaintiffs seek preliminary approval of a class action settlement of wage and hour claims, including representative claims brought under the Labor Code Private Attorneys General Act of 2004 ("PAGA"), against Defendant Hughes Circuits, Inc. ("Defendant"). The proposed Class is defined as all current and former nonexempt employees who worked for Defendant in California ("Class Members") during the period from October 29, 2019, through June 22, 2026 ("Class Period"). The main terms of the Settlement are as follows:

1. A Gross Settlement Amount of $1,200,000.00, from which the Net Settlement Amount will be distributed to approximately 650 Class Members on a pro rata basis according to the total workweeks worked by each Class Member during the Class Period;
2. Class Counsel Fees Payment of up to 35% of the Gross Settlement Amount (currently $420,000.00) and Class Counsel Litigation Expenses Payment of up to $50,000.00 for reimbursement of litigation costs to Plaintiffs' Counsel;
3. Class Representative Service Payments of up to $10,000.00 to each of the seven (7) named Plaintiffs;
4. Administration Expenses Payment of up to $9,250.00; and
5. Allocation of $50,000.00 to PAGA penalties, sixty-five percent (65%) of which ($32,500.00) will be paid to the Labor and Workforce Development Agency ("LWDA"), and thirty-five percent (35%) of which ($17,500.00) will be paid to all current and former nonexempt employees who worked for Defendant in California ("Aggrieved Employees") at any time during the period from June 19, 2023, through June 22, 2026 ("PAGA Period").

The Settlement meets all criteria for preliminary approval and falls within the range of reasonableness given the risks and expenses of further litigation. The Settlement was reached through informed, arm's length bargaining between experienced attorneys with the assistance of

an experienced neutral. As such, Plaintiffs request that the Court grant preliminary approval of the Settlement, conditionally certify the Class for settlement purposes only, appoint Plaintiffs as the Class Representatives, appoint Plaintiffs' Counsel as Class Counsel, appoint ILYM Group, Inc. ("ILYM") as the Administrator, authorize the Administrator to administer notice of the Settlement to the Class, and set a final approval hearing date.

II. PROCEDURAL HISTORY

On April 24, 2024, Plaintiff Valencia filed this putative class action against Defendant alleging: (1) failure to pay minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay final wages at termination; (6) failure to provide accurate itemized wage statements; (7) failure to indemnify employees for expenditures; and (8) unfair business practices. (the "Valencia Class Action") Declaration of John G. Yslas in Support of Plaintiffs' Motion for Preliminary Approval of Class Action and PAGA Settlement ("Yslas Decl.") at ¶ 3.

On June 19, 2024, Plaintiff Valencia provided written notice to the LWDA and Defendant of the specific provisions of the Labor Code alleged to have been violated, including the facts and theories in support. Yslas Decl. at ¶ 4, Exhibit 1. The LWDA did not notify Plaintiff that it intended to investigate within 65 days of this written notice. *Id*. Therefore, on December 31, 2024, Plaintiff Valencia filed a separate action in the Superior Court of California, County of San Diego, for civil penalties under PAGA, Case No. 24CU031436C. (the "Valencia PAGA Action") *Id*.

On May 8, 2025, the Parties participated in a mediation session with Hon. Eddie C. Sturgeon (Ret.), but did not reach a resolution at that time. *Id.* at ¶ 5.

On July 9, 2025, Plaintiff Magana filed a putative class action against Defendant in the Superior Court of California, County of San Diego, Case No. 25CU036271C. On June 25, 2026, Plaintiff Magana filed a First Amended Complaint adding a PAGA claim. (the "Magana Action") *Id.* at ¶ 6.

On June 22, 2026, the Parties participated in a private mediation with Nikki Tolt. *Id.* at ¶ 7. The Parties reached a settlement at the mediation. *Id.* The Parties negotiated the terms of the Settlement over the next month, which was finalized on July 27, 2026. *Id.* at ¶ 8, Exhibit 2.

On August 27, 2026, Plaintiffs Valencia and Magana filed a Second Amended Consolidated Class & Representative Action Complaint ("Operative Complaint") in this Action that consolidated the Valencia Class Action, the Valencia PAGA Action, the Magana Action, and added named Plaintiffs Benjamin Harrison, Jared Turner, Justin Turner, JudeAugust San Nicolas, and Jose Gastelum. Yslas Decl. at ¶ 9. On October 20, 2026, Plaintiff Magana filed a stipulation to dismiss the Magana Action without prejudice, Case No. 25CU036271C. See Declaration of Sam Kim ("Kim Decl.") ¶ 9.

On October 27, 2026, Plaintiffs submitted a copy of the Settlement Agreement to the LWDA. *Id.* at ¶ 10, Exhibit 3.

III. SUMMARY OF THE SETTLEMENT TERMS

A. Terms of the Proposed Settlement

The Parties have agreed to settle the claims alleged in this case for a Gross Settlement Amount of $1,200,000.00. Settlement Agreement at § 3.1. Subject to Court approval, the following payments will be deducted from the Gross Settlement Amount: (1) Class Representative Service Payments of up to $10,000.00 to each named Plaintiff; (2) Class Counsel Fees Payment of up to 35% of the Gross Settlement Amount (currently $420,000.00) and Class Counsel Litigation Expenses Payment reimbursement of litigation costs of up to $50,000.00 to Plaintiffs' Counsel; (3) Administration Expenses Payment of up to $9,250.00 to ILYM; (4) Individual Class Payments to Class Members; and (5) PAGA Penalties in the amount of $50,000.00, which will be allocated 65% to the LWDA ($32,500.00) and 35% to Aggrieved Employees ($17,500.00). *Id.* at § 3.2 *et seq*. After all requested deductions are made, the remaining Net Settlement Amount is currently estimated to be $600,750.00.

Individual Class Payments will be calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks. *Id*. at § 3.2.4. For tax purposes, the Individual Class Payments will be allocated 10% to wages and 90% to interest and penalties. *Id*. at § 3.2.4.1. Defendant will separately pay employer payroll taxes owed on the wage portions of the individual class payments separate from the Gross Settlement Amount.

Id. at § 3.1.

Individual PAGA Payments to Aggrieved Employees will be calculated by (a) dividing the amount of the Aggrieved Employees' 35% share of PAGA Penalties ($17,500.00) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by the number of each Aggrieved Employee's PAGA Pay Periods. *Id*. at § 3.2.5.1. For tax purposes, the individual PAGA payments will be allocated 100% to penalties. *Id*.

Any deductions not approved by the Court will be retained by the Settlement Administrator in the Net Settlement Amount. *Id.* at §§ 3.2.1, 3.2.2, 3.2.3, 3.2.5. Funds from any uncashed checks will be transmitted by the Settlement Administrator to the California Controller's Unclaimed Property Fund in the name of the Class Member. *Id.* at § 4.4.3. None of the Gross Settlement Amount will revert to Defendant. *Id*. at § 3.1.

B. Proposed Settlement Administration

The Parties' proposed Class Notice complies with the requirements of California Rules of Court, Rule 3.766(d). *See* Exhibit A to Settlement Agreement. It provides information regarding the nature of this lawsuit, a summary of the settlement terms, the formula used for calculating individual class and PAGA payments and instructions to dispute the calculations, instructions on how to opt-out of or object to the Settlement, the date, time, and location of the final approval hearing, and the amounts sought for the class representative service payments, attorneys' fees and litigation costs, and settlement administration costs. *See generally, id*. The Class Notice also notifies Class Members that they do not need to submit a claim in order to participate in the Settlement and receive a payment. *See id*.

Not later than 3 business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. Settlement Agreement at § 7.4.3. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search and re-mail the Class Notice to the most current address obtained. *Id.* The deadline for Class Members' written objections, challenges to Workweeks, and Requests for Exclusion will be extended for Class

Members whose notices are re-mailed. Class Members to whom Class Notices are resent after having been returned undeliverable to the Administrator shall have their deadline extended an additional 14 calendar days beyond the Response Deadline. *Id*. at § 7.4.4.

C. Proposed Release

Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs, Class Members and Aggrieved Employees will release claims against all Released Parties as follows:

> Release by Participating Class Members:
>
> All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, administrators, successors and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the facts and allegations in the Operative Complaint (other than the PAGA claim addressed in Paragraph 5.3 below) that are alleged to have occurred during the Class Period including, e.g., (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. Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, or workers' compensation, or claims based on events occurring outside the Class Period, claims to enforce the terms of this Agreement or claims that cannot be released as a matter of law.

Settlement Agreement at § 5.2.

> Release by Aggrieved Employees:
>
> All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, 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 and allegations in the Operative Complaint and the PAGA Notices that are alleged to have occurred during the PAGA Period, including, without limitation, all PAGA claims seeking penalties premised upon: (1) failure to pay minimum and straight time wages, (2) failure to pay overtime wages, (3) failure to provide meal periods, (4) failure to authorize and permit rest periods, (5) failure to timely pay final wages at termination, (6) failure to provide accurate itemized wage statements, (7) failure to indemnify employees for expenditures, (8) unfair business practices, and (9) all other claims for

civil penalties recoverable under the Private Attorneys General Act, Labor Code §§ 2698 et seq. based on the facts alleged in the LWDA notice letter(s) and Operative Complaint. The PAGA Released Claims do not release any Aggrieved Employees' claims for wages or statutory penalties other than PAGA penalties.

Settlement Agreement at § 5.3.

Only Plaintiffs will agree to a general release and a waiver of Civil Code § 1542. Settlement Agreement at §§ 5.1, 5.1.1.

IV. THE PROPOSED SETTLEMENT AGREEMENT MEETS ALL CRITERIA FOR PRELIMINARY APPROVAL

A. Provisional Certification of the Class is Appropriate

Class certification is appropriate when there is: (1) an ascertainable and sufficiently numerous class; (2) a well-defined community of interest among class members; and (3) substantial benefits from certification that render proceeding as a class superior to the alternatives. *Brinker Restaurant Corp. v. Superior Court*, 53 Cal.4th 1004, 1021 (2012). Although courts still need to review and consider each element for certification, a lesser standard can be used to provisionally certify a settlement class. *Global Minerals & Metals Corp. v. Superior Court*, 113 Cal.App.4th 836, 859 (2003).

1. The Proposed Class is Numerous and Ascertainable

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

The Class here consists of all current and former nonexempt employees who worked for Defendant in California during the Class Period. *See* Settlement Agreement at §§ 1.5, 1.12. The

Class is also readily ascertainable from Defendant's business records, because all Class Members are or were employees of Defendant. *Id*. Defendant's records show there are approximately 650 Class Members, making joinder of all Class Members impracticable. Yslas Decl. at ¶ 12.

2. A Well-Defined Community of Interest Exists

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

a. Common Questions Predominate

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

Plaintiffs have alleged that Defendant maintained common employment policies and/or practices that unlawfully deprived Class Members of wages, meal periods, rest periods, reimbursements for business expenses, accurate wage statements, and timely payment of wages upon separation of employment. Yslas Decl. at ¶ 13. These allegations present common factual and legal questions of, *inter alia*, whether Defendant applied the same scheduling, timekeeping, pay, meal period, rest period, and reimbursement policies to all Class Members, whether these policies and practices resulted in Labor Code violations, whether Defendant's conduct was intentional, and whether Class Members are entitled to damages and/or penalties. *Id*. These common questions could be resolved using Class Members' time records, payroll records, testimony from Defendant's designated representative(s), and Class Members' testimony. *Id*. Therefore, the Court can and should exercise its discretion to grant conditional class certification for settlement purposes.

b. Plaintiffs are Typical of the Class

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

Plaintiffs have alleged that they and Class Members were employed by the same Defendant and injured by Defendant's common wage and hour policies and practices, including Defendant's scheduling, timekeeping, pay, meal period, rest period, and reimbursement policies. *See* Yslas Decl. at ¶ 13; see also Declaration of Liliana Magana ("Magana Decl.") ¶ 4. Through informal discovery, Plaintiffs confirmed that these challenged policies and practices applied to Plaintiffs and Class Members alike. *See* Yslas Decl. at ¶ 11; see also Magana Decl., ¶ 4. Therefore, Plaintiffs' claims and Class Members' claims arise from the same challenged employment policies and practices and are based on the same legal theories.

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

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

Plaintiffs' interests are coextensive with Class Members' interests. Declaration of Emilio Valencia in Support of Plaintiffs' MPA ("Valencia Decl.") at ¶ 6., Declaration of Benjamin Harrison in Support of Plaintiffs' MPA ("Harrison Decl.") at ¶ 6., Declaration of Jared Turner in Support of Plaintiffs' MPA ("Jared Turner Decl.") at ¶ 6., Declaration of Justin Turner in Support of Plaintiffs' MPA ("Justin Turner Decl.") at ¶ 6., Declaration of JudeAugust San Nicolas in

Support of Plaintiffs' MPA ("San Nicolas Decl.") at ¶ 6., Declaration of Jose Gastelum in Support of Plaintiffs' MPA ("Gastelum Decl.") at ¶ 6., Declaration of Liliana Magana in Support of Plaintiffs' MPA ("Magana Decl.") at ¶ 8. Plaintiffs have demonstrated an ability to advocate for the interests of Class Members by initiating this lawsuit, providing information to their attorneys, meeting with their attorneys regarding the claims, making themselves available the day of mediation to answer questions, and reviewing the proposed Settlement. *See Valencia Decl. at ¶ 11; Harrison Decl. at ¶ 11; Jared Turner Decl. at ¶ 11; Justin Turner Decl. at ¶ 11; San Nicolas Decl. at ¶ 11; Gastelum Decl. at ¶ 11; Magana Decl.* at ¶¶ 5-8.

Likewise, Wilshire Law Firm has expended considerable time and effort on this case and will continue to do so through final approval. *See generally*, Yslas Decl. In addition, both Wilshire Law Firm and Verum Law Group, APC are experienced in class action litigation. *See generally*, Yslas Decl.; see also Kim Decl., ¶¶ 3-8; see also Declaration of Yoonis Han ("Han Decl.") ¶¶ 3-9. Therefore, Plaintiffs should be appointed Class Representatives, and their counsel should be appointed Class Counsel.

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

Courts have held that class treatment of wage and hour claims is clearly "superior to the other available methods for the fair and efficient adjudication of the controversy." *Dean Witter Reynolds, Inc. v. Superior Court*, 211 Cal.App.3d 758, 772-773 (1989). This is so because "[p]ublic policy has long favored the 'full and prompt payment of wages due an employee.'" *Sav-On Drug Stores, Inc. v. Superior Court*, 34 Cal.4th 319, 340 (2004). Here, a class action is superior to a multitude of individual lawsuits. Given the size and amount of each Class Member's claim, Class Members have little incentive to litigate their claims on an individual basis because the out-of-pocket expenses and personal commitment necessary to litigate each claim likely outweigh any potential recovery. Yslas Decl. at ¶ 12. Therefore, a class action is the superior method for seeking relief.

B. The Settlement Meets the Standards for Preliminary Approval

The moving party must demonstrate that "the settlement is fair, adequate and reasonable." *Kullar v. Foot Locker Retail, Inc.*, 168 Cal.App.4th 116, 126 (2008). "In determining whether a

class settlement is fair, adequate, and reasonable, the trial court should consider relevant factors, such as 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." *Wershba*, 91 Cal.App.4th at 244-245 (internal quotations and citations omitted).

1. The Settlement is Entitled to a Presumption of Fairness

A settlement is entitled to "a presumption of fairness . . . 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." *Dunk v. Ford Motor Co.*, 48 Cal.App.4th 1794, 1801 (1996). The Settlement here satisfies the first three factors. Plaintiffs will analyze the fourth factor at final approval after Class Members have been notified of the Settlement and provided with an opportunity to object.

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

Courts have recognized that the involvement of a respected mediator provides a high degree of assurance that the settlement is the result of arm's length bargaining. *See Chavez v. Netflix, Inc.*, 162 Cal.App.4th 43, 52-53 (2008). The Settlement in this matter was the product of a full-day mediation session with a respected mediator. Yslas Decl. at ¶ 7. The negotiations were adversarial, conducted at arm's length, and tempered by the efforts of both sides to serve the interests of their clients. *Id.*

b. *Sufficient Investigation and Discovery Have Been Conducted*

Prior to attending mediation, Plaintiffs' Counsel thoroughly investigated the claims, applicable law, and potential defenses. Yslas Decl. at ¶ 11. Plaintiffs' Counsel assessed the value of the class claims using the data and documents that Defendant produced in informal discovery, including class data providing the number of Class Members, the number of workweeks in the Class Period, and the number of pay periods in the PAGA Period, Plaintiffs' personnel documents

concerning Plaintiffs, Defendant's employee handbooks, Defendant's written wage-and-hour policies, job descriptions and a random sampling of time and payroll records. *Id.*

c. *Plaintiffs' Counsel is Experienced in Similar Litigation*

Plaintiffs are represented by Wilshire Law Firm, PLC and Verum Law Group, APC. Yslas Decl. at ¶ 24. Plaintiffs' Counsel has extensive experience litigating wage and hour class actions on behalf of employees. *See id.* at ¶¶ 24-34; see also Kim Decl., ¶¶ 3-8; see also Han Decl., ¶¶ 3-9. Plaintiffs' Counsel has been involved as counsel in numerous class actions that have resulted in millions of dollars in recovery. *See id.*

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

A settlement does not have to provide 100% of the damages sought to be considered fair and reasonable. *See Rebney v. Wells Fargo Bank*, 220 Cal.App.3d 1117, 1139 (1990). Although the exposure Plaintiffs' Counsel calculated is substantial, the various risks at succeeding at class certification and through trial affected the valuation of the claims for settlement purposes. Yslas Decl. at ¶ 14.

Minimum and Overtime Wages: Plaintiffs' unpaid minimum and overtime wage claims were based on the allegation that Defendant required Class Members to perform work duties while off the clock, without compensation. Yslas Decl. at ¶ 15. For example, Plaintiffs alleged that Defendant required them and other Class Members to perform pre-shift work tasks, return from meal periods early, and perform post-shift duties without proper compensation. Specifically, Plaintiffs alleged the pre-shift work typically included reviewing and responding to work-related communications, such as calls and text messages from managers and supervisors and reviewing schedules all before clocking in. During unpaid meal periods, Plaintiffs and Class Members alleged they were routinely contacted by management via phone calls, text messages, or in-person directives, requiring them to respond to urgent work issues or to complete time-sensitive tasks, depriving them of duty-free meal periods. After clocking out at the end of their shifts, Plaintiffs and Class Members alleged they were similarly contacted by supervisors with follow-up conversations, status reports, and directives for the next workday, compelling them to perform

additional uncompensated work outside of their scheduled hours. *Id*. For purposes of calculating Defendant's liability based on a best-case scenario for Plaintiffs and the Class, Plaintiffs' Counsel assumed that all unpaid worktime should have been paid at the overtime rate of pay and conservatively estimated that Defendant is liable for one (1) hour of unpaid worktime per workweek. *Id*. This results in potential exposure for this claim of approximately $2,766,809.48 (72,477 workweeks x $25.45 average hourly rate of pay x 1 hour/workweek x 1.5 overtime rate). Because this claim would have relied heavily on Class Member testimony and would not be evidenced in Defendant's time and payroll records, the risk of succeeding at class certification and trial was substantial. Accordingly, Plaintiffs' Counsel applied a risk discount based on a 40% chance of succeeding at class certification and a 40% chance of succeeding at trial on the merits, yielding a realistic damage estimate of approximately $442,689.52 ($2,766,809.48 x 40% x 40%). *Id*.

Meal Periods: Plaintiffs' meal period claim was based on the allegation that Defendant failed to provide Class Members with legally compliant meal periods or pay meal period premiums in lieu thereof. Yslas Decl. at ¶ 16. For example, Plaintiffs alleged that Defendant required them and other Class Members to monitor their cell phones and communicate with management via phone calls, text messages, or in-person directives, requiring them to respond to urgent work issues or to complete time-sensitive tasks, depriving them of duty-free meal periods. *Id*. Additionally, Plaintiffs' Counsel's consultant determined there was a 57.9% meal period violation rate (for shifts over 6 hours that are not waivable) from the sampling of Defendant's time and payroll records, where meal periods were short, late, or missed. *Id*. Therefore, potential liability for the meal period claim is approximately $3,679,761.55 (249,720 shifts over 6 hours x $25.45 average hourly rate x 57.90% violation rate). *Id*. After taking into account the difficulty of certifying and proving meal period claims, as well as Defendant's contention that the claim lacks merit and that a 57.9% violation rate is unrealistic, Plaintiffs' Counsel discounted this figure based on a 40% chance of succeeding at class certification and a 40% chance of succeeding at trial, yielding a realistic damage estimate of approximately $588,761.85 ($3,679,761.55 x 40% x 40%). *Id*.

Rest Periods: Plaintiffs' rest period claim was based on the allegation that Defendant failed

to provide Class Members with legally compliant rest periods or pay rest period premiums in lieu thereof. Yslas Decl. at ¶ 17. For example, Plaintiffs alleged that Defendant required them and other Class Members to remain onsite if provided a rest period, but were regularly required to work through their legally mandated rest periods. *Id*. Based on Plaintiffs' allegations and Plaintiffs' and other Class Members' experience working for Defendant, Plaintiffs' Counsel applied a 25% violation rate to all qualifying shifts during the Class Period. Therefore, Defendant's potential liability for the rest period claim is approximately $1,705,048.20 (267,984 shifts of 3.5 hours or longer x $25.45 average hourly rate x 25% violation rate). However, Plaintiffs' Counsel discounted this figure to account for the difficulty of certifying and proving rest period claims, particularly because rest periods do not have to be recorded, and to account for the possibility of Class Members voluntarily choosing to forego a rest period. *Id*. Because this claim would have relied exclusively on Class Member testimony, Plaintiffs' Counsel discounted this claim based on a 30% chance of succeeding at class certification and a 30% chance of succeeding at trial, yielding a realistic damage estimate of approximately $153,454.34 ($1,705,048.20 x 30% x 30%). *Id*.

Reimbursements: Plaintiffs' reimbursement claim was based on the allegation that Defendant failed to indemnify Class Members for expenses incurred as a direct result of performing their job duties for Defendant, such as purchase of tools necessary to complete their duties and mandatory use of personal cell phones and vehicles for work purposes. Yslas Decl. at ¶ 18. For purposes of calculating Defendant's liability based on a best-case scenario for Plaintiffs and the Class, Plaintiffs' Counsel estimated that Defendant was liable to each Class Member for $12.50 per workweek in unreimbursed expenses, for a total amount of approximately $905,962.50 ($12.50 x 72,477 workweeks). *Id*. However, Defendant argued that these expenses were not required by Defendant, and that it could not have known that these expenses were being incurred. *Id*. Accordingly, Plaintiffs' Counsel discounted this claim based on a 30% chance of succeeding at class certification and a 30% chance of succeeding at trial, yielding a realistic damage estimate of approximately $81,536.63 ($905,962.50 x 30% x 30%). *Id*.

In sum, Plaintiffs' Counsel estimated that Plaintiffs' maximum recovery for the off-the-clock claim, meal period violations, rest period violations, and failure to reimburse expenses (i.e.,

the wage claims) is approximately $9,057,581.73. Yslas Decl. at ¶ 19. However, after factoring in the risk and uncertainty of prevailing at certification and trial, Plaintiffs' Counsel estimates that Plaintiffs' realistic estimated recovery for these non-penalty wage claims is approximately $1,266,442.34. *Id*.

Derivative Penalties: Plaintiffs alleged that as a result of Defendant's failure to pay all wages owed, Defendant owed waiting time penalties and wage statement penalties. Yslas Decl. at ¶ 20. With respect to Plaintiffs' derivative claims for statutory penalties, Plaintiffs' Counsel estimated that Defendant's maximum potential liability is approximately $2,032,515.78. *Id*. Defendant's maximum potential liability for waiting time penalties is approximately $883,865.78 ([137 employees x $25.45 average hourly rate of pay x 8.00 hours/day x 30 days] + [137 employees x $25.45 average hourly rate of pay x 0.30 hours of overtime/day x 1.5 overtime rate x 30 days]) based on approximately 137 formerly employed Class Members during the 3-year statute of limitations period and an average shift length of 8.3 hours. *Id*. Defendant's maximum potential liability for inaccurate wage statements is approximately $1,148,650.00 ([391 employees x 1 initial violation/employee x $50 for an initial violation] + [(11,682 pay periods - 391 initial violations) x $100 for each subsequent violation]) based on approximately 391 Class Members who worked during the 1-year statute of limitations period and approximately 11,682 pay periods in that statutory timeframe. *Id*. In light of the foregoing, Plaintiffs' Counsel believes that it would be unrealistic to expect the Court to award the full $2,032,515.78 in statutory penalties given Defendant's defenses, the contested nature of Plaintiffs' claims, the challenges of establishing willfulness as applicable, and the discretionary nature of penalties. *Id*. Considering that the underlying wage claims are realistically estimated to be approximately $1,266,442.34, such a disproportionate award would also raise due process concerns. *Id*. As such, Plaintiffs' counsel discounted these figures to account for the risk and uncertainty of obtaining class certification and prevailing at trial, resulting in a realistic evaluation of approximately $53,031.95 for waiting time penalty claims ($883,865.78 x 30% x 20%), and approximately $68,919.00 for wage statement penalty claims ($1,148,650.00 x 30% x 20%), or approximately $121,950.95 total for statutory penalties. *Id.*

PAGA: For the PAGA claim, Plaintiffs' Counsel determined that Defendant's potential exposure could reach $1,168,200.00, assuming the initial $100 penalty would apply for each of the 11,682 pay periods in the PAGA Period. Yslas Decl. at ¶ 21. However, even assuming success on the merits of each claim, PAGA gives the Court discretion to reduce penalties for a variety of reasons, including where to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory. *Id*. As such, Plaintiffs' counsel discounted this figure to account for the risk and uncertainty of prevailing at trial, resulting in a realistic evaluation of approximately $116,820.00 for PAGA penalties ($1,168,200.00 x 10%). *Id*. The settlement allocates $50,000.00 of the Gross Settlement Amount to PAGA, therefore the PAGA allocation amounts to 4.2% of the Gross Settlement Amount and approximately 43% of the realistic PAGA allocation estimate for PAGA penalties ($50,000.00 / $116,820.00). *Id.*

Using these estimated figures, Plaintiffs' Counsel predicted that the realistic maximum recovery for all claims, including penalties, would be approximately $1,505,213.29. Yslas Decl. at ¶ 22. This means that the gross settlement amount represents approximately 80% of the realistic maximum recovery ($1,200,000.00 / $1,505,213.29). *Id*. Considering the risk and uncertainty of prevailing at class certification and at trial, this is an excellent result for the Class. *Id*. Indeed, because of the proposed Settlement, Class Members will receive timely, guaranteed relief and will avoid the risk of an unfavorable judgment. *Id*.

Based on the figures in the Settlement Agreement, the Net Settlement Amount available for class settlement payments is currently estimated to be $600,750.00 for approximately 650 Class Members. Yslas Decl. at ¶ 23. As a result, each Class Member would be eligible to receive an average net benefit of approximately $924.23. *Id*. Based on the estimated Net Settlement Amount available for individual class payments and there being approximately 72,477 workweeks in the Class Period, the estimated weekly valuation for Individual Class Payments is $8.29 ($600,750.00 / 72,477 workweeks). *Id*.

C. The Requested Service Payments are Reasonable

Plaintiffs seek Class Representative Service Payments of up to $10,000.00 each for accepting the responsibilities of representing the interests of the Class and potential costs that were

not borne by any other Class Member. Settlement Agreement at § 3.2.1. A named plaintiff is eligible for payment that reasonably compensates the plaintiff for undertaking and fulfilling a fiduciary duty to represent absent class members. *See Cellphone Termination Fee Cases*, 186 Cal.App.4th 1380, 1393 (2010); *Bell v. Farmers Ins. Exch.*, 115 Cal.App.4th 715, 726 (2004).

Throughout this case, Plaintiffs assisted counsel in providing information necessary to prosecute the claims, meeting with counsel regarding the claims, maintaining regular contact with counsel, making themselves available the day of mediation to answer questions, and reviewing the Settlement to ensure it was fair to the Class. Valencia Decl. at ¶ 11; Harrison Decl. at ¶ 11; Jared Turner Decl. at ¶ 11; Justin Turner Decl. at ¶ 11; San Nicolas Decl. at ¶ 11; Gastelum Decl. at ¶ 11; Magana Decl. at ¶ 5. No action would likely have been taken by Class Members individually and no compensation would have been recovered for them, but for Plaintiffs' services on behalf of the Class. By actively pursuing this action, Plaintiffs furthered the California public policy goal of enforcing the State's wage-and-hour laws. *See Sav-On*, 34 Cal.4th at 340. The requested Class Representative Service Payments are reasonable and should be preliminarily approved. Plaintiffs have provided declarations regarding their work performed to date and will provide additional information as requested or required by the Court at final approval.

D. The Requested Attorneys' Fees and Costs Are Reasonable

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

Plaintiffs seek appointment of Wilshire Law Firm, PLC and Verum Law Group, APC as Class Counsel. The attorneys performed significant work and expended litigation costs in prosecuting this matter with no guarantee of payment. Yslas Decl. at ¶ 24. Plaintiffs' Counsel seeks preliminary approval for up to 35% of the Gross Settlement Amount in Class Counsel Fees Payment, currently estimated to be $420,000.00, and up to $50,000.00 in reimbursement of Class

Counsel Litigation Expenses Payment. Given the work performed in this matter, the extensive information exchange, and the substantial recovery obtained on behalf of the Class, Plaintiffs' Counsel achieved a settlement through efficient and diligent work. *See generally*, Yslas Decl. At final approval, Plaintiffs' Counsel will fully brief the merits of its request for the award of attorneys' fees and litigation costs.

E. The Administration Costs Are Reasonable

The Parties have agreed upon using ILYM to administer this Settlement. Settlement Agreement at §§ 1.2, 7.1. Plaintiffs seek preliminary approval of $9,250.00 for ILYM to administer this Settlement pursuant to ILYM's will-not-exceed bid. *See* Yslas Decl. at ¶ 38, Exhibit 4. The services covered by this payment are extensive and necessary to carry out the Settlement administration.

V. CONCLUSION

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

Respectfully submitted,

Dated: October 27, 2026

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