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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

JANE EG DOE, an individual,

Plaintiff,

vs.

EMPOWER MANAGEMENT, LLC, a California corporation; L3 OASIS HOTEL, a business entity of unknown form; KELLY WOO, an individual; and DOES 1 through 50, inclusive,

Defendants.

Case No.: 24STCV22311

CLASS ACTION

[Assigned for all purposes to the Honorable Elihu M. Berle, Dept. 6]

DECLARATION OF SANDRA M. FALCHETTI IN SUPPORT OF MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT

DATE: June 24, 2026
TIME: 10:00 a.m.
DEPT: 6

Complaint Filed: August 30, 2024
Trial Date: None set yet

DECLARATION OF SANDRA M. FALCHETTI

I, SANDRA M. FALCHETTI, hereby declare as follows:

1. I am an attorney duly licensed to practice law in the State of California. I am the principal of Falchetti Law Firm, PC ("Class Counsel" or "Falchetti Law Firm"), counsel of record for Plaintiff in the above-entitled action, *Jane EG Doe vs. Empower Management LLC, et al.,* Los Angeles County Case No. 24STCV22311 ("the Action").

2. This declaration is based on my personal firsthand knowledge, unless another source of information or belief clearly appears from the context, and as to all such matters I believe them to be true. If called as a witness, I could and would readily and competently testify to all matters stated in this declaration.

3. This declaration is submitted in support of Plaintiff's Motion for Preliminary Approval of Class and Representative Action Settlement.

Background

4. Defendant is a 101-room hotel in Palm Springs and Plaintiff worked for Defendant as an hourly paid non-exempt Housekeeper from May 18, 2022 until March 28, 2024. (Hereafter, Plaintiff and Defendants will be collectively referred to as "the Parties")

5. Based on information provided by Defendants from its records, there are approximately **81** current and former non-exempt employees in California during the Class Period.

6. Plaintiff submitted her PAGA notice on Defendant and the Labor & Workforce Development Agency (LWDA) on June 3, 2024. The LWDA declined to investigate Plaintiff's claims and therefore Plaintiff filed a wage and hour putative class action complaint against Defendants on August 30, 2024 in this Court alleging, *inter alia,* that Defendants failed to (a) provide required meal and rest periods; (b) pay overtime wages, minimum wages, accrued but unused vacation wages, all wages due to discharged and quitting employees; (c) maintain required records; (d) furnish accurate itemized wage statements; (e) failure to promptly page wages owed; and (f) indemnify employees for necessary expenditures incurred in discharge of

duties; and engaged in unfair and unlawful business practices and owes civil penalties under the PAGA.

7. Plaintiff amended her PAGA notice and civil complaint on or around September 23, 2024 and November 15, 2024, respectively, to include a claim of failure to pay accrued and unused vacation.

Investigation and Informal Discovery

8. Prior to mediation, Falchetti Law Firm conducted a thorough investigation of Plaintiff's claims and Defendants' defenses. This included interviewing Plaintiff at length, as well as interviewing a number of current and former employees to better understand Defendants' policies and practices. Counsel also obtained and reviewed Defendants' policy documents and a sampling of the Class's time and payroll records. Falchetti Law Firm retained an expert to analyze this data and develop a penalty and damages model for mediation, and subsequently updated that analysis with additional data to reflect a more complete picture of potential exposure. Based on this information, Falchetti Law Firm was able to act intelligently and effectively in negotiating the proposed Settlement.

Settlement Negotiations

9. The Parties initially scheduled a mediation for December 13, 2024; however, that mediation did not go forward. Following the substitution of defense counsel, the Parties renewed settlement discussions and participated in a full-day mediation on January 23, 2026, before Gail A. Glick, Esq., an experienced wage-and-hour mediator.

10. Although the mediation did not result in settlement on that day, the Parties continued to discuss a settlement. On or around March 3, 2026, the Parties settled the matter. The terms of the Parties' agreement were outlined in the proposed Joint Stipulation of Class and Representative Action Settlement and Release ("Stipulation or Settlement Agreement"). A true and correct copy of the Stipulation is attached hereto as **Exhibit 1. The parties have finalized the Settlement Agreement through counsel. At the time of filing, Plaintiff is awaiting completion of Defendants' signature process. Plaintiff will promptly lodge the fully executed**

Settlement Agreement upon receipt. The version submitted with this motion reflects the final agreed form of the parties' settlement terms.

11. The settlement discussions were conducted at arm's length, and the Settlement is the result of an informed analysis of Defendant's potential liability exposure in relation to the costs and risks associated with continued litigation. The Parties went into mediation willing to explore the potential for a settlement of the dispute, but each side was also prepared to litigate its position through trial and appeal if a settlement was not reached.

12. The Parties have agreed to the form of the Notice of Class Action Settlement ("Class Notice") that will be provided to Class Members. A true and correct copy of the Class Notice is attached as **Exhibit A** to the Stipulation.

Amount in Controversy and Risks Associated with Proceeding with the Action

13. Based on information provided by Defendants and from their records, the hotel property was not operational until January 1, 2022, and there are approximately 81 current and former non-exempt employees in California during the Class Period. Plaintiff's expert calculated the maximum potential penalties and damages to be approximately **$1,233,733.01**. This amount constitutes the maximum potential damages in the best possible scenario where: (1) Plaintiff's claims are certified; and (2) Plaintiff is able to establish liability at trial.

The expert's analysis is based on the following benchmarks:

Total Class Members: 81
Terminated Class Members during 3-year statute: 145
Total Workweeks: 3,463
PAGA Pay Periods: 1,232
Avg. Hourly Rate: $19.46
Class period of 4.06 years (January 1, 2022 to January 23, 2026)

Plaintiff's valuation is set forth below:

<u>Class Claims</u>

A. Meal Break Premiums

Premiums Due to Meal Break Violations: $122,617.46

Interest on Meal Break Violations: $17,378.45

Total Amount for Meal Break Premiums: **$139,995.91**

These estimates are based on analysis of time and payroll data, including approximately 6,301 estimated unpaid meal period violations (including missing, late, short meal breaks) after accounting for premiums already paid.

B. Rest Break Premiums: $265,161.96

Interest on Rest Break Premiums: $37,581.14

Total Amount for Rest Break Premiums: **$302,743.10**

These estimates are based on analysis of time and payroll data, including approximately 13,626 qualifying work shifts for rest break purposes, as well as consistent witness accounts indicating that compliant rest breaks were not provided.

C. Regular Rate of Pay Errors (Bonus Exclusion): $801.02

Interest on Regular Rate of Pay Errors: $62.18

Total Amount for Regular Rate of Pay Errors: **$963.20**

D. Unpaid Vacation Accrual: $6,810.10

Interest on Unpaid Vacation Wages: $1,911.70

Total Unpaid Vacation Accrual: $8,721.80

E. Unreimbursed Business Expenses: $36,625.00

This estimate is based on unreimbursed uniform and work-attire expenses, including shoes and work pants, and does not include additional categories such as cell phone usage, which may further increase potential exposure.

F. Waiting Time Penalties (Lab. Code § 203): $280,224.00

This estimate is based on an average hourly rate of $19.46, an 8-hour workday, and the maximum 30-day penalty period, applied to approximately 60 former employees.

G. Wage Statement Penalties (Lab. Code § 226(e))

Initial Violations ($50): 46

Subsequent Violations ($100): 1,079

Estimated Wage Statement Penalties: $110,200.00

This estimate is based on the number of noncompliant wage statements identified during the relevant period, applying the statutory penalty structure for initial and subsequent violations.

<u>**PAGA Penalties (Labor Code Section 2699(f))**</u>

H. PAGA Civil Penalties (Lab. Code § 2699(f))

Meal Period Violations: (948) $94,800.00

Rest Break Violations: (1,231) $123,100.00

Regular Rate Violations: (16) $1,600.00

Unpaid Vacation Accrual: (9) $900.00

Unreimbursed Expenses: (79) $7,900.00

Waiting Time Violations: (28) $2,800.00

Wage Statement Violations: (1,232) $123,200.00

Total Estimated PAGA Penalties: $354,300.00

These estimates are calculated using the default civil penalty provisions under Labor Code section 2699(f), based on the number of pay periods in which violations are alleged to have occurred. As PAGA penalties are discretionary and subject to reduction by the Court based on considerations of fairness, proportionality, and due process, the actual recoverable amount may be significantly less.

In sum, Plaintiff's maximum recovery for **Total Potential Damages** is **$879,473.01,** and for **Total Potential Penalties and Damages**: **$1,233,773.01.** However, after factoring in the risk and uncertainty of prevailing at certification and trial, Plaintiff's realistic estimated for potential damages is much lower.

14. Plaintiff and Falchetti Law Firm considered several factors in reaching the decision to settle at this point in the litigation including (a) the risks in seeking class certification; (b) the risk in proving liability at trial; and (3) the prospect that the court could also de-certify the

class and/or find the trial unmanageable. Proving that Defendant owes unpaid wages to each individual Class Member would be an expensive, time-consuming and extremely uncertain proposition. Continued litigation could lead to an unfavorable judgment and/or a lengthy and unsuccessful appeal. Additionally, this area of the law is constantly evolving, creating uncertainty for employees.

15. Plaintiffs further considered the likelihood that a court would substantially reduce any award of civil penalties on the grounds that the "unjust, arbitrary and oppressive, or confiscatory pursuant to Labor Code section 2699(e)(2). For example, during the penalty phase of the trial in *Carrington v. Starbucks Corp.* (2018) 30 Cal.App.5th 504, the plaintiff requested PAGA penalties in the amount of approximately $70 million. *Id.* at 528. The trial court instead awarded only $150,000—or 0.21% of the maximum—and stated that this reduction was warranted because imposing the maximum penalty would be "unjust, arbitrary, and oppressive" based on Starbucks's "good faith attempts" to comply with meal period obligations and because the court found the violations were minimal. *Id.* at 517. The Court of Appeal affirmed the lower court's reduced award of a $150,000 penalty under PAGA. *Id.* at 529. If a similar reduction had been applied here, Plaintiffs would have recovered only approximately $744.03. Furthermore, based on Defendant's financial circumstances, while Defendant represents that it remains solvent, its limited resources and financial constraints would present an additional basis for the Court to exercise its discretion to reduce any civil penalty award to avoid an unduly punitive or confiscatory result. These considerations further support the reasonableness of the settlement in light of the risks associated with continued litigation and the uncertain recovery of civil penalties under PAGA.

16. While Plaintiff and Falchetti Law Firm remain confident in the merits of Plaintiff's claims, a legitimate controversy exists as to both liability and class-wide proof. Plaintiff contends that Defendant maintained policies and practices that resulted in the systematic non-provision of compliant rest breaks and, to a lesser extent, meal period and wage-and-hour violations, including failure to pay premium wages when such breaks were not provided. Plaintiff further contends that Defendant failed to reimburse employees for necessary business expenses, including required

uniform items and work-related cell phone usage. Defendant denies these allegations and contends that it maintained lawful policies and practices, including making rest breaks available in compliance with California law, and that any alleged violations were not the result of a uniform policy or practice. In particular, Defendant is expected to rely on defenses under *Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal.4th 1004, including that it was only required to authorize and permit rest breaks, not ensure that they were taken, and that individualized issues predominate given the absence of uniform records reflecting rest break timing. Defendants further contends that any expense reimbursement obligations were limited and that they complied with applicable law, and that class treatment is not appropriate. In light of these disputed issues, Plaintiff recognizes the risks associated with establishing liability and maintaining class certification through trial, as well as the uncertainty inherent in proving damages on a class-wide basis.

17. The Settlement obviates all of these risks, and ensures that the Class Members receive timely relief in the form of a substantial payment without risking an uncertain trial and appeal. The Net Settlement Amount available for Class Member settlement payments is estimated to be $70,821.54, for a class of 81 persons. **As a result, each Settlement Class Member is eligible to receive an average net benefit of approximately $874.34**.[1]

18. In sum, when the risks of litigation, the uncertainties involved in achieving class certification, the burdens of proof necessary to establish liability, and the probability of appeal of a favorable judgment are balanced against the merits of Plaintiff's claims, it is clear that the Settlement is within the ballpark of reasonableness and in the best interests of the Class.

Class Representative Incentive Award

19. The Settlement provides for a Class Representative Incentive Payment Award to Plaintiff of $5,000.00. This payment is intended to recognize the time, effort and risks Plaintiff undertook in assisting with the prosecution of the Action on behalf of the Class. Throughout this

[1] The Net Settlement Amount is: $166,224.00 minus $5,000.00 for class representative service award, minus $6,250.00 in administration costs, minus $3,750.00 for PAGA portion sent to the LWDA, minus $55,402.46 for Class Counsel's attorneys' fees, and minus $25,000 for Class Counsel's litigation expenses.

litigation, Plaintiff cooperated with Falchetti Law Firm and took actions to protect the interests of the Class. She provided valuable information regarding potential witnesses and coordinated with several witnesses so that I may interview them. She provided information and documents related to Defendants' meal period and rest period practices, Defendants' reimbursement practices, and Defendants' failure to pay all wages. Plaintiff remained in regular and consistent contact with Falchetti Law Firm throughout the pre-litigation investigation, the litigation, and the settlement process. She collected and provided responsive documents in her possession, reviewed materials, and furnished relevant information to assist in the prosecution of the Action. She also took the time to understand the nature of her claims, including California's wage-and-hour laws and the representative mechanisms available under class action and the Private Attorneys General Act ("PAGA"), stayed informed regarding developments in the Action, and made herself available to counsel as needed, including for and during mediation. Plaintiff attended the mediation and participated in the review of the Settlement Agreement. The information and documentation provided by Plaintiff and her involvement were instrumental in establishing the wage and hour violations alleged in the Action, and the recovery provided for in the Settlement Agreement would have been impossible to obtain without her active participation.

20. Plaintiff faced many risks in bringing the Action, and considered the best interests of the Class rather than her own personal interests in agreeing to settle the Action. Without the effort and risks taken by Plaintiff, the Class Members likely would not have received any financial benefit. Because of Plaintiff's efforts, approximately 81 Class Members will now have the opportunity to participate in a settlement and recover substantial payments for wage and hour violations they may have never known about on their own or been willing to pursue on their own. If each Class Member attempted to pursue his or her legal remedies individually, each person would have been required to expend a significant amount of their own monetary resources and time.

21. Additionally, as a result of serving as the Class Representative, Plaintiff faces a potential risk of reputational harm among current or prospective employers who may learn of her participation in this litigation and view it unfavorably, which could adversely affect her future

employment opportunities. This risk is heightened given the relatively small and interconnected community of hospitality workers in Palm Springs. Furthermore, Plaintiff has agreed to provide a broader release than other Class Members, including a waiver of rights under Civil Code section 1542 following the Effective Date. This release is not intended to release claims in a separate FEHA-related matter that has already been resolved and for which payment is still pending.

22. In sum, the Action would not have been possible without the aid of Plaintiff, who put her own time and effort into the litigation, sacrificed the value of her own individual wage and hour claims, and placed herself at risk for the sake of the other Class Members. The requested incentive award of $5,000.00 to Plaintiff is therefore reasonable to compensate her for her active participation in the Action.

Attorney's Fees and Costs

23. The Settlement provides for attorney's fees and costs to Falchetti Law Firm in an amount of 33.33% of the Gross Fund Value of $55,402.26 plus reimbursement of actual litigation costs, currently estimated at approximately $25,000.00, which amount includes anticipated future costs.

24. Based on my experience, I believe the fees and costs provision is reasonable. The fee percentage requested is less than that charged by my office for other employment cases and is in line with the one-third recovery that has been recognized as standard for class actions in California. Additionally, my firm invested significant time into the Action – over two years since the date that Plaintiff retained Falchetti Law Firm in March 2024 – with payment deferred to the end of the case, and then, of course, contingent on the outcome. Falchetti Law Firm's work has resulted in substantial benefits to Class Members in the form of a significant settlement fund established to compensate Class Members for Defendants' alleged unlawful wage and hour practices. It is a virtual certainty that without Falchetti Law Firm's efforts, Class Members would not have received any monetary recovery.

25. My efforts in litigating this matter to a resolution to date include but are not limited to: (a) conducting an extensive pre-litigation investigation, including detailed interviews of Plaintiff and approximately eleven current and former employees, and obtaining supporting

declarations; researching Plaintiff's claims and Defendants' anticipated defenses; and reviewing and analyzing documents produced by Plaintiff, including her personnel and payroll records. I also undertook a detailed investigation into Defendants' corporate structure, including reviewing public records, business filings, and bankruptcy proceedings, in order to understand the relationships among the various entities and to evaluate potential joint employer and alter ego liability theories. I prepared the Complaint and addressed two rounds of demurrers and motions to strike. (b) In addition, I engaged in extensive discovery-related efforts, including multiple meet-and-confer discussions with Defendants' initial counsel regarding discovery and potential resolution, and reviewed and analyzed time, payroll, and other employment records produced by Defendants. I retained an expert consultant to analyze the data and prepare a damages analysis in advance of mediation. (c) Following substitution of defense counsel, I renewed settlement discussions, engaged in further meet-and-confer efforts, and stipulated to the withdrawal of pending pleading motions and the dismissal without prejudice of certain related entities to facilitate meaningful mediation. I then updated the expert analysis with an additional year of data, revised the mediation brief, and prepared for and attended mediation. (d) Thereafter, I engaged in continued arm's-length negotiations, attended court hearings as necessary, and ultimately reached the proposed settlement. I also negotiated, drafted, and revised the Stipulation of Settlement, Class Notice, and Proposed Order, and prepared the instant Motion for Preliminary Approval. These efforts, including expert analysis and investigation into Defendants' multi-entity structure and related proceedings, account for the litigation costs incurred to date and reflect work that was reasonably necessary to evaluate the claims, assess potential liability, and achieve the proposed settlement.

Qualifications of Class Counsel

26. I am a solo practitioner with over 20 years of experience representing employee plaintiffs in employment litigation, including individual and representative matters, in California state and federal courts. My practice is devoted almost entirely to employment law, and I have handled a wide range of claims, including wage-and-hour, discrimination, and retaliation actions. Over the course of my career, I have litigated complex employment matters through all phases of

litigation, including discovery, dispositive motion practice, trial, and appeal.

27. I received a B.A. in Political Science from University of California, Los Angeles in 1997, graduating *magna cum laude,* and a J.D. from the University of California, Los Angeles in 2000. While in law school, I served as a judicial extern for the Honorable Harry Pregerson of the Ninth Circuit Court of Appeal, and for the Los Angeles County District Attorney's Office. I have been an active member of the State Bar of California since 2001 and have remained in good standing at all times.

28. I am the founder and principal of Falchetti Law Firm, A Professional Corporation, through which I have maintained my own employment law practice since approximately 2022. Prior to establishing my current practice, I practiced employment law at a California firm representing employee plaintiffs, where I handled a broad range of employment litigation matters and developed the experience on which I now rely in my practice. I began my employment practice at Rastegar & Matern, where I gained extensive experience in all aspects of litigation, including trial, obtaining Plaintiffs' verdicts, including a unanimous verdict in a case which I first-chaired and which resulted on a total seven-figure recovery. In 2012, I joined Matern Law Group as Of Counsel, where I continued representing employee plaintiffs in a wide range of employment matters, including complex wage-and-hour class actions and civil rights claims, and obtained significant results on their behalf. In 2018, I joined Vanderford & Ruiz in Pasadena as a Partner, where I represented public entities and private companies in employment litigation, handling dispositive motion practice, defending claims through trial, and achieving favorable resolutions in high-stakes matters. This experience representing both plaintiffs and defendants has provided me with a well-rounded perspective in evaluating claims, defenses, and litigation strategy.

30. My appellate work includes briefing and oral argument in cases resulting in published opinions, reflecting my experience in analyzing, briefing, and presenting significant legal issues and contributing to the development of applicable law. These cases include *Meeks v. AutoZone, Inc*. (2018) 24 Cal.App.5th 855, addressing the admissibility of 'me-too' evidence, and *Fuentes v. AutoZone, Inc*. (2011) 200 Cal.App.4th 1221, addressing the standards applicable to

sexual harassment claims. In connection with *Fuentes*, I also obtained a reversal of summary judgment in a prior unpublished opinion.

31. My work has been recognized by selection to the Southern California Super Lawyers list each year since 2024. I am an active member of the California Employment Lawyers Association, Consumer Attorneys Association of Los Angeles (CAALA), Women Lawyers Association of Los Angeles (WLALA), Los Angeles County Bar Association (LACBA), and the Pasadena Bar Association. I also participate in the UCLA School of Law Alumni Mentorship Program, through which I mentor law students. In addition, I have volunteered with the California Access to Justice Commission's Unlawful Detainer Mediation Program and Public Counsel's legal aid clinic in Pasadena.

32. My current hourly rate for purposes of fee awards is $925, which is consistent with my experience, practice area, and prevailing market rates for attorneys of similar skill and experience in employment litigation. In *Fuentes v. AutoZone, Inc*. (2011) 200 Cal.App.4th 1221, the Court of Appeal affirmed an award of attorney's fees based on an average hourly rate of $425, which reflected my rate at the time as a nine-year attorney serving as lead trial counsel. Adjusted for inflation, that rate is approximately $600 to $615 in present-value terms. My current rate also reflects my additional years of experience since that time, including my continued work as trial and appellate counsel in employment matters.

33. No one at Falchetti Law Firm has any financial interest in the Settlement Administrator, CPT Group, Inc. which would create a conflict of interest.

34. In addition to the PAGA notice, my office submitted a conformed copy of Plaintiff's complaint and a fully executed copy of the Settlement Agreement with the LWDA. True and correct copies of the LWDA's confirmation e-mail receipts are collectively attached as **Exhibit 2**.

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I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on May 15, 2026 at Pasadena, California.

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Sandra M. Falchetti