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Abraham Cruz and Romel Flores

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE CITY AND COUNTY OF SAN FRANCISCO

UNLIMITED JURISDICTION

Abraham Cruz and Romel Flores, Plaintiffs, vs. G2 Secure Staff, L.L.C. and DOES 1 through 50, Defendants.	Case No.: CGC-24-618514 **NOTICE OF MOTION AND MOTION FOR APPROVAL OF SETTLEMENT OF PLAINTIFFS' CLAIM FOR PENALTIES UNDER CALIFORNIA LABOR CODE SECTION 2698, ET SEQ.** Date: September 9, 2025 Time: 9:30 a.m. Dept: 302 Judge: Hon. Joseph M. Quinn Complaint Filed: September 30, 2024 Trial Date: Not Set

NOTICE OF MOTION

TO EACH PARTY AND TO COUNSEL FOR EACH PARTY OF RECORD:

PLEASE TAKE NOTICE that on September 9, 2025, at 9:30 a.m., or as soon thereafter as the matter may be heard in Department 302 of the above-entitled Court, located at 400 McAllister Street, San Francisco, CA 94102, Plaintiffs Abraham Cruz and Romel Flores ("Plaintiffs") will and hereby do move the Court for an order granting approval of the parties' Joint Stipulation of Representative PAGA Settlement, pursuant to California Labor Code §§ 2698 et seq.

This motion will be based on: (1) this Notice of Motion; (2) the accompanying Memorandum of Points and Authorities; (3) the Declaration of Arlo Garcia Uriarte and all exhibits attached thereto, including the executed Joint Stipulation of Representative PAGA Settlement; (4) the records and pleadings on file in this matter; and (5) such further evidence and argument as may be presented at or before the hearing.

Dated: August 7, 2025

Arlo Garcia Uriarte
Liberation Law Group, P.C.
Attorneys for Plaintiffs

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I. INTRODUCTION

Plaintiffs Abraham Cruz and Romel Flores ("Plaintiffs") respectfully request the Court's approval of a $640,000 non-reversionary representative settlement with Defendant G2 Secure Staff, L.L.C. ("Defendant" or "G2") under the California Private Attorneys General Act ("PAGA"), Labor Code §§ 2698 et seq. The settlement fully resolves the PAGA claims asserted in the operative First Amended Complaint on behalf of the State of California, for which any current or former non-exempt employee who worked for G2 in California during the PAGA Period may serve as a proxy. The PAGA Period is defined as July 27, 2023, through the date of Court approval (the "PAGA Group"). [Agreement[1] § A(2)].

The released claims include all PAGA claims asserted in the First Amended Complaint, as well as any and all claims that stem from the same factual predicate, to the extent those predicate violations are actionable under PAGA. [Agreement §§ A(15), D(1)-(2)]. The First Amended Complaint contains the following causes of action: (1) failure to pay all hours worked; (2) failure to permit and provide meal periods; (3) failure to permit and provide rest periods; (4) failure to provide accurate itemized wage statements; (5) failure to timely pay wages during and upon separation of employment; (6) failure to reimburse business expenses; and (7) unlawful business practices in violation of Business and Professions Code §§ 17200 et seq.

At the time of mediation, the PAGA Group included approximately 3,804 current and former employees of G2 and encompassed an estimated 63,821 pay periods during the PAGA Period. Plaintiffs will request the following deductions from the gross settlement amount: (1) attorneys' fees equaling 33.33 percent of the gross settlement amount, or $213,312; (2) litigation costs totaling $14,370.06; (3) representative enhancement payments of $5,000 per plaintiff ($10,000 total); and (4) settlement administration costs not to exceed $11,003. [Agreement § C(1)(d)–(f)]. The remaining net settlement amount, $391,314.94, will be distributed in accordance with Labor Code § 2699(i), with 65 percent allocated to the Labor and Workforce Development Agency ("LWDA") and 35 percent to aggrieved employees based on their proportionate number of pay periods worked. [Agreement § C(1)(b)–(c)]. Each PAGA Group member is expected to recover

[1] The Joint Stipulation of Representative PAGA Settlement or "Agreement" is attached as Exhibit 1 to the Declaration of Arlo Uriarte ("Uriarte Dec."), filed concurrently herewith.

approximately $36 on average, depending on the number of pay periods worked.

The settlement is the result of arm's-length negotiations between experienced counsel, mediated by Lisa Klerman, and was informed by a pre-mediation exchange of key data and records. More specifically, Defendant produced information including total pay periods, employee headcount, job classifications, and samples of time and payroll records. [Uriarte Dec. ¶ 4]. Plaintiffs' counsel also interviewed PAGA Group members. [Uriarte Dec. ¶ 5]. These efforts enabled Plaintiffs to evaluate the scope of the alleged violations, the viability of representative evidence, and the practical risks and benefits of continued litigation.

As further explained below, Plaintiffs submit that the proposed settlement is fair, reasonable, and adequate under the standards articulated in *Moniz v. Adecco USA, Inc.*, 72 Cal. App. 5th 56, 77 (2021), and respectfully request that the Court grant approval to allow prompt distribution of penalties to the LWDA and the PAGA Group.

II. FACTUAL BACKGROUND & PROCEDURAL POSTURE

Defendant is a national aviation services provider that contracts with commercial airline carriers to deliver a wide range of ground-based support services, including wheelchair assistance, passenger service, ramp and cargo operations, and aircraft appearance. [Uriarte Dec. ¶ 3]. Its California-based non-exempt workforce spans more than seventy job classifications with varying shift structures and operational demands. *Id.*

Plaintiffs were employed as wheelchair attendants by Defendant at San Francisco International Airport ("SFO"). *Id.* Plaintiffs submitted their initial PAGA notice to the LWDA on July 23, 2024. Plaintiffs initiated this action on September 30, 2024, alleging: (1) failure to pay all hours worked; (2) failure to permit and provide meal periods; (3) failure to permit and provide rest periods; (4) failure to provide accurate itemized wage statements; (5) civil penalties under Labor Code §§ 2698 et seq.; and (6) unlawful business practices under Business and Professions Code §§ 17200 et seq.

In November 2024, the parties began meeting and conferring regarding early resolution and agreed to participate in private mediation with Lisa Klerman. To facilitate meaningful negotiations, G2 provided a range of relevant data, including group size, total pay periods, job classifications, and timekeeping and payroll records for employees at multiple California locations. [Uriarte Dec. ¶ 4]. G2 identified approximately 3,804 employees within the PAGA Group, covering an estimated 63,821 pay periods during the PAGA Period. *Id.* Additionally, Plaintiffs provided employee contacts to counsel, enabling interviews and supporting declaration gathering. These interviews clarified the scope and frequency of violations across the PAGA Group. [Uriarte Dec. ¶ 5].

The parties mediated with Lisa Klerman on March 13, 2025, and reached a global resolution of the PAGA claims for $640,000. [Uriarte Dec. ¶ 6]. On April 15, 2025, Plaintiffs filed the operative First Amended Complaint to reflect the scope of claims covered by the settlement. *Id.* Plaintiffs now seek approval of the proposed PAGA settlement pursuant to Labor Code § 2699(l)(2).

III. SETTLEMENT TERMS

The parties have agreed to a $640,000 non-reversionary settlement to resolve all representative claims asserted under PAGA in this action. [Agreement § C(1)(a)]. There is no requirement for aggrieved employees to submit claim forms or take any action to receive their share of the settlement; individual settlement payments will be mailed automatically to the last known address of each aggrieved employee. [Agreement §§ A(23), G(5)]. Defendant will deposit the gross settlement amount with the settlement administrator within ten business days after the Effective Date. [Agreement § G(6)]. This all-in amount covers individual payments to PAGA Group members, attorneys' fees and costs, representative enhancement payments, the LWDA's 65 percent statutory allocation, and settlement administration costs. [Agreement §§ C(1)(a)–(b), (d)–(f)].

Plaintiffs will request the following deductions from the gross settlement amount: (1) attorneys' fees equaling $213,312 (33.33 percent of the gross settlement amount); (2) litigation costs equaling $14,370.06; (3) representative enhancement payments equaling $5,000 for each plaintiff, $10,000 total; and (4) settlement administration costs not to exceed $11,003. [Agreement §§ C(1)(d)–(f)]. The remaining net settlement amount will be distributed in accordance with Labor Code § 2699(i), with 65 percent ($254,354.71) paid to the LWDA and 35 percent ($136,960.23) distributed to aggrieved employees based on their proportionate number of pay periods worked during the PAGA Period. [Agreement §§ C(1)(b)–(c)].

The parties request that the Court approve Simpluris, Inc. as the settlement administrator. [Agreement §§ A(23), G(1)]. It would be responsible for administering the settlement, including distributing payments, verifying addresses, and handling all reporting and notice requirements. *Id.* The settlement administrator will mail individual payments directly to aggrieved employees, and any uncashed checks after 180 days will be escheated to the California State Controller's Office Unclaimed Property Fund in the name of the affected employee. [Agreement §§ A(23), G(5), G(8)]. Funds will not revert back to Defendant under any circumstances. *Id.*

The release by the PAGA Group is appropriately limited to PAGA claims asserted in the operative First Amended Complaint or that could have been asserted based on the same underlying factual predicate, during the PAGA Period only. [Agreement §§ A(15), D(1)–(2)]. Plaintiffs have separately executed a broader general release. [Agreement § E(1)].

IV. LEGAL ANALYSIS

A. Standard for PAGA Settlement Approval

PAGA authorizes aggrieved employees to stand in the shoes of the State and seek civil penalties for Labor Code violations on its behalf and on behalf of affected workers. Lab. Code, § 2699, subd. (a); *Iskanian v. CLS Transp. Los Angeles*, LLC (2014) 59 Cal.4th 348, 380. PAGA serves a fundamentally public purpose: "to augment the limited enforcement capability of the LWDA by empowering employees to enforce the Labor Code as representatives of the Agency." *Id.* at 383. Because of this deputized enforcement role, a judgment or court-approved settlement in a PAGA action binds all aggrieved employees—but only with respect to the civil penalty claims brought on the State's behalf. *Id.* at p. 381.

"The superior court shall review and approve any settlement of any civil action filed pursuant to" PAGA. Lab. Code, § 2699, subd. (l)(2). "The proposed settlement shall be submitted to the [LWDA] at the same time that it is submitted to the court." *Id.* This review ensures "that any negotiated resolution is fair to those affected." *Williams v. Superior Court* (2017) 3 Cal.5th 531, 549.

"Aside from the requirement that the court 'review and approve' a settlement in a civil action filed under PAGA [citation], PAGA itself does not provide a standard for this review and approval in the majority of PAGA cases." *Moniz v. Adecco USA, Inc.* (2021) 72 Cal.App.5th 56, 75 [disapproved on other grounds by *Turrieta v. Lyft, Inc.* (2023) 14 Cal.5th 1017]. In *Moniz*, the court held "that a trial court should evaluate a PAGA settlement to determine whether it is fair, reasonable, and adequate in view of PAGA's purposes to remediate present labor law violations, deter future ones, and to maximize enforcement of state labor laws." *Id.* at 77.

Any negotiated resolution may be substantially discounted given that courts often exercise their discretion to award PAGA penalties below the statutory maximum even where a claim succeeds at trial. *Amaral v. Cintas Corp. No. 2* (2008) 163 Cal.App.4th 1157, 1213 ("Section 2699, subdivision (e)(2) provides that in an action by an aggrieved employee to recover PAGA penalties, the court 'may award a lesser amount than the maximum civil penalty amount specified by this part if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory.'"); *see also, Lopez v. Friant & Assocs.*, LLC (2017) 15 Cal.App.5th 773, 787 (recognizing the trial court's discretion to reduce PAGA penalties).

Furthermore, the *Moniz* court found the "abuse of discretion" standard appropriate when reviewing trial court PAGA settlement approval decisions. *Moniz*, *supra*, 72 Cal.App.5th at 77. This means trial courts have wide discretion to determine what is "fair, reasonable, and adequate in view of PAGA's purposes" because "abuse of discretion" means "a decision that exceeds the bounds of reason…or one that is arbitrary, capricious, patently absurd, or even whimsical." *Artus v. Gramercy Towers Condo. Ass'n* (2022) 76 Cal.App.5th 1043, 1050.

More recently, a California Supreme Court decision held that non-party aggrieved employees who are not named plaintiffs and have not intervened lack standing to move to vacate or object to the approval of a PAGA settlement. *Turrieta v. Lyft, Inc.* (2023) 14 Cal.5th 1017, 1023, 1036. The Court emphasized that "only the state or the deputized plaintiff may prosecute the action" and that PAGA "does not give unnamed employees the right to intervene or object." *Id.* This decision now governs the scope of permissible objections to PAGA settlements in California courts.

B. <u>Plaintiffs' Rationale for Accepting this PAGA Settlement</u>

Plaintiffs evaluated the proposed settlement by comparing the $640,000 gross settlement amount to potentially attainable maximum PAGA penalties, considering the evidence analyzed to date, Defendant's operational realities, and the substantial litigation risks that lie ahead. [Uriarte Dec. ¶ 7]. Plaintiffs limited their penalty calculations to meal and rest period violations because those were the most serious and consistently observed issues. The remaining claims, including unpaid wages linked to missed meal periods, inaccurate wage statements, and waiting time penalties are derivative of the underlying break violations and would more than likely not support separate or cumulative penalties as shown below. The business expense allegations brought under section 2802, while unrelated to the break claims, are minimal both in frequency and in potential monetary value. [Uriarte Dec. ¶ 8].

Under recently enacted Labor Code section 2699(i), an aggrieved employee "shall not collect a civil penalty" for violations of sections 201, 202, or 203, or for a violation of section 204 that is neither willful nor intentional, or a violation of section 226 that is neither knowing nor intentional and does not involve a failure to provide a wage statement, if those penalties are in addition to the civil penalty collected for the underlying unpaid wage violation. This provision confirms that when derivative claims arise from the same conduct, such as failure to provide compliant meal or rest periods, duplicative penalties are not permitted. Section 2699(i) also authorizes courts to reduce penalties where the same conduct or omission gives rise to multiple violations. In light of this statutory guidance, Plaintiffs appropriately focused their PAGA penalty assessment on the most direct and substantial violations—namely, the meal and rest period claims—and did not assign independent value to claims that were either derivative or de minimis in scope.

Furthermore, Defendant's practice of paying meal period premiums when attestations indicate missed breaks supports a discount to potential penalties, as it reflects a degree of remedial effort. [Uriarte Dec. ¶ 9]. Plaintiffs are also mindful that, absent a settlement in this case, other plaintiffs[2] with similar or identical lawsuits could pursue resolution, giving Defendant the

[2] Numerous similar or identical PAGA actions were filed against Defendant after Plaintiffs initiated this lawsuit. *See, Matthew Arnold v. G2 Secure Staff, L.L.C.*, Alameda County Superior Court Case No. 24CV097104; *Noah Barragan et al. v. G2 Secure Staff, L.L.C.*, Los Angeles County Superior Court Case No. 24STCV28833; *Samantha Blumert v. G2 Secure Staff, L.L.C. et al.*, United States District Court, Central District of California, Case No. 2:25-cv-00217-MEMF-PD.

opportunity to use prior negotiations to secure a less favorable outcome for the LWDA and aggrieved employees. *See*, *Turrieta*, *supra*, 14 Cal.5th at 1036 (unnamed employees lack standing to intervene or object); *Amaro v. Anaheim Arena Mgmt., LLC* (2021) 69 Cal.App.5th 521, 528 (reverse auctions are not inherently improper absent a showing of collusion).

i. Meal and Rest Period Penalties

Under PAGA, civil penalties for violations of meal and rest period requirements are commonly calculated using Labor Code section 558(a), which provides fifty dollars per employee for the initial violation and one hundred dollars for each subsequent violation. *See, Thurman v. Bayshore Transit Management, Inc.* (2012) 203 Cal.App.4th 1112, 1145 [disapproved on other grounds by *Kim v. Reins International California, Inc.* (2020) 9 Cal.5th 73] (section 558(a) penalties recoverable under PAGA for rest break violations). Plaintiffs applied the $50 initial violation rate to both categories of violations. Plaintiffs elected to use only the initial violation rate in recognition of the discretionary nature of PAGA penalties and in accordance with Labor Code section 2699(i), which prohibits cumulative penalties for derivative claims and authorizes courts to reduce penalties where the same conduct gives rise to multiple violations.

In assessing the practical likelihood and magnitude of violations, Plaintiffs relied on interviews and sworn declarations from seven aggrieved employees with direct knowledge of Defendant's break practices. [Uriarte Dec. ¶ 10]. The declarations describe a consistent pattern of noncompliance, with important differences between meal and rest period practices. *Id.* Declarants reported that rest break violations were widespread and ongoing throughout the PAGA period, often involving shifts with either no rest breaks or only one break taken while on duty and waiting at the gate. Employees consistently explained that they were expected to rest while remaining available for assignments, without any meaningful opportunity to step away. [Uriarte Dec. ¶ 11]. These conditions were attributed to chronic understaffing, unpredictable flight schedules, and Defendant's failure to assign relief workers or ensure break coverage. *Id.*

Although meal period violations were also reported, typically involving late or combined breaks, multiple declarants acknowledged that compliance has improved in recent months. [Uriarte Dec. ¶ 12]. Several employees confirmed that meal breaks, though often delayed in the past, are now more frequently provided on time. *Id.* Some also noted that Defendant has begun issuing premiums when meal breaks are missed. *Id.* Declarants linked these changes to the pressure created by this lawsuit. *Id.* Based on this evidence, Plaintiffs concluded that meal period violations, while still occurring, are less serious and less persistent than rest break violations, particularly during the latter portion of the PAGA period.

Accordingly, Plaintiffs valued one hundred percent of the initial violation exposure for rest break penalties, but discounted meal period penalties by seventy-five percent, assigning value to only twenty-five percent of the theoretical meal period exposure. This allocation reflects both the comparative severity of the violations and the firsthand accounts provided in the declarations. This allocation also reflects Plaintiffs' obligation to present a fair and evidence-based estimate of likely exposure, rather than relying on inflated or speculative figures. *See, Moniz v. Adecco USA, Inc.* (2021) 72 Cal.App.5th 56, 77; *Amaral v. Cintas Corp. No. 2* (2008) 163 Cal.App.4th 1157, 1213; Lab. Code, § 2699(i). Due to the foregoing, Plaintiffs arrived at theoretical penalties of $1,595,500 for meal period violations and $6,382,000 for rest break violations.

Number of PAGA Members	Employee Status	Number of Pay Periods	Meal Period Violations - Labor Code §558(a) $50/$100	Rest Break Violations - Labor Code §558(a) $50/$100
1,761	Current Employees	29,545	$ 738,609.88	$ 2,954,439.51
2,043	Non-Current Employees	34,276	$ 856,890.12	$ 3,427,560.49
Grand Total			**$ 1,595,500.00**	**$ 6,382,000.00**

ii. Defendant's Strongest Arguments and Litigation Risks

Despite the strengths mentioned above, Plaintiffs recognize several substantial risks, most articulated by Defendant during settlement negotiations, which could limit recovery or defeat liability if the case were to proceed. Defendant contends that it has lawful, facially compliant written policies concerning meal and rest periods, which are reviewed by counsel and communicated to employees during onboarding and through regular trainings. [Uriarte Dec. ¶ 13]. Defendant further states that its timekeeping system allows employees to attest to missed meal periods and triggers premium pay when such breaks are missed. *Id*. Defendant asserts that this system reflects good-faith compliance efforts and that meal period premiums have in fact been issued in certain circumstances. *Id.*

Defendant also raises concerns regarding manageability and representative proof. It reports that the PAGA group includes employees across seventy-three different job classifications, with varying duties, work locations, and supervisory structures. [Uriarte Dec. ¶ 3]. This level of variation undermines the viability of generalized proof and raises significant challenges for Plaintiffs in demonstrating uniform liability across the group. In addition, Defendant asserts that many employees are covered by collective bargaining agreements and argues that the Railway Labor Act preempts state-law enforcement of meal and rest period claims for those workers. [Uriarte Dec. ¶ 14]. Defendant maintains that litigating such claims would require interpretation of CBA provisions regarding break entitlements, which would place the claims outside the scope of PAGA and within the exclusive jurisdiction of federal labor law. *Id.*

Defendant further argues that its wage statements are accurate and compliant with Labor Code section 226, showing all required information including any premium pay when earned. [Uriarte Dec. ¶ 15]. As a result, it contends that any claim for derivative wage statement penalties is unwarranted and would be barred under Labor Code section 2699(i), which prohibits stacking multiple penalties for the same conduct. Defendant also argues that Plaintiffs' personal experiences as wheelchair attendants at SFO may not reflect broader conditions within the workforce. [Uriarte Dec. ¶ 16]. According to Defendant, break practices vary depending on terminal, shift, supervisor, and job classification. *Id.* Although Plaintiffs believe that the existence of several follow-on lawsuits supports their theory of systemic noncompliance, they recognize that Defendant may seek to highlight job-specific distinctions in an effort to reduce the evidentiary weight of Plaintiffs' testimony and declarations.

These arguments concerning policy documentation, variation in job duties, union coverage, preemption, and litigation manageability present material risks to continued prosecution of the case. Even if liability were established, Defendant is expected to argue for penalty reductions under Labor Code section 2699(e)(2) based on its asserted compliance efforts and the principle of proportionality. In view of these risks, along with incomplete discovery and the complexity of managing trial across a large and diverse workforce, Plaintiffs determined that a fair and non-reversionary PAGA settlement was the most prudent and reasonable resolution.

iii. Settlement Value in Relation to Risk-Adjusted Exposure and Public Benefit

The gross settlement amount of $640,000 represents approximately eight percent of the theoretical maximum penalty exposure calculated by Plaintiffs. Plaintiffs recognize that this percentage, viewed in isolation, may appear modest. However, in the context of representative PAGA actions, settlements frequently represent modest percentages of theoretical maximum penalties due to the discretionary nature of penalty awards under Labor Code section 2699(e)(2). Courts consistently reduce statutory penalties upon findings that maximum awards would be unjust, arbitrary, oppressive, or confiscatory. *See*, *e.g.*, *Amaral v. Cintas Corp. No. 2* (2008) 163 Cal.App.4th 1157, 1213; *Lopez v. Friant & Assocs.* (2017) 15 Cal.App.5th 773, 787.)

Moreover, the eight percent recovery reflects an informed and realistic assessment of multiple critical litigation risks. Defendant has documented premium pay practices for missed breaks, facially compliant policies, and wide variation among its large workforce. These factors would strongly favor penalty reductions at trial. Defendant also maintains substantial legal defenses, including Railway Labor Act preemption arguments and collective bargaining issues, all of which materially threaten Plaintiffs' ability to establish liability comprehensively across the PAGA group.

Courts regularly approve PAGA settlements in single-digit percentages or less when supported by rigorous risk assessment and detailed justification. *See*, *e.g.*, *Nordstrom Commission Cases* (2010) 186 Cal.App.4th 576 [approving a class settlement with no PAGA allocation despite PAGA claim]. Viewed within this broader context and supported by detailed record evidence, the eight percent recovery here is fair, reasonable, and adequate. It represents a prudent balance between theoretical maximum penalties and substantial litigation uncertainty, ensuring meaningful financial recovery and important workplace compliance improvements.

C. <u>The Requested Attorney's Fees and Costs are Reasonable</u>

i. <u>Legal Standard for Attorneys' Fee Awards in Representative Actions</u>

PAGA allows a prevailing plaintiff to obtain attorneys' fees and costs. Cal. Lab. Code §

2699(g). The U.S. Supreme Court has recognized that "a lawyer who recovers a common fund for the benefit of persons other than himself or his client is entitled to a reasonable attorney's fee from the fund as a whole." *Boeing Co. v. Van Gemert* (U.S. 1980) 444 U.S. 472, 478. *Accord*, *Serrano v. Priest* [Serrano III] (1977) 20 Cal.3d 25, 38 (trial courts have equitable power to award attorneys' fees and costs when a litigation proceeding in a representative capacity secures a substantial benefit). The purpose of the "common fund doctrine" is not only to reward effective legal advocacy but to "spread litigation costs proportionally among all of the beneficiaries" preventing unjust enrichment. *Vincent v. Hughes Air West, Inc*. (9th Cir. 1977) 557 F.2d 759, 769. Both state and federal courts in California have embraced the common fund doctrine. *E.g, Roos v. Honeywell Internat., Inc.* (2015) 241 Cal.App.4th 1472, 1490.

In *Laffitte v. Robert Half Internat., Inc.*, the California Supreme Court "join[ed] the overwhelming majority of federal and state courts in holding that when class action litigation establishes a monetary fund for the benefit of the class members, and the trial court in its equitable powers awards class counsel a fee out of that fund, the court may determine the amount of a reasonable fee by choosing an appropriate percentage of the fund created." *Laffitte v. Robert Half Internat., Inc.* (2016) 1 Cal. 5th 480, 503. Plaintiffs submit that this guidance should apply equally to representative actions under PAGA.

The Supreme Court highlighted some of the many advantages of the percentage method: "relative ease of calculation, alignment of incentives between counsel and the class, a better approximation of market conditions in a contingency case, and the encouragement it provides counsel to seek an early settlement and avoid unnecessarily prolonging the litigation." *Id.* In addition to its apparent endorsement of the percentage fee method, the *Laffitte* Court clarified that it does not "perceive an abuse of discretion in [a] court's decision to double check the reasonableness of the percentage fee through a lodestar calculation." *Id.* at 504. The *Laffitte* Court regards the lodestar cross-check as "a mechanism for bringing an objective measure of the work performed into the calculation of a reasonable attorney fee." *Id.*

In Plaintiffs' view, *Lafitte* stands for the proposition that a trial judge may rely on his or her discretion and utilize either the percentage method, the lodestar method, or both to calculate a reasonable attorney's fee. Furthermore, should a lodestar crosscheck be elected, the trial court does not abuse its discretion whether it chooses to "perform[] the cross-check using counsel declarations summarizing overall time spent" or opts to do a more detailed analysis of daily time sheets. *Id.* at 505. Indeed, "[t]he choice of a fee calculation method is generally one within the discretion of the trial court, the goal…being the award of a reasonable fee to compensate counsel for their efforts." *Id.* at 504.

Laffitte affirmed a fee award representing 33 and 1/3 percent of the fund. *Laffitte*. *Id.* at 506. And this was based on a lodestar amount that required a multiplier of 2.13. *Id*. at 487. As the Court held, only when the multiplier is "extraordinarily high or low [should] the trial court [] consider whether the percentage method should be adjusted so as to bring the imputed multiplier within a justifiable range." *Id*. at 505.

ii. *33.33% of the Maximum Settlement Fund and the Requested Costs Reimbursement are Appropriate and Should be Awarded*

Plaintiffs request attorneys' fees totaling $213,312, representing 33.33 percent of the $640,000 gross settlement amount. This request is reasonable, appropriate, and fully justified under the applicable standards set forth in *Laffitte v. Robert Half International, Inc.* (2016) 1 Cal.5th 480, and the equitable principles underlying the common fund doctrine.

First, the requested percentage is consistent with, and indeed typical of, attorneys' fees regularly awarded in California representative actions and PAGA settlements. *See*, *e.g.*, *Laffitte*, *supra*, at p. 506 [affirming a 33.33 percent fee]; *Roos v. Honeywell Int'l, Inc.* (2015) 241 Cal.App.4th 1472, 1494 (overruled on other grounds by *Hernandez v. Restoration Hardware, Inc.* (2018) 4 Cal. 5th 260, 269 [finding a one-third common fund attorneys' fee award reasonable and appropriate].

Second, counsel undertook significant contingency risk in litigating this matter, investing considerable time and resources without assurance of compensation. [Uriarte Dec. ¶ 2]. As the California Supreme Court explained in *Ketchum v. Moses* (2001) 24 Cal.4th 1122, 1132, a multiplier that compensates counsel for contingency risk ensures skilled representation in complex, public-policy-driven cases such as those under PAGA.

Third, counsel's lodestar supports the requested percentage fee. Counsel expended 171.5 hours, generating a lodestar of $91,372. [*See,* Uriarte Dec., Exhibit "2"]. This results in a multiplier of approximately 2.33, which falls squarely within the range routinely approved by California courts in contingent, representative actions. *See*, *e.g.*, *Laffitte*, supra, 1 Cal.5th at p. 487 [affirming 2.13 multiplier]; *Chavez v. Netflix, Inc.* (2008) 162 Cal.App.4th 43, 66 [affirming multiplier of 2.5].

Fourth, Plaintiffs' counsel has considerable expertise in wage and hour litigation, specifically in representative and PAGA actions, which enabled him to efficiently and effectively negotiate a substantial, non-reversionary settlement that benefits the LWDA, thousands of employees, and the public interest. [Uriarte Dec. ¶¶ 18-19]. Counsel's skill and reputation contributed directly to the outcome here, warranting the requested multiplier.

Finally, awarding a percentage-based fee aligns counsel's interests with those of the LWDA and aggrieved employees, encouraging counsel to maximize recovery, avoid unnecessary litigation expenses, and achieve a swift resolution. Plaintiffs submit that the requested fee award thus fairly and appropriately compensates counsel for their substantial effort, risk, and expertise, and should be granted.

Plaintiffs also request reimbursement of $14,370.06 in litigation costs on behalf of their counsel, all of which were reasonably incurred in the direct prosecution of the case. These include the mediator's fee, court filing expenses, legal research, and other necessary outlays. [*See,* Uriarte Dec., Exhibit "3"]. Plaintiffs submit that the requested costs are fair, reasonable, and should be reimbursed.

D. Plaintiffs' Enhancement Requests Are Fair, Adequate, and Reasonable

Plaintiffs Cruz and Flores each seek an enhancement award of $5,000, for a total of $10,000. These requested awards serve several important functions. They compensate Plaintiffs for the time and effort they devoted to this case, acknowledge the reputational and financial risks they accepted by stepping forward in a representative capacity, and recognize that both Plaintiffs agreed to broader release terms than those applicable to the rest of the PAGA Group. *See*, *Rodriguez v. West Publ'g Corp.* (9th Cir. 2009) 563 F.3d 948, 958; *Radcliffe v. Experian Info. Solutions* (9th Cir. 2013) 715 F.3d 1157, 1163 (incentive awards must be fair in relation to group recovery and not incentivize plaintiffs to favor their own interests over those they represent).

Courts have approved enhancement awards in the $10,000 range in wage and hour class and representative actions when the plaintiffs demonstrated meaningful involvement and assumed personal risk. For instance, in *Bellinghausen v. Tractor Supply Co.* (N.D. Cal. 2015) 306 F.R.D. 245, the court approved a $15,000 award where the plaintiff invested significant time and faced workplace retaliation risk. In *Glass v. UBS Financial Services, Inc.* (N.D. Cal. Jan. 26, 2007) 2007 WL 221862, the court approved $25,000 awards where the plaintiffs' efforts were critical to resolution and their share of the fund remained modest. In *Covillo v. Specialty's Café & Bakery, Inc.* (N.D. Cal. Mar. 6, 2014) 2014 WL 954516, enhancement awards of $8,000 were found reasonable where plaintiffs assisted with discovery and accepted reputational risk.

Plaintiffs Cruz and Flores actively supported the case at every stage. They each retained counsel, participated in pre-filing interviews, provided key information about the workplace and scheduling practices, and responded to follow-up questions throughout the litigation. Each spent dozens of hours assisting with investigation, reviewing documents, preparing for mediation, and participating in strategic discussions. [Cruz Dec. ¶¶ 5-7; Flores Dec. ¶¶ 5-7] [3]. Their cooperation and insight were vital to Plaintiffs' ability to evaluate claims, respond to defenses, and ultimately achieve a fair resolution.

Importantly, both Plaintiffs agreed to execute general releases, including a California Civil Code § 1542 waiver, releasing not only their PAGA claims but any and all claims they may have had against Defendant. [*See*, Agreement ¶ E.] These general releases are broader than the narrow release applicable to the PAGA Group and reflect the heightened burden Plaintiffs accepted in order to help bring the case to resolution. They also took on reputational and professional risk by asserting systemic workplace violations against their former employer.

Given the active role they played, the scope of their personal release, and the risks they bore, the requested enhancement awards of $5,000 each are well supported and consistent with the prevailing standards for representative action incentives. Plaintiffs respectfully request the Court approve these awards as part of the settlement.

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[3] Plaintiffs' Declarations in support of this motion are attached to Uriarte Dec. as Exhibit 4.

V. NOTICE TO THE LWDA

Concurrent with this filing, Plaintiffs have uploaded the instant motion and all accompanying documents, including the Agreement, to the LWDA's website. A proof of service will be filed promptly. [Uriarte Dec. ¶ 17].

VI. CONCLUSION & REQUEST FOR APPROVAL

Plaintiffs respectfully request that the Court grant this motion for PAGA settlement approval, including their requested deductions, as they submit that the civil penalties provisions of the Labor Code have been vindicated in favor of the LWDA and all Aggrieved Employees.

Dated: August 7, 2025,

Respectfully Submitted,

Arlo Garcia Uriarte
Liberation Law Group, P.C.
Attorneys for PLAINTIFFS

PROOF OF SERVICE

I, the undersigned, hereby declare:

I am employed in the City of San Francisco, State of California. I am over the age of 18 years and not a party to the within cause; my business address is 2760 Mission Street, San Francisco, California.
I served the document(s) listed below as follows:
Date Served: August 7, 2025
Documents Served:

- NOTICE OF MOTION AND MOTION FOR APPROVAL OF SETTLEMENT OF PLAINTIFFS' CLAIM FOR PENALTIES UNDER CALIFORNIA LABOR CODE SECTION 2698, ET SEQ.;
-DECLARATION OF ARLO URIARTE IN SUPPORT OF MOTION FOR APPROVAL OF PAGA SETTLEMENT;
-PROPOSED] ORDER GRANTING MOTION FOR APPROVAL OF PAGA SETTLEMENT AND JUDGMENT

Parties Served: Kathy Gao kathygao@gbpll.com Tuyet Lu tuyetlu@gbpll.com 633 West 5th Street, Suite 1500, LA California 90071	

[x] BY ELECTRONIC MAIL: I caused true and correct copies of the above document(s) to be sent to the person(s) at the electronic service address(es) listed above. Such documents were transmitted via electronic mail from the electronic address: luiseth@liberationlawgroup.com in portable document format ("PDF") Adobe Acrobat.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration was executed on August 7, 2025 at San Francisco, California.

Luiseth Contreras