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**SUPERIOR COURT OF THE STATE OF CALIFORNIA**

**FOR THE COUNTY OF SAN DIEGO**

STEPHEN ARMAS and JOSE ISRAEL JERONIMO BRAN, as individuals and on behalf of others similarly situated and the State of California under the Private Attorneys General Act,

Plaintiffs,

vs.

JJ&S ASBESTOS REMOVAL, INC., and DOES 1 through 50, inclusive,

Defendants.

Case No. 24CU000405C

*Hon. Blaine K. Bowman*
*Dept. 74*

**CLASS ACTION**

**PLAINTIFFS' MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT**

Motion for Prelim. App. Hearing:
Date: May 15, 2026
Time: 8:30 a.m.

[Filed concurrently with Plaintiffs' Notice of Motion and Motion for Preliminary Approval of Class Action Settlement, Declaration of Nicholas J. Ferraro, Declaration of Paul K. Haines, Declaration of Scott M. Lidman, Declaration of Jodey Lawrence of Phoenix Settlement Administrators in Support, and [Proposed] Order]

Action Filed: July 10, 2024

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## I. INTRODUCTION

Plaintiffs Stephen Armas and Josue Israel Jeronimo Bran, individually and on behalf of all others similarly situated ("Plaintiffs"), seek preliminary approval of a $310,000 non-reversionary wage and hour class and representative action settlement on behalf of approximately 266 California employees of Defendant JJ&S Asbestos Removal, Inc. ("Defendant") who worked during the class period of July 10, 2020, through March 4, 2026. The Settlement includes payment of attorneys' fees of up to 35% of the gross settlement, litigation costs not to exceed $25,000, a class representative total service award of $20,000 ($10,000 to Plaintiff Armas and $10,000 to Plaintiff Jeronimo Bran), a payment to the LWDA for PAGA penalties in the amount of $20,000, and third-party settlement administration costs currently estimated at $8,250. This results in an entirely non-reversionary net settlement amount (inclusive of the employees' 25% share of the PAGA penalties) of $135,250 to be disbursed to participating class members who will receive payment automatically, subject to the exclusion procedures set forth in the class notice.

If a class member works the entire class period, he or she will receive approximately $7,750 on a gross basis and $3,381.25 on a net basis. The average settlement per employee is $1,165.41 on a gross basis and $508.46 on a net basis.

Plaintiffs very respectfully request the Court (i) preliminarily approve the proposed class action settlement; (ii) preliminarily approve the payment to the Labor and Workforce Development Agency ("LWDA"); (iii) conditionally certify the class; (iv) appoint Stephen Armas and Josue Israel Jeronimo Bran as the class representatives and Ferraro Vega Employment Lawyers, Haines Law Group, APC and Lidman Law, APC as class counsel; (v) approve distribution of the notice materials and authorize the notice procedure; (vi) authorize Phoenix Settlement Administrators to serve as the settlement administrator ("Administrator"); and (vii) set a final approval hearing on or after August 21, 2026.

## II. BACKGROUND

### A. The Parties

Plaintiff Armas worked as a Project Estimator and Superintendent for Defendant, from December 2022 to May 2024. Plaintiff Jeronimo Bran worked as a General Laborer for Defendant, from October 2022 to April 2024. Defendant is an environmental emergency, commercial and residential project specialists' company. Declaration of Nicholas J. Ferraro ("Ferraro Decl."), ¶¶ 2-3.

**B. The Class**

The Class includes "all current and former non-exempt employees of Defendant who worked in California during the Class Period [of July 10, 2020, through March 4, 2026]." *See* Ferraro Decl., Exhibit 1 (Joint Stipulation and Settlement Agreement of Class Action and PAGA Representative Action Claims) (hereinafter, "Settlement"), p. 2. There are an estimated 266 class members who worked an estimated 11,800 workweeks. Settlement p. 26.

**C. Summary of the Dispute**

Plaintiffs filed claims against Defendant for (1) failure to pay all overtime wages, (2) failure to pay all minimum wages, (3) meal period violations, (4) rest period violations, (5) paid sick leave violations, (6) untimely payment of wages, (7) wage statement violations, (8) waiting time penalties, (9) failure to reimburse business expenses, (10) unfair competition, and (11) civil penalties under the Private Attorneys General Act (Labor Code §§ 2698 *et seq*.). *See* Third Amended Class and Representative Action Complaint, ROA #31.

**D. Summary of the Investigation and Litigation**

In January 2024, Plaintiff Armas sought legal advice and counsel regarding employment issues perceived as affecting them and their coworkers. As part of that process, Plaintiff Armas, through counsel, sent Defendant statutory records requests under Labor Code §§ 226, 432, and 1198.5 to obtain their employment, payroll, and personnel files.

Upon receipt of the records, Plaintiffs and counsel conducted a thorough investigation regarding the putative claims, which included speaking to witnesses, reviewing policies and employment records, accessing publicly available information about Defendant, searching the LWDA website, Pacer, and state court dockets for related cases, assessing the impact of any arbitration or other limiting agreement at issues, and conducting legal and factual research and analysis regarding the claims. Ferraro Decl. ¶ 5.

On June 25, 2024, Plaintiff Armas electronically filed a Notice of Labor Code Violations with the LWDA and sent it by certified mail to Defendant.  Ferraro Decl. ¶ 6, Exhibit 2 (PAGA Notice for Plaintiff Armas).

On July 30, 2024, Plaintiff Jeronimo Bran electronically filed a Notice of Labor Code Violations with the LWDA and sent it by certified mail to Defendant. Ferraro Decl., ¶ 7, Exhibit 3 (PAGA Notice for Plaintiff Jeronimo Bran).

On July 10, 2024, Plaintiff Armas filed a Class Action Complaint, alleging the wage and hour causes of action under the California Labor Code and UCL, on behalf of the putative class.  *See* Class Action Complaint, ROA #4.

On July 30, 2024, Plaintiff Jeronimo Bran filed his class action complaint in Orange County Superior Court.

Plaintiff Armas thereafter filed a First Amended Class and Representative Action Complaint, adding claims for civil penalties under the Private Attorneys General Act ("PAGA").  *See* ROA #11.

Plaintiff Armas thereafter filed a Second Amended Class and Representative Action Compliant, attempting to add Plaintiff Jeronimo Bran and his claims. *See* ROA # 25.

Plaintiffs thereafter filed a Third Amended Class and Representative Action Complaint because the Second Amended Complaint failed to name Plaintiff Jeronimo Bran in the caption. See ROA #31.

During the litigation, Plaintiffs served Special Interrogatories, Form Interrogatories (Employment), Form Interrogatories (General) and Requests for Production of Documents on Defendant. Ferraro Decl. ¶ 8.

Defendant filed an answer to the operative complaint.  *See* ROA #13.  Proposed class counsel thereafter conferred with Defendant's counsel to assess the claims and prospective defenses.  The parties ultimately agreed to structure litigation in a manner where they would exchange data and documents in an effort to resolve the case on a class action basis at private mediation.  Ferraro Decl. ¶ 8.

**E. Overview of the Mediation and Expert Analysis**

The parties set a mediation date for December 4, 2025, with Todd Smith, an experienced and respected mediator of wage and hour class actions. Ferraro Decl. ¶ 8.

As a condition of mediation, Plaintiffs requested (and received) all relevant employment and payroll policies and procedures for the class period, along with wage statements, pay data, and time entry records for a reasonable sampling of the class for the four-year class period. Plaintiffs also received additional documents relating to their employment; their complete personnel file, time, and pay data; additional documents provided by Defendant that they argued supported their defenses; and data points regarding total employees, total weeks worked, total pay periods, and rates of pay (among other information) for individuals in the class (subject to a four-year statute of limitation) and the PAGA group of aggrieved employees (subject to a one-year statute of limitation). To allow for a full review and analysis of the data and documents, Plaintiffs requested the data and documents no later than approximately 30 days before the scheduled mediation date. Ferraro Decl. ¶ 9.

Based on the data and documents, proposed class counsel retained an expert economist to do a damage analysis, assessing factors based on assumptions of violation rates, statistical breakdowns of violations on the face of the records by year (i.e., late, or short meal periods and "regular rate" issues), and damage models. Proposed class counsel, with the expert, generated liability exposure reports that were then used to help determine the employee wages and penalties at issue in the litigation. Ferraro Decl. ¶ 10.

**F. Arms-Length Negotiation and Private Mediation**

Mediation was held on December 4, 2025, with Todd Smith. The parties contested key issues, worked through the mediator to understand respective risks and strengths, before ultimately agreeing upon principal settlement terms. Negotiations were adversarial but professional. The agreement was then memorialized in an MOU. Ferraro Decl. ¶ 11. The parties worked diligently to negotiate and finalize the remaining settlement terms in the fully executed Settlement, which is attached to the Ferraro declaration as Exhibit 1. Ferraro Decl. at ¶ 12.

**G. Overview of the Settlement Terms**

The parties agreed, subject to court approval, Defendant will pay the non-reversionary "Gross Settlement Amount" ("GSA") of $310,000, which includes: (a) attorneys' fees up to $108,500 (35% of the GSA) to compensate proposed class counsel for all work performed and remaining to be performed securing court approval of the Settlement; (b) reimbursement of litigation costs up to $25,000 for verified costs actually incurred; (c) a service award of $10,000 to Plaintiff Armas and a service award of $10,000 to Plaintiff Jeronimo Bran for serving as class representatives, totaling $20,000, as an additional payment for Plaintiffs' initiative, risks incurred, and work associated with service as the lead Plaintiffs; (d) a PAGA payment to the LWDA in the amount of $13,000 (65% of the $20,000 allotted to the PAGA Payment); and (e) settlement administration costs up to $8,250. Ferraro Decl., ¶ 15.

The Settlement is entirely non-reversionary, meaning no amount of money will revert to JJ&S Asbestos Removal, Inc. Settlement, p. 8. The Administrator will pay the amount of the participating class members' portion of normal payroll withholding taxes out of each person's individual class settlement check (i.e., their share of the Settlement). The Administrator shall also pay Defendant's portion of payroll taxes to the appropriate local, state, and federal taxing authorities. Settlement, p. 8. The "Net Settlement Amount" ("NSA") will be distributed to class members on a pro-rata basis based on workweeks, estimated as follows (*see* Ferraro Decl. ¶ 15):

| | |
|---|---|
| Gross Settlement Amount | $310,000.00 |
| Attorneys' Fees (35%) (minus) | $108,500.00 |
| Litigation Costs (minus) | $25,000.00 (max.) |
| Service Award (minus) | $20,000.00 |
| LWDA Payment (minus) | $13,000.00 |
| Settlement Admin. Costs (minus) | $8,250.00 |
| Net Settlement Amount | $135,250 (approx.) |

The NSA will be distributed through individual checks mailed to class members who do not affirmatively exclude themselves from the class in response to the class notice by the Response Deadline. Settlement, pp. 12-13. The Settlement Administrator shall have the authority and obligation to calculate the amounts of the Individual Settlement Payments in accordance with the methodology set forth in this Settlement and any orders of the Court. The Parties agree that the formula for the Individual Settlement Payments to Class Members as provided herein is reasonable and that the payments provided herein are designed to provide a fair settlement to such persons for the claims being released. Settlement, pp. 11-12.

Class members averaged approximately 44 weeks of paid work with the company (11,800 workweeks / 266 class members) during the class period. If a class member works the full class period—295 workweeks from July 10, 2020, through March 4, 2026—and does not opt-out of the Settlement, he or she will automatically receive an estimated $7,750 on a gross basis and approximately $3,381.25 (net) after accounting for all deductions like attorneys' fees, costs, and administration expenses, without the need to submit a claim form. Ferraro Decl. ¶ 16.

The Settlement itself provides a safeguard against depreciation of the Settlement In calculating each Participating Class Member's weeks worked during the Class Period, only workweeks in which the Class Member worked at least one day during that workweek will be counted. Workweeks in which no work was performed by the Class Member, such as a leave of absence or vacation, will not be counted. Each Participating Class Member shall be entitled to receive a pro-rata portion of the Net Settlement Fund based upon their respective number of weeks worked credited to them during the Class Period. Settlement, p. 12. Class members do not need to submit a claim form to receive payment. *See* Settlement, p. 12.

Settlement payments are characterized as 30% wages, which will be reported on Form W-2, with withholdings, and 70% as penalties and/or interest reported on Form 1099 based on the respective assessment and apportionment of W2 wages and civil and statutory penalties. Settlement, p. 14.

Any proceeds from checks that remain uncashed by class members after the check cashing deadline will be provided to the State of California's Unclaimed Property Division in the name of the participating class member for him or her to later claim, in accordance with state laws and procedures. Settlement, p. 27; *see also* FAQ, State of California's Unclaimed Property Division, *available at* https://www.sco.ca.gov/upd_faq.html.

**H. Settlement Administration and Notice Procedures**

The parties selected Phoenix Settlement Administrators to administer the Settlement. Settlement, p. 7. *See* Ferraro Decl., Exhibit 4 (Administration Estimate). The Declaration of Jodey Lawrence of Phoenix Settlement Administrators is being filed concurrently with this motion.

Upon receipt of the class data (i.e., names, dates of employment, mailing addresses, and other appropriate identifying information of class members), the Administrator will notify proposed class counsel that the list has been received and state the number of class members and workweeks in the data provided by Defendant. Pursuant to the timelines set forth in the Settlement, the Administrator will send the Notice of Class Action Settlement in substantially the same form as attached as **Attachment A** to the Settlement. Before mailing class notice packet, the Administrator shall update class member addresses using a National Change of Address database. Upon the Administrator's receipt of any class notice returned as undelivered, the Administrator will re-mail the class notice using the forwarding address provided by USPS. If USPS does not provide a forwarding address, the Administrator will conduct a skip trace to find a correct address and re-mail it to the most current address obtained. Settlement, pp. 20-22.

The proposed class notice advises the class of their right to, and the manner and timing to: (1) participate in the Settlement without submitting a claim; (2) dispute the workweeks used to calculate the basis of their respective individual share of the Settlement; (3) object to the Settlement; (4) appear at the final approval hearing, and (5) opt-out of the Settlement. The class notice also informs each class member of the estimated amount of their individual payment, the release to be given, and date of the final approval hearing, and other salient details about the Settlement, including how to find out more information. *See* Ferraro Decl., Ex. 1-A (Class Notice).

### I. The Released Claims

Class members who do not opt of the Settlement shall, upon final approval, agree to the following release for the respective class period (*see* Settlement, pp. 15,19):

> General Release by Class Representatives Only. In addition to the releases made by the Participating Settlement Class Members set forth in 4.1 below and in consideration for the Service Awards, each Class Representative, as of the Final Approval Date, in their individual capacity for themselves, their heirs, executors, administrators, successors and assigns and with respect to their individual claims only, will be deemed to have released the Released Parties from all claims, demands, rights, liabilities and causes of action of every nature and description whatsoever, known or unknown, asserted or that might have been asserted, whether in tort, contract, or for violation of any state or federal statute, rule or regulation arising out of, relating to, or in connection with her employment by and termination from Released Parties and any act or omission by or on the part of any of the Released Parties committed or omitted prior to the Final Approval Date (the "General Release"). This total release includes, but is not limited to, all claims arising directly or indirectly from Class Representatives' employment with Released Parties and the termination of that employment; claims or demands related to wages, bonuses, vacation pay, benefits and expense reimbursements pursuant to any federal, state or local law or cause of action, including, but not limited to, breach

of contract, breach of the implied covenant of good faith and fair dealing, infliction of emotional harm, wrongful discharge, violation of public policy, defamation and impairment of economic opportunity; violation of the California Fair Employment and Housing Act, the California Labor Code, the California Constitution; and any claims for violation of the Civil Rights Act of 1866, Title VII of the Civil Rights Act of 1964, the Americans With Disabilities Act of 1990 and any private attorney general action under the California Business & Professions Code §17200.

4. RELEASE BY THE CLASS MEMBERS AND PAGA GROUP MEMBERS

4.1 Release as to All Participating Class Members. By operation of the Final Approval Order, all Participating Class Members, including the Class Representatives, release the Released Parties from the Released Claims.

4.2 Release as to All PAGA Group Members. By operation of the Final Approval Order, all PAGA Group Members, including the Class Representatives, release the Released Parties from the PAGA Claims.

4.3 Releases Ineffective If No Final Approval Or Funding. In the event that (i) the Court never enters a Final Approval Order, or (ii) Defendant fails to fund the Common Fund, then the releases set forth in this Agreement and/or any Final Approval Order shall have no effect and the Final Approval Order shall have no preclusive effect on the Released Claims or PAGA Claims.

## III. LEGAL ARGUMENT

"Before final approval, the court must conduct an inquiry into the fairness of the proposed settlement." California Rules of Court, rule 3.769. At preliminary approval, a court "limits its inquiry to the extent necessary to reach a reasoned judgment that the agreement is not the product of fraud or overreaching by, or collusion between, the negotiating parties." *In re Microsoft I-V Cases*, 135 Cal. App. 4th 706, 723 (2006). Furthermore, conditional class certification for settlement purposes is appropriate where there is an ascertainable and sufficiently numerous class, with a well-defined community of interest, and class litigation would be superior to alternate means of adjudicating the action. *Brinker Restaurant Corp. v. Superior Court*, 53 Cal. 4th 1004, 1021 (2012).

Here, Plaintiffs asks the Court to preliminarily approve the class action settlement as fair and reasonable, and conditionally certify the class.

### A. The Settlement Meets the Standards for Preliminary Approval

In deciding whether to grant preliminary approval of a proposed class action settlement, the Court must find a proposed settlement is "fair, reasonable and adequate[.]" California Rules of Court, rule 3.769; *see also Dunk v. Ford Motor Co*., 48 Cal. App. 4th 1794, 1801 (1996). "[T]here is a strong judicial policy that favors settlements … 'it must not be overlooked that voluntary conciliation and settlement are the preferred means of dispute resolution … [t]his is especially true in complex class action litigation." *Syncor v. Cardinal Health, Inc.*, 516 F. 3d 1095, 1101 (9th Cir. 2008) (internal citations omitted). There is a presumption of fairness where, as here, the proposed class action settlement was negotiated at arm's-length after informed investigation and analysis by counsel experienced in similar litigation with the assistance of an experienced mediator. *See, e.g., Kullar v. Foot Locker Retail, Inc.*, 168 Cal. App. 4th 116, 128 (2008).

**1. Serious, Informed, Non-Collusive Negotiations Led to Settlement**

The parties attended a full day of mediation with Todd Smith, a respected and experienced wage and hour class action mediator. Todd Smith assisted the parties in reaching proposed class action settlement terms. The mediation occurred after counsel received all documents and data necessary to evaluate the merits of the claims and defenses. Proposed class counsel retained an expert which assisted with the settlement discussions and negotiations at mediation. Ferraro Decl. ¶¶ 8-11.

**2. The Settlement is the Result of Thorough Investigation and Discovery**

Plaintiffs' counsel investigated all claims and defenses before filing the operative complaints and settling the case. Plaintiffs issued discovery and, when the parties agreed to mediation, Plaintiffs requested, and Defendant produced, information about the putative class, employee policies and memoranda, information about its timekeeping and payroll practices, time records and wage statements, as well as other documents and data that Plaintiffs would have relied upon to certify the class and prepare for trial, including a significant sampling of employee payroll records. Ferraro Decl. ¶ 9.

Accordingly, Plaintiffs obtained data and documents to allow liability to be assessed and class-wide damages to be calculated by the retained expert economist. Ferraro Decl. ¶ 10. Investigation and informal discovery gave the parties a clear understanding of their strengths and weaknesses before negotiations commenced. *See Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles*, 186 Cal. App. 4th 399, 410 (2010) (approving class settlement where "considerable information [exists] from which to assess the strength of the class claims" and litigation risks).

### 3. Counsel is Experienced in Similar Litigation

Proposed class counsel has significant experience in prosecuting and defending wage and hour employment class actions. Counsel was able to compare settlement of class claims with the risks of further litigation, including trial and appeals. Defense counsel are skilled employment lawyers, with significant class action experience, from the respected law firm of Fisher & Phillips LLP. Defense counsel defended and negotiated on behalf of their client skillfully throughout the case. Plaintiffs' counsel believes the settlement is fair, reasonable, and in the best interest of the class in light of the monetary recovery, difficulties of this litigation, differences among class members, risks of certification/decertification, summary adjudication, along with the delay of recovery and uncertainty of appeals. Ferraro Decl. ¶¶ 17-20; Haines Decl., ¶¶ 2-8; Lidman Decl., ¶¶ 208.

### 4. The Settlement is a Fair and Reasonable Compromise of the Claims

To make a fairness determination at the preliminary approval stage, courts should consider several relevant factors, including "the strength of Plaintiff's 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, [and] the experience and views of counsel[.]" *Dunk*, 48 Cal. App. 4th at 1801. The Court's inquiry "must be limited to the extent necessary to reach a reasoned judgment that the agreement is not the product of fraud or overreaching by, or collusion between, the negotiating parties, and that the settlement, taken as a whole, is fair, reasonable and adequate to all concerned." *Id.*

#### *i. The Strength of Plaintiffs' Case*

Although Plaintiffs steadfastly maintain the alleged claims are meritorious, Plaintiffs acknowledge substantial risks and uncertainties in proceeding with litigation. As described in herein above, Defendant presented multiple defenses against Plaintiffs' claims. These defenses were, in part, supported by the sampling and in the records. Furthermore, Defendant maintained lawful written policies that would have made certification difficult. The strength of Plaintiffs' case is further discussed in **Paragraph 22 of the supporting Nicholas J. Ferraro declaration**, which sets forth the claim-by-claim damage analysis and respective settlement in accordance with *Kullar v. Foot Locker Retail, Inc.,* 168 Cal. App. 4th 116, 129 (2008).

***ii. Risk, Expense, Complexity and Duration of Further Litigation***

The parties made a significant exchange of documents, data, records, and information in advance of mediation. However, the parties still had significant discovery to complete in formal litigation had the matter not settled. This would have required an expenditure of substantial time and resources by both parties over the course of the next several years. Plaintiffs would have continued to advance their case through written discovery, third party witness investigations, and depositions, whereas Defendant would have prepared motions for summary judgment on legal issues. Even if Plaintiffs certified all claims and avoided summary judgment on certain legal issues, the parties would incur considerably more attorneys' fees and costs through additional motions, trial, and possible appeal. Instead, this settlement avoids those risks and the accompanying expenses on the parties, the court, and the putative class members. Ferraro Decl. ¶ 21.

***iii. Amount Offered in Settlement***

"[T]o ensure that the recovery represents a reasonable compromise, given the magnitude and apparent merit of the claims being released, discounted by the risks and expenses of attempting to establish and collect on those claims by pursuing the litigation," a summary of Plaintiffs' exposure analysis is set forth in Paragraph 21 of the accompanying the supporting declaration. *See Kullar v. Foot Locker Retail, Inc.,* 168 Cal. App. 4th 116, 129 (2008); *see also Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles*, 186 Cal. App. 4th 399, 409 (2010) (noting, the plaintiff on preliminary approval must offer a record allowing "an understanding of the amount that is in controversy and the realistic range of outcomes of the litigation."). As detailed in the supporting declaration, Defendant has made a significant settlement payment that will adequately and fairly compensate class members for their respective damages.

***iv. The Experience and Views of Counsel***

"Parties represented by counsel are better positioned than courts to produce a settlement that fairly reflects each party's expected outcome in litigation." *In re Pacific Enterprises Securities Litig.,* 47 F. 3d 373, 378 (9th Cir. 1995). Here, competent and experienced counsel who have extensive experience both prosecuting and defending wage and hour class actions, and who have been appointed as class counsel in numerous cases alleging similar claims, represent Plaintiffs. *See* Ferraro Decl. ¶¶ 17-20, Exhibit 5 (Firm Resume). Proposed class counsel conducted a thorough and detailed review of Defendant policies, timekeeping, and payroll records and assessed Defendant liability exposure with the assistance of a retained damages expert. The settlement was reached with the assistance of an experienced and respected wage and hour class action mediator. Ferraro Decl. ¶¶ 8-12. This factor strongly supports preliminary approval of the proposed class action settlement.

**5. The Preliminary Approval Standard is Met**

The Court can grant preliminary approval of a proposed class action settlement and direct notice be given to the class if the settlement: (1) falls within the range of possible approval, (2) appears to be the product of serious, informed negotiations; and (3) has no obvious defects. *See Manual for Complex Litig.*, § 30.41 (3rd Ed. 1995); *Newberg on Class Actions*, § 11:24-25 (4th Ed. 2013). Here, Plaintiffs and counsel gave serious consideration to all facts and arguments and concluded the Settlement is fair and reasonable. The GSA represents approximately 66% of the reasonable value of class claims. $310,000 / $468,742) and is within the "ballpark" of reasonableness. Ferraro Decl. ¶ 22. The Settlement was reached after extensive preparation and investigation and finally agreed upon at mediation. The Settlement provides monetary relief to the class and the amounts proposed for attorneys' fees, costs, service award, and PAGA penalties are all reasonable and appropriate based on the facts of the case. Because the Settlement is devoid of obvious deficiencies, the Court may preliminarily approve the Settlement.

**B. The Court Should Preliminarily Approve the PAGA Payment**

"PAGA penalties are paid 75% to the California Labor and Workforce Development Agency and 25% to aggrieved employees. Thus, in wage and hour class action cases that settle, [ ] very little of the total settlement is paid to PAGA penalties in order to maximize payments to class members." *Magadia v. Wal-Mart Assocs*., 384 F. Supp. 3d 1058, 1101 (2019).

"[T]he amount of the common settlement fund reserved for PAGA penalties [is adequate], as courts frequently approve settlements in wage and hour class action and PAGA actions that minimize the total amount of the settlement that is paid to PAGA penalties in order to maximize payments to class members." *Mejia v. Walgreen Co*., 2020 U.S. Dist. LEXIS 220685, *26 (E.D. Cal. Mar. 24, 2021) (citations omitted); *see also Alcala v. Meyer Logistics, Inc.*, 2019 LEXIS 166879, *26 (C.D. Cal. June 17, 2019) (collecting cases in which PAGA penalties within the zero to two percent of the gross settlement were approved by courts). Indeed, a trial court has authority to completely reduce penalties, as long as not to "zero." *Thurman v. Bayshore Transit Management, Inc.*, 203 Cal. App. 4th 1112, 1135 (2012) (reducing penalties by 30%); *see also Carrington v. Starbucks Corp*., 30 Cal. App. 5th 504, 517 (2018) (Plaintiffs requested "nearly $70 million in penalties," trial court's $150,000 award upheld on appeal).

Here, the $20,000 PAGA allocation is well within the range approved by California courts. *See Alcala v. Meyer Logistics, Inc.*, 2019 LEXIS 166879, *26 (C.D. Cal. June 17, 2019) (PAGA penalties representing 1.25% of gross settlement reasonable, as it "falls within the zero to two percent range for PAGA claims approved by courts."); *Magadia v. Wal-Mart Assocs*., 384 F. Supp. 3d 1058, 1101 (2019) (citing *Ceja-Corona v. CVS Pharm., Inc*., 2015 U.S. Dist. LEXIS 5118 (E.D. Cal. Jan. 14, 2015) ($10,000 PAGA penalties in settlement of $900,000), as adopted, 2015 U.S. Dist. LEXIS 25730 (E.D. Cal. Mar. 3, 2015); *Nen Thio v. Genji, LLC*, 14 F. Supp. 3d 1324, 1330 (N.D. Cal. 2014) ($10,000 PAGA penalties, $1.25 million settlement); *Franco v. Ruiz Food Prods.*, 2012 U.S. Dist. LEXIS 169057, *5-6 (E.D. Cal. Nov. 27, 2012) ($10,000 PAGA penalties, $2.5 million settlement); *Garcia v. Gordon Trucking*, 2012 U.S. Dist. LEXIS 160052 (E.D. Cal. 2012) ($10,000 PAGA, $3.7 million settlement). As demonstrated, the amount allocated to PAGA is within the range, or higher, than other settlements.

Lastly, proposed class counsel will serve the Settlement on the LWDA before the motion for approval hearing, which will satisfy the requirement as set forth in Labor Code § 2699(s)(2).

### C. The Court Should Conditionally Certify the Settlement Class

Class certification is appropriate where (1) the class is ascertainable and sufficiently numerous; (2) common questions of law and fact predominate over individual issues such that class certification is most efficient; (3) the plaintiff's claims are typical of those of absent class members; and (4) the plaintiff's and their counsel will fairly and adequately represent the class. Code of Civ. Proc. § 382, *Brinker Restaurant Corp. v. Superior Court*, 53 Cal. 4th 1004, 1021 (2012).

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

A class is ascertainable where the members "may be readily identified without unreasonable expense or time by reference to official [or business] records." *See Sevidal v. Target Corp.*, 189 Cal. App. 4th 905, 916 (2010). Here, the proposed class has been and is capable of being ascertained from Defendant's records. There are an estimated 266 putative class members working a total of 11,800 workweeks. Ferraro Decl., ¶ 16. Numerosity is therefore satisfied.

#### 2. Common Questions of Law and Fact Predominate

The focus for certification is not the merits of the case, but rather whether "common or individual" questions are likely to arise in the action. *Sav-On Drug Store, Inc. v. Superior Court*, 34 Cal. 4th 319, 327 (2004). Commonality is met if plaintiff's and class members' claims "depend upon a common contention . . . capable of class-wide resolution—which means that determination of its truth or falsity will resolve an issue that is central to the validity of each one of the claims in one stroke." *Wal-Mart Stores, Inc. v. Dukes*, 564 U.S. 338, 350 (2011). Here, Plaintiffs' claims concern the application of employment policies and payroll procedures, issues commonly deemed proper for purposes of class certification and capable of being resolved together rather than through a series of individual cases concerning the same or similar employee experiences. *See, e.g., Benton v. Telecom Network Specialists, Inc.*, 220 Cal. App. 4th 701, 726 (2013) (reversing denial of certification of meal and rest period claims); *Faulkinbury v. Boyd & Associates, Inc.* 216 Cal. App. 4th 220, 240 (2013) (certifying regular rate claim).

### 3. Plaintiffs' Claims are Typical

Typicality is satisfied where class representatives have claims typical of those of the other class members. *B.W.I. Custom Kitchen v. Owens-Illinois, Inc.*, 191 Cal. App. 3d 1341, 1347 (1987). Here, Plaintiffs' claims are typical of those of other class members as they were employed by Defendant as a non-exempt employee in California. Plaintiffs alleged they were aggrieved by the same challenged policies that resulted in alleged losses to the class. Plaintiffs' employment claims are typical of those of other class members.

### 4. Plaintiffs and Counsel Will Fairly and Adequately Represent the Class

The adequacy requirement examines conflicts of interest between the named parties and the classes they seek to represent. *Capital People First v. State Dept. of Dev. Serv.*, 155 Cal. App. 4th 676, 697 (2007). Neither Plaintiffs nor proposed class counsel have a conflict with the class. Plaintiffs elected to file a class action as opposed to an individual lawsuit or administrative claim out of a sense of initiative and responsibility to former coworkers. Ferraro Decl., ¶ 20. The maximum $20,000 service payment ($10,000 to Plaintiff Armas and $10,000 to Plaintiff Jeronimo Bran) allocated to Plaintiffs out of a $310,000 total settlement is not disproportionate that it renders Plaintiffs inadequate. Plaintiffs will provide further justification for the service award at the final approval stage.

Adequacy is satisfied for purposes of certification. Plaintiffs respectfully ask that the Court appoint Nicholas J. Ferraro and Lauren N. Vega of Ferraro Vega Employment Lawyers, Inc. and Paul K. Haines of Haines Law Group, APC and Scott M. Lidman of Lidman Law, APC, , as Class Counsel, and Plaintiffs Stephen Armas and Josue Israel Jeronimo Bran as the class representatives.

### D. The Court Should Order Distribution of the Class Notice Materials

To satisfy due process, notice to class members must be 'the best practicable, reasonably calculated, under all the circumstances, to apprise interested parties of the pendency of the action and afford them an opportunity to present their objections.'" *Duran v. Obesity Research Institute, LLC*, 1 Cal. App. 5th 635, 647 (2016). Here, the class notice and associated notice procedure addressed herein satisfies California Rules of Court, rule 3.766(d) as the most reliable and cost-effective method of notifying class members of the Settlement. Class members are afforded information about the case, the key terms of Settlement, the deadline to opt-out or object, the recovery formula, and their estimated individual settlement share, the final approval hearing, advises class members they will be bound by the Settlement if they do not affirmatively opt out. The class notice further advises the class of the final fairness hearing and provides the contact information for all counsel of record and the Administrator.

Furthermore, the class notice (and the Settlement itself) contains customary and standard terms for a wage and hour class action, warranting approval.

## IV. CONCLUSION

Plaintiffs requests the Settlement be preliminarily approved, the class notice be approved and ordered for distribution to the class, the selected Administrator be approved, Ferraro Vega Employment Lawyers be confirmed as class counsel, the named Plaintiffs be confirmed as class representative, and a final approval bearing date be set on or **August 21, 2026** at which time Plaintiffs will file a motion for final approval of class action settlement, including a request for attorneys' fees, service award, and appropriate costs.

Respectfully submitted,

Dated: April 23, 2026 ***Ferraro Vega Employment Lawyers, Inc.***

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