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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ALAMEDA

GENERO MATA, on behalf of himself and all
other aggrieved employees,

Plaintiff,

v.

HYATT CORPORATION DBA
WATERFRONT HOTEL, a Delaware
Corporation doing business in California; and
DOES 1- 50, Inclusive,

Defendant.

Case No. 23CV033777

Assigned to Hon. Patrick McKinney, Dept. 18

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

Date: July 14, 2026

Time: 1:30 p.m.

Dept.: 18

Reservation #: 038888672418

Hill Complaint Filed: October 31, 2024

Mata Complaint Filed: May 18, 2023

First Amended Complaint Filed: March 13,
2026

Trial Date: None Set

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Attorneys for Plaintiffs Nalesha Hill and Genero Mata and the Class

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on July 14, 2026 at 1:30 p.m., or as soon thereafter as the matter may be heard in Department 18, of the above-entitled court located at 1225 Fallon Street, Oakland, California 94612, Plaintiffs Genero Mata ("Mata") and Nalesha Hill ("Hill") (collectively, "Plaintiffs"), will and hereby do seek an Order:

1. Granting preliminary approval of the Class Action and PAGA Settlement Agreement ("Settlement Agreement" or "Agreement") in this action;
2. Certifying the following Class for settlement purposes only: "all individuals who worked as hourly, non-exempt employees for Defendant's Waterfront Hotel location in the State of California who were employed at any time between October 31, 2021 through January 31, 2025";
3. Preliminarily approving distribution of the Class Notice pursuant to the terms of the Settlement Agreement;
4. Preliminarily approving Plaintiffs' request for a service award of \$10,000.00 to each of the Class Representatives pursuant to the terms of the Settlement Agreement;
5. Preliminarily approving Class Counsel's request for an award of attorneys' fees of 33 1/3% of the Gross Settlement Amount, or approximately \$125,000.00, and reimbursement of litigation costs of up to \$25,000.00 pursuant to the terms of the Agreement;
6. Preliminarily approving payment of the settlement administration costs to Phoenix Settlement Administrators in the amount of up to \$7,500.00, pursuant to the terms of the Agreement;
7. Preliminarily approving PAGA payment of \$40,000.00 (75% to be paid to the LWDA and 25% to the aggrieved employees), pursuant to the terms of the Agreement;
8. Preliminarily approving the Agreement and the total Gross Settlement Amount in the amount of Three Hundred Seventy-Five Thousand Dollars (\$375,000.00);

- 1 9. Finding on a preliminary basis that the Agreement appears to be within the range of
2 reasonableness of a settlement, including the amount of the PAGA penalties, the
3 service award to the Class Representatives, Class Counsel's award of attorneys' fees
4 and costs, settlement administration costs, and the allocation of individual payments
5 to Class Members, that could ultimately be given final approval by this Court;
- 6 10. Appointing Plaintiffs Nalesha Hill and Genero Mata as the Class Representatives and
7 Larry W. Lee of Diversity Law Group, P.C.; Edward W. Choi of Law Offices of Choi
8 & Associates; and Justin Lo of Work Lawyers, PC as Class Counsel;
- 9 11. Appointing Phoenix Settlement Administrators as the Settlement Administrator; and
10 12. Scheduling the matter for a Final Fairness and Final Approval hearing.

11 This motion is made pursuant to Rule 3.769 of the California Rules of Court, which
12 provides for court approval of the settlement of a purported class action and allows the Court to
13 grant preliminary certification of a class for settlement purposes, and pursuant to Labor Code
14 section 2699(l) for approval of the PAGA settlement.

15 This motion will be based on the attached Memorandum of Points and Authorities, the
16 supporting Declarations of Larry W. Lee, Edward W. Choi, Justin Lo, Plaintiffs Nalesha Hill and
17 Genero Mata, and the Settlement Administrator, the Settlement Agreement and the proposed
18 Class Notice, upon the oral arguments of counsel (should there be any), and on the complete
19 records and file herein.

20 DATED: June 10, 2026

DIVERSITY LAW GROUP, P.C.
LAW OFFICES OF CHOI & ASSOCIATES, P.C.
WORK LAWYERS, P.C.

23 By: 

24 Larry W. Lee
25 Edward W. Choi
26 Justin Lo
27 Attorneys for Plaintiffs
28

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1 **I. INTRODUCTION**

2 This is a wage and hour class action and Private Attorneys General Act ("PAGA")
3 representative action seeking damages and statutory penalties under the California Labor Code.
4 Plaintiffs Nalesha Hill and Genero Mata ("Plaintiffs") allege that Defendant Hyatt Corporation
5 ("Defendant") failed to pay sick pay at the regular rate of pay and failed to provide accurate
6 itemized wage statements, in violation of Labor Code sections 201-203, 233, 246, and 226. The
7 Mata action further asserts PAGA claims for violations of Labor Code sections 201-204, 226,
8 226.3, 226.7, 246, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, and
9 2802. The Parties have reached a class and PAGA action settlement, the terms of which are
10 reflected in the Parties' Class Action and PAGA Settlement Agreement ("Agreement").

11 Prior to the settlement of this action, the Parties thoroughly investigated the facts relating
12 to the class and PAGA claims alleged in this lawsuit and engaged in a thorough study of the legal
13 principles applicable to the claims asserted against Defendant. Through the exchange of formal
14 and informal discovery, Defendant provided necessary data pertaining to the putative class
15 members, time and payroll records, as well as information pertaining to Defendant's sick pay
16 calculation and wage statement policies and practices. The information provided by Defendant
17 allowed Plaintiffs to review and analyze the liability and potential exposure. Thereafter, the
18 Parties attended a full day of mediation with private mediator Daniel J. Turner, Esq. of Judicate
19 West on March 31, 2025. While the Parties were unable to reach an agreement at mediation, they
20 continued arm's-length negotiations facilitated by Mr. Turner and ultimately reached the current
21 settlement.

22 The terms of the Agreement provide that Defendant pay a Gross Settlement Amount of
23 Three Hundred Seventy-Five Thousand Dollars (\$375,000.00) to resolve the class and PAGA
24 claims. Significantly, the entire Gross Settlement Amount will be distributed to the class on a
25 **non-reversionary** basis, such that no remaining monies will revert to Defendant. Further, no
26 claim forms are required. The following represents the key terms of the settlement:

- 27 • Gross Settlement Amount of \$375,000.00;
- 28 • Estimated class size of 156 individuals in the Class;

- Service Award to the Class Representatives of up to \$10,000.00 each;
- Class Counsel's attorneys' fees of one-third of the Gross Settlement Amount, up to \$125,000.00;
- Class Counsel's costs of up to \$25,000.00;
- Settlement administration costs of up to \$7,500.00;
- Payment to the California Labor & Workforce Development Agency ("LWDA") of \$30,000.00, representing 75% of the total PAGA Payment of \$40,000;
- Net Settlement Amount of approximately \$157,500, which will be apportioned among the Class Members on a pro rata basis, based on the number of workweeks worked during the Class Period; and
- Raw average of approximately \$1,009.62 to each Participating Class Member (or Class Member who does not opt out of the settlement).

The Parties and their respective counsel believe that the settlement for the consideration and on the terms set forth in the Agreement is fair, reasonable, and adequate, in light of all known circumstances and the expenses and risks inherent in litigation. Although Plaintiffs and their counsel are confident that they can prevail on class certification, as well as on the merits, they recognize the inherent risks in drawn-out litigation and the specific risks that the Class might not be certified and/or that Plaintiffs could fail to establish liability.

Therefore, the Parties respectfully request that the Court grant this Motion for Preliminary Approval of the Class and PAGA Action Settlement.

II. PROCEDURAL HISTORY

On March 3, 2023, Plaintiff Genero Mata filed his written notice with the California Labor & Workforce Development Agency, alleging violations of Labor Code sections 201, 202, 203, 204, 226, 226.3, 226.7, 246, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, and 2802 pursuant to the Private Attorneys General Act, Labor Code section 2699 ("PAGA"). (Declaration of Justin Lo ("Lo Decl.") ¶9.)

///

1 Thereafter, on May 18, 2023, Plaintiff Mata filed his Representative Action Complaint
2 against Defendant in the Superior Court of California, County of Alameda, Case No.
3 23CV033777 (the "Mata Action"). (Lo Decl. ¶10.) The Mata Action asserted PAGA claims that
4 Defendant failed to provide accurate wage statements, failed to provide meal and rest periods,
5 failed to pay meal and rest period premiums, failed to timely pay wages during employment and
6 at separation, and failed to reimburse reasonable business expenses. (*Id.*) On June 29, 2023,
7 Defendant filed its Answer to the Mata Complaint. (*Id.* ¶11)

8 On July 15, 2024, Plaintiff Nalesha Hill filed her written notice with the California Labor
9 & Workforce Development Agency, alleging violations of Labor Code sections 201-204, 233,
10 246, and 226 pursuant to PAGA. (Declaration of Edward W. Choi ("Choi Decl.") ¶3, Ex. A.)

11 On October 31, 2024, Plaintiff Hill filed her Class Action Complaint against Defendant
12 in the Superior Court of California, County of Alameda, Case No. 24CV097837 (the "*Hill*
13 *Action*"). (Choi Decl. ¶4). The *Hill Action* alleged that Defendant failed to pay sick pay at the
14 regular rate of pay and failed to provide accurate itemized wage statements, in violation of Labor
15 Code sections 201-203, 233, 246, and 226. (*Id.*) On December 4, 2024, Defendant filed its
16 Answer to the *Hill Action*. (*Id.* ¶4)

17 Prior to mediation, Defendant produced necessary data to Plaintiffs to conduct a thorough
18 investigation and liability assessment. (Lo Decl. ¶¶15-16) Defendant provided time punch data,
19 payroll data, and meal and rest period attestation data for the entire Class Period, encompassing
20 data for both Class Members and Aggrieved Employees. (*Id.*) Plaintiffs' counsel analyzed the
21 data produced by Defendant, including sample payroll records, time records, wage statements,
22 personnel policies, and other relevant documents. (*Id.*) Plaintiffs also retained EconOne Research
23 to perform data analysis of the records produced by Defendant. (*Id.*)

24 On March 31, 2025, the Parties engaged in a full-day mediation with mediator Daniel J.
25 Turner, Esq., a respected mediator of wage and hour representative and class action cases. (Lo
26 Decl. ¶17.) The Parties did not reach an agreement at mediation. (*Id.*) However, following the
27 mediation, the Parties continued arm's-length negotiations through the mediator. (*Id.*) The Parties
28

1 ultimately accepted the mediator's proposal, which was memorialized via email communication.
2 (*Id.*)

3 Following their agreement-in-principle, the Parties collaboratively drafted the Joint
4 Stipulation of Class Action and PAGA Settlement Agreement setting forth the settlement terms
5 now before the Court for approval. (Lo Decl. ¶18.) A fully-executed, true and correct copy of the
6 Settlement Agreement is attached to the Lo Declaration as Exhibit B. (Lo Decl. ¶18; Ex. B.)

7 In order to effectuate and facilitate the settlement approval process, and to conserve the
8 Court's and the Parties' resources, the Parties sought to consolidate the Hill Action and the Mata
9 Action for purposes of requesting Court approval of the settlement. (Lo Decl. ¶19.) On March
10 12, 2026, the Parties filed a Joint Stipulation for Leave to File First Amended Complaint in the
11 Mata Action. (*Id.* ¶20) On March 12, 2026, this Court granted the Joint Stipulation, and on
12 March 13, 2026, Plaintiffs filed their First Amended Class and Representative Action Complaint,
13 which added Plaintiff Hill as a named plaintiff and added class claims to the Mata Action,
14 thereby consolidating the Actions for settlement purposes. (*Id.*)

15 The Parties recognize the risk, expense, and delay in continuing litigation with the class
16 and PAGA claims, and believe the settlement to be fair, reasonable, and adequate. (Lo Decl. ¶21;
17 Lee Decl. ¶2; Choi Decl. ¶6.) Accordingly, the Parties desire to settle, compromise, and
18 discharge all disputes and claims arising out of the matters alleged in this Action. (*Id.*)

19 **III. SETTLEMENT TERMS OVERVIEW AND CLASS/PAGA DEFINITIONS**

20 Under the settlement, Defendant will pay a Gross Settlement Amount ("GSA") of
21 \$375,000.00 into a common fund. (Agreement ¶ 1.22, 3.1.) The Agreement provides for
22 attorney's fees of up to \$125,000.00 (33 1/3% of the GSA), litigation costs of up to \$25,000.00,
23 settlement administration costs of no more than \$7,500.00, a service award to each Plaintiff of no
24 more than \$10,000.00 (\$20,000 total), and PAGA civil penalties of \$40,000.00 (of which 75% or
25 \$30,000.00 will go to the LWDA and 25% or \$10,000.00 will go to the Aggrieved Employees on
26 a pro rata basis), all of which will be paid from the GSA. (*Id.* at ¶¶ 3.2, 10.) No portion of the
27 GSA will revert to Defendant. (*Id.* at ¶ 3.1.) Defendant will pay any and all applicable employer-
28 side payroll taxes separately and in addition to the GSA. (*Id.*) The balance will be allocated pro

1 rata to the Participating Class Members based on their workweeks worked during the Class
2 Period. (*Id.* at ¶ 1.23.)

3 **A. Definition of the Settlement Class**

4 The settlement provides for conditional certification of a settlement class defined as "all
5 individuals who worked as hourly, non-exempt employees for Defendant's Waterfront Hotel
6 location in the State of California who were employed at any time between October 31, 2021
7 through January 31, 2025." (Agreement ¶ 1.5) Based on its records, Defendant represents that
8 there are approximately 156 Class Members. (*Id.* at ¶¶ 1.9, 10.)

9 **B. Definition of the Aggrieved Employees**

10 The Aggrieved Employees are defined as "all individuals who worked as hourly, non-
11 exempt employees for Defendant's Waterfront Hotel location in the State of California at any
12 time between May 18, 2022 through January 31, 2025." (Agreement ¶ 1.4.) Based on its records,
13 Defendant represents that there are approximately 4,300 pay periods in the PAGA Period. (*Id.* at
14 ¶ 10.)

15 **C. Payment Calculation and Escalator Provision**

16 Individual Class Payments will be calculated pro rata based on the number of workweeks
17 each Participating Class Member worked during the Class Period. (Agreement ¶ 1.23.)
18 Individual PAGA Payments will be calculated pro rata based on the number of pay periods each
19 Aggrieved Employee worked during the PAGA Period. (*Id.* at ¶ 1.24.) If the actual number of
20 Class Members exceeds 156 by more than 5% (i.e., more than 163 Class Members), Defendant
21 will, at its option, either increase the Gross Settlement Amount proportionally above the 5%
22 figure or elect to shorten the applicable release periods. Similarly, if the actual number of PAGA
23 Pay Periods exceeds 4,300 by more than 10% (i.e., more than 4,730 pay periods), Defendant
24 will, at its option, either increase the Gross Settlement Amount proportionally above the 10%
25 figure or elect to shorten the applicable release periods. (*Id.* at ¶ 10.)

26 **IV. SETTLEMENT DISTRIBUTION AND PAYMENT TERMS**

27 The Agreement provides for Three Hundred Seventy-Five Thousand Dollars
28 (\$375,000.00) as the Gross Settlement Amount. (Agreement ¶¶ 1.22, 3.1.) The Net Settlement

1 Amount is estimated to be approximately \$157,500, calculated after deduction of attorneys' fees
2 (up to \$125,000.00), litigation costs (up to \$25,000.00), the service award to each Class
3 Representative (up to \$10,000.00 each, or \$20,000.00 total), payment of PAGA penalties to the
4 LWDA (\$30,000.00) and Aggrieved Employees (\$10,000.00), and Administrative Costs (up to
5 \$7,500.00), is estimated to be approximately \$. (*Id.* at ¶¶ 3.2, 7.2, 7.3.) Based thereon, on a raw
6 average, each Class Member may potentially recover approximately \$1,009.62. (Lo Decl. ¶22.)

7 This is a cash settlement that does not require Participating Class Members to submit a
8 claim form to receive their settlement share. (Agreement ¶ 3.2(d).) Participating Class Members
9 will receive their settlement checks automatically via First Class U.S. Mail. (*Id.* at ¶ 5.2.) Each
10 Participating Class Member will receive a share of the Net Settlement Amount based on a
11 proportional number of pay periods worked by each Class Member during the Class Period. (*Id.*
12 at ¶¶ 1.23, 3.2(d).) The proposed allocation provides a reasonable way to compensate Class
13 Members based on the amount of time they worked for Defendant in California.

14 The Agreement provides that 20% of each Participating Class Member's Individual Class
15 Payment will be allocated to settlement of wage claims (the "Wage Portion"), which will be
16 subject to tax withholding and reported on an IRS W-2 Form. (*Id.* at ¶ 3.2(d)(i).) The remaining
17 80% will be allocated to settlement of claims for non-wages, expense reimbursement, interest
18 and penalties (the "Non-Wage Portion"), which will not be subject to wage withholdings and will
19 be reported on IRS 1099 Forms. (*Id.*) This allocation provides a higher upfront payment to Class
20 Members with less being withheld and is consistent with case authority.

21 Defendants will pay any and all applicable employer-side payroll taxes on the Wage
22 Portion of the Individual Class Payments separately and in addition to the GSA. (*Id.* at ¶ 3.1.)
23 The Administrator will disburse the entire Gross Settlement Amount without asking or requiring
24 Participating Class Members to submit any claim as a condition of payment, and none of the
25 Gross Settlement Amount will revert to Defendant. (*Id.*)

26 The Administrator will issue and mail all disbursement checks within 14 days after
27 Defendant fully funds the Gross Settlement Amount, which must occur no later than 3 days after
28 the Effective Date. (*Id.* at ¶¶ 4.2, 5.2.) Each check will have a void date of 180 days after

1 mailing. (*Id.* at ¶ 5.2.) If a Participating Class Member's or Aggrieved Employee's check is not
2 cashed within 120 days after its last mailing, the Administrator will send the individual a notice
3 informing him or her that unless the check is cashed by the void date, it will expire and become
4 non-negotiable, and offering to replace the check if it was lost or misplaced but not cashed. (*Id.*)
5 Subject to the Court's approval, any amounts not claimed because a Class Member does not cash
6 their settlement check will be transmitted to the California Controller's Unclaimed Property
7 Fund, thereby leaving no "unpaid residue." (*Id.* at ¶ 5.4.)

8 **V. SETTLEMENT ADMINISTRATION AND NOTICE PROCEDURES**

9 **A. Settlement Administrator**

10 The Parties have jointly selected Phoenix Settlement Administrators ("Phoenix") to serve
11 as the Settlement Administrator. (Agreement ¶ 8.1.) Phoenix is a qualified, experienced class
12 action settlement administrator with significant expertise in administering wage and hour class
13 action settlements. (Declaration of Phoenix Settlement Administrators ("Phoenix Decl.") ¶[#].)
14 Phoenix has agreed to perform, as a fiduciary, all duties specified in the Agreement in exchange
15 for payment of Administration Expenses. (Agreement ¶ 8.1.) The Parties and their Counsel
16 represent that they have no interest or relationship, financial or otherwise, with Phoenix other
17 than a professional relationship arising out of prior experiences administering settlements. (*Id.*)

18 **B. Administrator's Duties and Responsibilities**

19 Phoenix's duties include notifying Class Counsel, no later than three (3) business days
20 after receipt of the Class Data, of the number of Class Members, PAGA Members, workweeks,
21 and pay periods reflected in the Class Data; preparing, printing, and mailing the Class Notice
22 Packet to all Class Members; conducting a National Change of Address ("NCOA") search to
23 update Class Member addresses before mailing the Class Notice Packets; re-mailing Class
24 Notice Packets that are returned to the Class Member's new address; setting up a toll-free
25 telephone number, email address, fax number, and internet website to receive communications
26 from Class Members; receiving and reviewing for validity completed Requests for Exclusion;
27 providing the Parties with weekly status reports about the delivery of Class Notice Packets and
28 receipt of Requests for Exclusion, objections and disputes; calculating Individual Class Payments

1 and Individual PAGA Payments; issuing the checks to effectuate the payments due under the
2 Settlement; issuing the tax reports required under this Settlement; and otherwise administering
3 the Settlement pursuant to the Agreement. (Agreement ¶ 8.1.) Phoenix will also establish a
4 Qualified Settlement Fund ("QSF") that meets the requirements of U.S. Treasury Regulation
5 section 468B-1. (*Id.* at ¶ 8.3.)

6 The estimated settlement administration costs will not exceed \$7,500.00. (Agreement ¶
7 3.2(c); Phoenix Decl. ¶[#].) Phoenix's "not to exceed" bid is attached to the Phoenix Declaration
8 as Exhibit [#]. (Phoenix Decl. ¶[#], Ex. [#].) If the actual administration costs are less than
9 \$7,500.00, the difference will remain in the Net Settlement Amount for distribution to
10 Participating Class Members. (Agreement ¶ 3.2(c).)

11 **C. Class Data and Notice Mailing**

12 Defendant will provide the Administrator with Class Data in the form of a Microsoft
13 Excel spreadsheet. (Agreement ¶ 4.1.) The Class Data includes each Class Member's name, last-
14 known mailing address, Social Security number, email address (if available), the number of pay
15 periods worked by each Aggrieved Employee during the PAGA Period, and the number of
16 workweeks worked by each Class Member during the Class Period. (*Id.* at ¶ 1.8.)

17 Using best efforts to perform as soon as possible, and in no event later than 14 days after
18 receiving the Class Data, the Administrator will send to all Class Members identified in the Class
19 Data, via first-class United States Postal Service mail, the Class Notice with Spanish translation.
20 (Agreement ¶ 8.4(b).) Before mailing Class Notices, the Administrator will update Class
21 Member addresses using the National Change of Address database. (*Id.*) Not later than 7 days
22 after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the
23 Administrator will re-mail the Class Notice using any forwarding address provided by the USPS.
24 (*Id.* at ¶ 8.4(c).) If the USPS does not provide a forwarding address, the Administrator will
25 conduct a Class Member Address Search, and re-mail the Class Notice to the most current
26 address obtained. (*Id.*)

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1 **D. Notice Content and Communication Methods**

2 The Class Notice will be provided to Class Members in English with a Spanish
3 translation in the form set forth as Exhibit A to the Agreement. (Agreement ¶¶ 1.11, 1.12; see
4 Ex. B to Lo Decl.) The first page of the Class Notice will prominently estimate the dollar
5 amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class
6 Member, and the number of workweeks and PAGA pay periods (if applicable) used to calculate
7 these amounts. (Agreement ¶ 8.4(b).) The Class Notice will inform Class Members of the key
8 settlement terms, the estimated individual payment, the release of claims, the procedures to opt
9 out or object to the settlement, and the date, time, and location of the Final Approval Hearing.
10 (See Ex. B to Lo Decl.)

11 The Administrator will establish and maintain an internet website to post information of
12 interest to Class Members, including the date, time and location for the Final Approval Hearing
13 and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary
14 Approval Order, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel
15 Fees and Expenses Payment, and Class Representative Service Payment, the Final Approval
16 Order, and the Judgment. (Agreement ¶ 8.8(a).) The Administrator will also maintain and
17 monitor an email address and a toll-free telephone number to receive Class Member calls, faxes,
18 and emails. (*Id.*)

19 Class Members will have 45 calendar days after the Administrator mails the Class Notice
20 Packet to submit any Requests for Exclusion or objections to the Settlement. (Agreement ¶¶
21 8.5(a), 8.7(b).) This notice plan satisfies the requirements of due process and California Rules of
22 Court, rule 3.769(f), by providing the best notice practicable under the circumstances to inform
23 Class Members of the Settlement and their rights.

24 **VI. OPT-OUT, OBJECTION, AND DISPUTE PROCEDURES**

25 The Class Notice will advise Class Members of their rights under the Settlement,
26 including their opportunity to opt out of or object to the Settlement. (Agreement 8.4(b), 8.5, 8.7;
27 see Notice of Settlement, Ex. B to Lo Decl.) Class Members will have 45 calendar days after the
28 Administrator mails the Class Notice Packet to submit any Requests for Exclusion or objections

1 to the Settlement (the "Response Deadline"). (Agreement 1.33, 8.5(a), 8.7(b).) Class Members
2 who received a re-mailed Class Notice will have an additional 14 calendar days beyond the
3 original Response Deadline. (*Id.* at 8.4(b).)

4 To opt out, a Class Member must send the Administrator, by fax, email, or mail, a signed
5 written Request for Exclusion that includes the Class Member's name, address, email address or
6 telephone number, and employee ID number or social security number. (*Id.* at 8.5(a).) To be
7 valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response
8 Deadline. (*Id.*) Class Members who opt out will not receive an Individual Class Payment or have
9 the right to object to the class action components of the Settlement. (*Id.* at 8.5(c).) However,
10 Non-Participating Class Members who are Aggrieved Employees will still be deemed to release
11 the PAGA claims and are eligible for an Individual PAGA Payment. (*Id.* at 6.3, 8.5(c).) If the
12 number of valid Requests for Exclusion exceeds 5% of the total Class Members, Defendant may,
13 but is not obligated, to withdraw from the Settlement. (*Id.* at 9.)

14 Only Participating Class Members may object to the class action components of the
15 Settlement. (*Id.* at ¶ 8.7(a).) Participating Class Members may send written objections to the
16 Administrator, by fax, email, or mail, not later than the Response Deadline. (*Id.* at ¶ 8.7(b).) In
17 the alternative, or in addition to a written objection, Participating Class Members may appear in
18 Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval
19 Hearing. (*Id.*) Non-Participating Class Members have no right to object to any of the class action
20 components of the Settlement. (*Id.* at ¶ 8.7(c).)

21 Class Members also have the right to dispute their individual information (workweeks
22 and/or pay periods) used to calculate their payment. (*Id.* at ¶ 8.8(c).) The Administrator has the
23 authority to address and make final decisions consistent with the terms of the Agreement on all
24 Class Member challenges over the calculation of Workweeks and/or Pay Periods. (*Id.*) The
25 Administrator's decision shall be final and not appealable or otherwise susceptible to challenge.
26 (*Id.*)

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1 **VII. RELEASE OF CLAIMS**

2 Participating Class Members who do not opt out of the Settlement will release Defendant
3 from the Released Class Claims. (Agreement ¶ 6.2.) The Released Class Claims are defined as:

4 “[A]ny and all claims, rights, demands, charges, complaints, causes of action, obligations,
5 or liability of any and every kind that are based on the facts stated in the *Hill* Action
6 which occurred during the Class Period and for any and all claims that were raised or
7 could have been raised based on the factual allegations made in the *Hill* Action that
8 occurred during the Class Period. This includes any and all claims for unpaid wages, sick
9 pay, and penalties at termination (California Labor Code Sections 201-203, 233, and 246)
10 during the Class Period.”

11 (Agreement ¶ 1.38.) The Class Period extends from October 31, 2021 through January 31, 2025.
12 (*Id.* ¶ 1.9.)

13 Regardless of whether they opt out of the class settlement, all Aggrieved Employees will
14 release the Released PAGA Claims. (Agreement ¶¶ 6.3, 8.5(c).) The Released PAGA Claims are
15 defined as:

16 “[A]ny and all claims, rights, demands, charges, complaints, causes of action, obligations,
17 or liability of any and every kind that were based on the facts stated in the *Mata* Action
18 which occurred during the PAGA Period, for failure to provide accurate wage statements,
19 failure to provide meal and rest periods, failure to pay meal and rest period premiums,
20 failure to timely pay of wages during employment and at separation, and failure to
21 reimburse reasonable business expenses, in violation of Labor Code sections 201-204,
22 226, 226.3, 226.7, 246, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197,
23 1197.1, 1198, and 2802.

24 (Agreement ¶ 1.39.) The PAGA Period extends from May 18, 2022 through January 31, 2025.
25 (*Id.* ¶ 1.33.)

26 The Released Parties include Defendant and any respective parent, subsidiaries, affiliates,
27 successors and related entities, including but not limited to Hyatt Hotels Corporation, Jack
28 London Square Associates, LLC, any employee benefit plans sponsored or administered by the
Company or such related entities, and any and all of their respective past or present officers,
directors, partners, members, insurers, agents, assigns, attorneys, employees, trustees,
administrators, fiduciaries, and any other persons acting by, through, under or in concert with
any of them. (Agreement ¶ 1.40.) The releases do not extend to any claims or actions to enforce
the Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits,

1 social security benefits, or workers' compensation benefits. (*Id.* ¶ 6.1.)

2 In exchange for their service payments, the Class Representatives will provide a general
3 release that includes a waiver of rights under California Civil Code section 1542. (Agreement ¶¶
4 3.2(a), 6.1(a).) The releases become effective on the date when Defendant fully funds the entire
5 Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the
6 Individual Class Payments. (*Id.* ¶ 6.)

7 Given that the releases are tailored to only claims pled in the operative Complaints and
8 the PAGA Notices, the releases are appropriately limited.

9 **VIII. CLASS REPRESENTATIVE SERVICE AWARDS**

10 Plaintiffs Nalesha Hill and Genero Mata request a modest service award of \$10,000.00
11 each. (Agreement ¶ 3.2(a).) The Class Representatives met and conferred with their counsel on
12 numerous occasions to discuss the case, provided documents and information to their counsel,
13 and reviewed pleadings and documents, including the Agreement and the First Amended
14 Complaint. (Declaration of Nalesha Hill ("Hill Decl.") ¶6; Declaration of Genero Mata ("Mata
15 Decl.") ¶6.) As part of their duties as Class Representatives, Plaintiffs provided invaluable
16 information, evidence, and documents that resulted in this settlement. Furthermore, in
17 consideration for their service payments, Plaintiffs also executed an individual general release of
18 all claims under California Civil Code section 1542, which other members of the Class did not
19 have to do. (Agreement ¶¶ 3.2(a), 6.1(a).)

20 In addition to the invaluable services that they provided, Plaintiffs also took a significant
21 risk, both professionally and monetarily, in acting as the Class Representatives and seeking
22 benefits on behalf of the Class. Given that future employers are much less likely to hire
23 individuals who have filed suit against their prior employer, particularly cases of this nature,
24 Plaintiffs may face prejudice in the future from other potential employers. Plaintiffs took this risk
25 upon themselves and the whole Class benefited from these risks taken by Plaintiffs.

26 Notably, courts have routinely granted approval of representative enhancements for far
27 greater amounts than the \$10,000.00 sought by Plaintiffs in this case. *See, e.g., Van Vranken v.*
28 *Atlantic Richfield Co.*, 901 F. Supp. 294, 299-300 (N.D. Cal. 1995) (incentive award of

1 \$50,000); *In re Dun & Bradstreet Credit Servs. Customer Litig.*, 130 F.R.D. 366, 374 (S.D. Ohio
2 1990) (two incentive awards of \$ 55,000, and three incentive awards of \$ 35,000); *Brotherton v.*
3 *Cleveland*, 141 F. Supp. 2d 907, 913-14 (S.D. Ohio 2001) (granting a \$50,000 incentive award);
4 *Enter. Energy Corp. v. Columbia Gas Transmission Corp.*, 137 F.R.D. 240, 251-52 (S.D. Ohio
5 1991) (\$50,000 awarded to each class representative); *Glass v. UBS Fin. Servs.*, No. C-06-4068,
6 2007 U.S. Dist. LEXIS 8476, at *51-52 (N.D. Cal. Jan. 27, 2007) (awarding \$25,000 incentive
7 award in FLSA overtime wages class action); *Cook v. Niedert*, 142 F.3d 1004, 1016 (7th Cir.
8 1998) (affirming \$25,000 Incentive award to class representative in ERISA case). Here,
9 Plaintiffs request enhancement of \$10,000.00 each, which is “presumptively reasonable” and
10 consistent with case law.

11 **IX. ATTORNEY FEES AND COSTS**

12 California state and federal courts have recognized that an appropriate method for
13 determining an award of attorneys' fees is based on a percentage of the total value of benefits to
14 class members by the settlement. *Wershba v. Apple Computer, Inc.*, 91 Cal. App. 4th 224, 254
15 (2001); *Serrano v. Priest*, 20 Cal. 3d 25, 34 (1977); *Boeing Co. v. Van Gemert*, 444 U.S. 472,
16 478 (1980). The purpose of this equitable doctrine is to avoid unjust enrichment of counsel and
17 to "spread litigation costs proportionally among all the beneficiaries so that the active beneficiary
18 does not bear the entire burden alone." *Wershba*, 91 Cal. App. 4th at 254.

19 The common fund doctrine is predicated on the principle of preventing unjust
20 enrichment. When a litigant's efforts create or preserve a fund from which others derive benefits,
21 she may require the passive beneficiaries to compensate those who created the fund. Both
22 California state and federal courts have embraced this doctrine. *Serrano v. Priest*, 20 Cal.3d at
23 35. Similarly, in *City and County of San Francisco v. Sweet*, 12 Cal. 4th 105, 110 (1995), the
24 California Supreme Court recognized that the common fund doctrine has been applied
25 "consistently in California when an action brought by one party creates a fund in which other
26 persons are entitled to share."

27 Indeed, in 2016, the California Supreme Court held that the award of attorneys' fees in
28 common fund wage and hour class action settlements should start with the percentage method.

1 See *Laffitte v. Robert Half Int'l, Inc.*, 1 Cal. 5th 480, 503 (2016) ("We join the overwhelming
2 majority of federal and state courts in holding that when class action litigation establishes a
3 monetary fund for the benefit of the class members, and the trial court in its equitable powers
4 awards class counsel a fee out of that fund, the court may determine the amount of a reasonable
5 fee by choosing an appropriate percentage of the fund created"). The California Supreme Court
6 in *Laffitte* affirmed a fee award representing 33 1/3 percent of the fund. *Laffitte*, 1 Cal. 5th at
7 506. As the Court held, only when the multiplier is "extraordinarily high or low [should] the trial
8 court [] consider whether the percentage method should be adjusted so as to bring the imputed
9 multiplier within a justifiable range." *Id.* at 505.

10 The Parties have agreed to a payment of a maximum of one-third of the Gross Settlement
11 Amount, or \$125,000.00, for payment to Class Counsel as attorneys' fees. (Agreement ¶ 3.2(b).)
12 The requested fee of 33 1/3% is at the benchmark approved by the California Supreme Court in
13 *Laffitte* and is presumptively reasonable. Class Counsel will submit a detailed request for
14 attorney's fees at final approval, which will include information regarding hourly rates, tasks
15 performed, and time expended on the case, along with a lodestar cross-check and multiplier
16 analysis. The Parties have agreed to this payment of attorneys' fees and, thus, this payment
17 should be presumed to be fair.

18 Further, the Parties have agreed to reimbursement of Class Counsel's litigation costs up to
19 \$25,000.00. (Agreement ¶ 3.2(b).) Class Counsel has, at their own risk, expended costs to file
20 this action and other pleadings in the case, effect service of process, participate in mediation,
21 retain expert witnesses to analyze Defendant's payroll data, and advance other litigation-related
22 costs. (Lo Decl. ¶.) Class Counsel will provide detailed billing records and documentation
23 supporting actual litigation expenses at the time of final approval.

24 Defendant will not oppose requests for attorney's fees and litigation costs provided that
25 they do not exceed the amounts specified in the Agreement. (Agreement ¶ 3.2(b).) If the Court
26 approves less than the above amounts, the difference will remain in the Net Settlement Amount
27 for distribution to the Participating Class Members. (*Id.*) This provision ensures that any
28 reduction in fees or costs directly benefits the Class.

1 Pursuant to the previously signed agreements by Plaintiffs and Class Counsel, the
2 approved attorneys' fees will be split equally among co-counsel as follows: 33.3% to Diversity
3 Law Group, P.C.; 33.3% to the Law Offices of Choi & Associates; and 33.3% to Work Lawyers
4 PC. (Lee Decl. ¶7; Choi Decl. ¶9; Lo Decl. ¶25.) This fee split will not increase the total amount
5 of attorneys' fees requested or paid from the Gross Settlement Amount.

6 Based on the foregoing, the Court should preliminarily approve the attorneys' fees and
7 costs as requested by the Parties.

8 **X. PAGA SETTLEMENT TERMS AND LWDA NOTICE**

9 As noted, the Parties allocated \$40,000.00 to resolution of Plaintiffs' alleged claims under
10 PAGA, and respectfully submit that amount is fair, reasonable and adequate, and consistent with
11 PAGA's underlying purposes. As required by PAGA, \$30,000.00 (75%) of that amount will go
12 to the LWDA for the State's share of the civil penalties, while the remaining \$10,000.00 (25%)
13 will be distributed pro rata to eligible Aggrieved Employees based on the number of pay periods
14 worked during the PAGA Period. (Agreement ¶¶ 1.34, 3.2(e).) The Administrator will calculate
15 each Individual PAGA Payment by dividing the Aggrieved Employees' \$10,000.00 share by the
16 total number of PAGA pay periods worked by all Aggrieved Employees and multiplying the
17 result by each Aggrieved Employee's individual pay periods. (*Id.* at ¶ 3.2(e)(i).)

18 All Aggrieved Employees, including those who opt out of the class settlement, will
19 receive their Individual PAGA Payment and will release the Released PAGA Claims.
20 (Agreement ¶¶ 6.3, 8.5(c).) Individual PAGA Payments are in addition to any Individual Class
21 Payments received by Participating Class Members. (*Id.* at ¶ 3.2(e)(i).)

22 As required by Labor Code section 2699(l), Plaintiffs provided the LWDA with notice of
23 the proposed settlement and a copy of the Settlement Agreement. (Lo Decl. ¶26.

24 **XI. LEGAL STANDARD FOR PRELIMINARY APPROVAL**

25 Any settlement of a class action lawsuit must be reviewed and approved by the Court to
26 ensure the rights of absent class members are not unjustly compromised. Cal. Rules of Court,
27 rule 3.769; *Wershba v. Apple Computer*, 91 Cal.App.4th 224, 245 (2001); *Dunk v. Ford Motor*
28 *Co.*, 48 Cal.App.4th 1794, 1801 (1996). This judicial review protects against fraud or collusion,

1 and ensures fairness to absent class members. *Dunk*, 48 Cal.App.4th at 1800-01. The review
2 occurs via a two-step process to determine, under all of the circumstances, whether the proposed
3 settlement is fair, reasonable, and adequate. *Id.* at 1801; *Wershba*, 91 Cal.App.4th at 245.

4 The first step is a motion for preliminary approval, through which the parties present the
5 court with the proposed settlement and seek a determination that it is sufficiently fair and
6 reasonable to warrant notice to the class and further proceedings as to its fairness and adequacy.
7 Cal. Rules of Court, rule 3.769(c). This preliminary evaluation determines whether the proposed
8 settlement is within the "range of reasonableness" and whether notice should be provided to the
9 class regarding the settlement's proposed terms and conditions, and whether a final fairness
10 hearing should be scheduled. *Dunk*, 48 Cal.App.4th at 1801; *Wershba*, 91 Cal.App.4th at 234-35.
11 The preliminary approval standard is less rigorous than final approval, as it requires only a
12 preliminary finding that the settlement appears to fall within the range of possible approval. The
13 court does not conduct a final fairness determination at this stage, but rather makes a conditional
14 finding that the settlement merits class notice and further consideration.

15 Considering the strong judicial policy favoring settlement of class actions, particularly in
16 complex cases where substantial resources can be conserved by avoiding the time, costs, and
17 rigors of formal litigation, courts generally apply a presumption of fairness to class action
18 settlements when: (1) the settlement results from arm's-length bargaining, (2) investigation and
19 discovery are sufficient to allow counsel and the court to act intelligently, (3) counsel is
20 experienced in similar litigation, and (4) the percentage of objectors is small. *Dunk*, 48
21 Cal.App.4th at 1802; *Wershba*, 91 Cal.App.4th at 245. The court should not substitute its
22 judgment for that of experienced counsel who have investigated the case and negotiated the
23 settlement, but rather should determine whether the settlement is within the range of
24 reasonableness given the risks and circumstances of continued litigation.

25 If the court grants preliminary approval, it then orders that the class be given notice in an
26 appropriate manner, establishes a schedule and procedures for class members to request
27 exclusion or object, and sets the matter for a final fairness hearing. *Dunk*, 48 Cal.App.4th at
28 1800; *Wershba*, 91 Cal.App.4th at 232. At the final approval stage, the court will conduct a

1 comprehensive analysis of the settlement's fairness under the factors set forth in *Dunk*, which are
2 discussed in detail below. The *Dunk* factors considered at final approval include: the strength of
3 plaintiffs' case, the risks and complexity of further litigation, the risk of maintaining class action
4 status, the settlement amount, the extent of discovery completed, the experience of counsel, the
5 presence of a governmental participant, and class member reactions. *Dunk*, 48 Cal.App.4th at
6 1801. As discussed below, these factors guide the court's fairness determination.

7 **XII. CONDITIONAL CLASS CERTIFICATION FOR SETTLEMENT PURPOSES**

8 The purpose of conditional class certification for settlement purposes is to facilitate
9 provision of notice of the proposed settlement's terms and the date and time of the final fairness
10 hearing. In this context, courts apply a more lenient standard than they would otherwise apply in
11 the context of certifying a class for litigation. *Dunk*, 48 Cal.App.4th at 1807, n.19; *Global*
12 *Minerals & Metals Corp. v. Superior Court*, 113 Cal.App.4th 836, 839 (2003) ("[I]t is well
13 established that trial courts should use different standards to determine the propriety of a
14 settlement class."). Conditional certification is appropriate here because the proposed Settlement
15 Class satisfies all requirements for class certification under Code of Civil Procedure section 382.

16 First, the class is both sufficiently numerous and ascertainable. The class consists of
17 approximately 156 individuals and is ascertainable by reference to Defendant's personnel and
18 payroll records. (Agreement ¶ 1.9) The identity of Class Members is readily determinable from
19 Defendant's records, including time and payroll data. (*Id.*)

20 Second, common questions of law and fact predominate. All Class Members were
21 subjected to the same allegedly unlawful policies during the Class Period, including Defendant's
22 alleged failure to pay sick pay at the regular rate of pay and failure to provide accurate itemized
23 wage statements. (Hill Decl. ¶2; Mata Decl. ¶2.) Since the focus of the claims against Defendant
24 concerns the legality of common policies applied uniformly to the entire class, common issues
25 predominate over individualized inquiries.

26 Third, Plaintiffs' claims are typical of the claims of the Class Members. Like all Class
27 Members, Plaintiffs Hill and Mata were subjected to the same policies and practices.
28 Specifically, Defendant allegedly miscalculated the rate of pay when paying sick wages to

1 Plaintiffs and other Class Members. (Hill Decl. ¶2, Mata Decl. ¶2) In other words, Plaintiffs'
2 claims arise from the same employment practices and course of conduct giving rise to the claims
3 of the other Class Members.

4 Fourth, Plaintiffs are adequate class representatives. Plaintiffs do not have any interests
5 adverse to the Class, nor have any such issues been raised or presented. (Hill Decl. ¶3; Mata
6 Decl. ¶3.) Plaintiffs have taken all necessary steps to represent the interests of the Class,
7 including by providing information and documents to Class Counsel and executing the
8 Settlement Agreement. (*Id.* ¶6) Plaintiffs are willing and able to serve as Class Representatives.
9 (*Id.*)

10 Fifth, Class Counsel are experienced and adequate. Class Counsel Larry W. Lee, Edward
11 W. Choi, and Justin Lo have extensive experience prosecuting and settling wage and hour class
12 actions. (Lee Decl. ¶3-6; Choi Decl. ¶8; Lo Decl. ¶5-7.) Class Counsel have the qualifications,
13 experience, and commitment to vigorously represent the Class. (*Id.*)

14 For these reasons, conditional certification of the Settlement Class is appropriate to
15 facilitate settlement notice and further proceedings. Conditional certification does not constitute
16 a finding on the merits and is solely for purposes of effectuating the proposed settlement.

17 **XIII. SETTLEMENT FAIRNESS ANALYSIS**

18 Courts presume the absence of fraud or collusion in the negotiation of settlement unless
19 evidence to the contrary is offered. *Priddy v. Edelman*, 883 F.2d 438, 447 (6th Cir. 1989); *Mars*
20 *Steel Corp. v. Continental Illinois Nat'l Bank & Trust Co.*, 834 F.2d 677, 682 (7th Cir. 1987); *In*
21 *re Chicken Antitrust Litig.*, 560 F.Supp. 957, 962 (N.D. Ga. 1980). Courts do not substitute their
22 judgment for that of the proponents, particularly where, as here, settlement has been reached
23 with the participation of experienced counsel familiar with the litigation. *Nat'l Rural Telecomms.*
24 *Coop. v. DIRECTV, Inc.*, 221 F.R.D. 523, 528 (C.D. Cal. 2004); *Hammon v. Barry*, 752 F.Supp.
25 1087 (D.D.C. 1990); *Steinberg v. Carey*, 470 F.Supp. 471 (S.D.N.Y. 1979); *In re Armored Car*
26 *Antitrust Litig.*, 472 F.Supp. 1357 (N.D. Ga. 1979); *Sommers v. Abraham Lincoln Federal Sav.*
27 *& Loan Ass'n*, 79 F.R.D. 571 (E.D. Pa. 1978).

28 ///

1 While the recommendations of counsel proposing the settlement are not conclusive, the
2 Court can properly take them into account, particularly where, as here, they have been involved
3 in informal discovery and negotiations for some period of time, appear to be competent, have
4 experience with this type of litigation, and have exchanged substantial evidence from the
5 opposing party. See *Dunk*, 48 Cal.App.4th at 1802 ("[s]o long as the integrity of the arm's length
6 negotiation process is preserved, however, a strong initial presumption of fairness attaches to the
7 proposed settlement" and "great weight" is accorded to the recommendations of counsel, who are
8 most closely acquainted with the facts of the underlying litigation).

9 Here, both Plaintiffs' and Defendant's counsel have a great deal of experience in wage
10 and hour class action litigation. Plaintiffs' counsel has been approved as class counsel in a
11 number of wage and hour class actions and has extensive litigation experience. (Lee Decl. ¶4-6;
12 Choi Decl. ¶8; Lo Decl. ¶6.) Each side has apprised the other of their respective factual
13 contentions, legal theories and defenses, resulting in arm's-length negotiations facilitated by an
14 experienced mediator. (Lee Decl. ¶2; Lo Decl. ¶21; Choi Decl. ¶6.)

15 **A. Strength of Plaintiffs' Case**

16 As explained by the Court of Appeal in *Kullar v. Foot Locker Retail, Inc.*, 168 Cal. App.
17 4th 116, 130, 133 (2008), a class action settlement should be approved when the plaintiff has
18 conducted sufficient discovery and the settlement is reasonable in light of the strengths of the
19 plaintiff's claims. As discussed herein, Plaintiff's counsel has conducted meaningful discovery
20 and investigation and, in light of the strength and weaknesses of Plaintiff's claims, Plaintiff's
21 attorneys submit that this settlement is fair pursuant to *Kullar*.

22 Plaintiffs brought class action claims alleging that Defendant failed to pay sick pay at the
23 regular rate of pay in violation of Labor Code sections 201-203, 233, and 246, and failed to
24 provide accurate itemized wage statements in violation of Labor Code section 226. (Choi Decl.
25 ¶3) The Mata Action further asserted PAGA claims for violations of Labor Code sections 201-
26 204, 226, 226.3, 226.7, 246, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1,
27 1198, and 2802. (Lo Decl. ¶¶9-10.)

28 ///

1 According to discovery performed, Plaintiff alleges that the potential maximum liability
2 exposure for Plaintiff's class claims was approximately \$926,577.60 for underpaid sick pay
3 wages. Specifically, there were approximately 156 class members with an average rate of pay of
4 \$24.54. Thus, the Labor Code §203 penalties amounted to \$918,777.60 (156 X \$24.54 X 8 hours
5 X 30 days). Further, derivative Labor Code §226 penalties were calculated for the failure to pay
6 Labor Code §203 penalties at time of termination in the amount of \$7,800 (\$50 X 156
7 employees). With respect to PAGA penalties, there were approximately 4,300 PAGA Pay
8 Periods at issue which amounts to \$430,000, unstacked PAGA penalties. If the PAGA penalties
9 were "stacked", the potential total exposure would have amounted to \$1,305,600 (\$430,000 for
10 PAGA penalties based on meal break premiums; \$430,000 for PAGA penalties based on rest
11 break premiums; \$430,000 PAGA penalties based on wage statement violations; and \$156,000
12 penalties based on waiting time penalties). Based on "stacked" PAGA penalties and class
13 claims, the total potential exposure amounted to \$2,232,177.60. The gross settlement of
14 \$375,000.00 is for approximately 156 class members and 4,300 PAGA Pay Periods at issue.
15 Indeed, on a pure raw average, based on the current Net Settlement Amount of \$157,500, each
16 class member will receive approximately \$1,009.62. The Gross Settlement Amount represents
17 approximately 17% of the total maximum exposure, without discounting for any reductions that
18 could be imposed by the Court. (Lo Decl. ¶22.)

19 However, even assuming Plaintiffs ultimately prevail on the PAGA claims, the Court still
20 has discretion to reduce any PAGA penalties. Pursuant to Labor Code section 2699(e)(2), the
21 Court can decline to award PAGA penalties where "based on the facts and circumstances of the
22 particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive,
23 or confiscatory." Indeed, as shown in the Court of Appeal's decision in *Carrington v. Starbucks*
24 *Corp.*, 30 Cal.App.5th 504 (2018), while the plaintiff prevailed on his PAGA claim upon trial,
25 the trial court reduced the maximum PAGA penalty amount by 90%, citing the employer's good
26 faith attempt at complying with the law. *Id.* at 517. Upon review, the Court of Appeal found such
27 reduction to be proper. *Id.* at 539.

28 ///

1 Although Plaintiffs believe in the merits of the alleged claims and maintain that there is
2 no reason for reducing PAGA penalties, Plaintiffs are aware that Defendant may raise defenses
3 to the claims and further with respect to the reduction of PAGA penalties and that it could be
4 persuasive to the Court. (Lo Decl. ¶22.) Thus, even if Plaintiffs were to successfully prove their
5 claims at trial, there is a possibility that the Court may only award a small percentage of PAGA
6 penalties, as the Court has discretion to do so. The Gross Settlement Amount was premised with
7 this risk in mind, associated with the possibility of the Court significantly reducing Plaintiffs'
8 PAGA penalties, along with other attendant risks, even if Plaintiffs were to prevail at trial. (*Id.*)

9 Further, this Court may find that Defendant did not act knowingly and/or willfully to
10 support wage statement and waiting time penalties. Defendant contends that it had a good faith
11 belief in the lawfulness of its practices and took prompt remedial action. (Lo Decl. ¶23.) The
12 absence of willfulness could preclude or substantially reduce penalties under Labor Code
13 sections 203 and 226.

14 **B. Risk, Expense, Complexity, and Duration of Further Litigation**

15 Although Plaintiffs believe that the class can be certified, Plaintiffs also believe in the
16 fairness of the settlement that is based on factoring in the uncertainty and risks to Plaintiffs
17 involved in not prevailing on one or more of the causes of action or theories alleged in the
18 operative Complaint, the possibility of non-certification, and the potential for appeals. (Lo Decl.
19 ¶24) These risks on class certification are compounded by the California Supreme Court's
20 holding in *Duran v. U.S. Bank Nat'l Ass'n*, 59 Cal.4th 1 (2014). There, the plaintiffs obtained
21 class certification and subsequently prevailed at trial after eight years of litigation, but the
22 judgment and the certification ruling were reversed by the California Supreme Court after an
23 additional five years of litigation. The case was remanded back to superior court where class
24 certification was denied and plaintiffs' subsequent appeal also was denied.

25 **C. Amount Offered in Settlement**

26 Indeed, numerous courts have held that gross settlements approximating between only 8
27 and 25% of the defendant's potential exposure are fair and reasonable. See, e.g., *See, e.g., In re*
28 *Mego Fin. Corp. Secs. Litig.*, 213 F.3d 454, 459 (9th Cir.2000) (holding that class action

1 settlement recovering 16% of potential exposure was fair and reasonable; "[i]t is well-settled law
2 that a cash settlement amounting to only a fraction of the potential recovery does not per se
3 render the settlement inadequate or unfair. Rather, the fairness and the adequacy of the
4 settlement should be assessed relative to risks of pursuing the litigation to judgment"; noting that
5 whether the settlement is fair and adequate depends on the "the difficulties in proving the case");
6 *Bellinghausen v. Tractor Supply Co.*, No. 13-CV-02377-JSC, 2015 WL 1289342, at *6 (N.D.
7 Cal. Mar. 20, 2015) (holding that class action settlement recovering between 8.5% and 25% of
8 the defendant's potential exposure was fair); *Van Ba Ma v. Covidien Holding Inc.*, U.S. Dist. Ct.
9 Case No. 8:12-cv-02161 (C.D. Cal. 2014) (court granted preliminary approval of wage and hour
10 class settlement which obtained **only 9.1%** of projected damages, given the risks of continued
11 litigation) *Villegas v. J.P. Morgan Chase & Co.*, No. CV 09-00261 SBA EMC, 2012 WL
12 5878390, at *6 (N.D. Cal. Nov. 21, 2012) (holding that gross class action settlement of
13 approximately 15% of the potential recovery was fair and reasonable)

14 Here, the total amount of class and PAGA penalties amounts to approximately
15 \$2,232,177.60, without discounting for "stacking" PAGA penalties and potentially losing on any
16 of the causes of action. (Lo Decl. ¶22.) The Gross Settlement Amount is \$375,000.00, which is
17 approximately 17% of the maximum class and PAGA penalties. (*Id.*) Thus, the settlement was
18 negotiated at arm's-length and the settlement percentage-to-recovery is consistent with case law
19 approving similar settlements and further supports that the settlement is fair and reasonable.

20 Moreover, the settlement structure benefits Class Members by providing a non-
21 reversionary common fund with no claim forms required. (Agreement ¶¶ 3.1, 3.2(d).) Every
22 dollar of the Gross Settlement Amount will be distributed to Class Members, the Class
23 Representatives, Class Counsel, the Settlement Administrator, and the LWDA - none will revert
24 to Defendant. (*Id.*) This ensures maximum benefit to the Class and eliminates the risk that
25 settlement funds will go unclaimed. Class Members will automatically receive payment based on
26 their workweeks worked, providing immediate and certain relief. (*Id.*)

27 ///

28 ///

1 **D. Extent of Discovery Completed and Stage of Proceedings**

2 Prior to settlement, Plaintiffs conducted formal and informal discovery. In the *Mata*
3 action, written discovery was propounded and responded to, including retention of an expert
4 witness for purposes of going to trial on the PAGA claims. Further, prior to the mediation,
5 Defendant produced necessary data to Plaintiffs to conduct a thorough investigation and liability
6 assessment. (Lo Decl. ¶22.) Defendant provided time punch data, payroll data, and meal and rest
7 period attestation data for the entire PAGA Period, encompassing data for both Class Members
8 and Aggrieved Employees. (*Id.*) Plaintiffs' counsel analyzed the data produced by Defendant and
9 performed a potential damage analysis. (*Id.*) This investigation provided Class Counsel with
10 sufficient information to evaluate the strengths and weaknesses of the case and to meaningfully
11 assess the fairness of the proposed settlement. (*Id.*) The parties exchanged their respective
12 positions on liability and damages during the mediation process, allowing for informed
13 negotiations. (*Id.*)

14 **E. Experience and Views of Counsel**

15 Class Counsel have extensive experience prosecuting and settling wage and hour class
16 actions in California. (Lee Decl. ¶4-6; Choi Decl. ¶8; Lo Decl. ¶6-7.) Class Counsel have been
17 appointed as class counsel in numerous wage and hour class actions and have successfully
18 negotiated settlements on behalf of thousands of class members. (*Id.*) Class Counsel are well-
19 versed in the applicable law and the risks and challenges inherent in wage and hour class action
20 litigation. (*Id.*)

21 Based on their experience and thorough investigation of the facts and law, Class Counsel
22 believe that the settlement is fair, reasonable, and adequate, and in the best interests of the Class.
23 (Lee Decl. ¶2; Choi Decl. ¶6; Lo Decl. ¶24.) Class Counsel recommend approval of the
24 settlement given the risks of continued litigation, including the risk of denial of class
25 certification, the possibility of an adverse verdict on the merits, the Court's discretion to reduce
26 PAGA penalties, and the substantial time and expense required to litigate the case through trial
27 and appeals. The settlement provides immediate and certain benefits to Class Members while
28 avoiding these risks.

1 **F. Reaction of Class Members**

2 While the reaction of Class Members cannot be fully assessed until after notice is
3 provided, the Court can evaluate certain aspects of the settlement that are likely to be favorably
4 received. First, the settlement requires no claim forms, ensuring that all Participating Class
5 Members will automatically receive payment without having to take any action. (Agreement ¶
6 3.2(d).) This claims-free structure eliminates barriers to recovery and maximizes participation.

7 Second, the settlement is structured on a non-reversionary basis, meaning that none of the
8 Gross Settlement Amount will revert to Defendant. (Agreement ¶ 3.1.) Any uncashed settlement
9 checks will be transmitted to the California Controller's Unclaimed Property Fund, where Class
10 Members can claim the funds at any time. (*Id.* at ¶ 5.4.) This structure ensures that Class
11 Members receive the full benefit of the settlement.

12 Third, the settlement provides for prompt payment. Class Members will receive their
13 settlement checks within 14 days after Defendant funds the settlement, which must occur within
14 3 days of the Effective Date. (Agreement ¶¶ 4.2, 5.2.) This ensures that Class Members receive
15 the benefits of the settlement without unnecessary delay.

16 The Court will have the opportunity to evaluate Class Member reaction after notice is
17 provided and prior to the Final Approval Hearing.

18 Thus, the settlement for each Class Member is fair, reasonable, and adequate, given the
19 inherent risks of litigation, including the substantial risks relative to class certification and the
20 merits of the claims, the costs of pursuing such litigation, and the risks associated with the
21 Court's discretion to reduce PAGA penalties. The settlement is the result of extensive arm's-
22 length negotiations between the Parties and their counsel and was facilitated by an experienced
23 and neutral mediator. The settlement satisfies all Dunk factors and warrants preliminary
24 approval.

25 **XIV. CONCLUSION AND REQUESTED RELIEF**

26 The settlement presented here is fair, adequate, and reasonable. The settlement will result
27 in substantial monetary benefits to Class Members, is non-collusive, and was achieved through
28

1 arm's-length negotiations conducted by experienced counsel and facilitated by a neutral
2 mediator.

3 For the foregoing reasons, Plaintiffs respectfully request that the Court grant preliminary
4 approval of the proposed settlement, conditionally certify the settlement class, appoint the Class
5 Representatives and Class Counsel, appoint the Settlement Administrator, approve the Class
6 Notice and notice procedures, preliminarily approve the service awards, attorney fees and costs,
7 and PAGA allocation, schedule a final approval hearing, and enter the proposed Order filed
8 herewith.

9 DATED: June 10, 2026

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LAW OFFICES OF CHOI & ASSOCIATES, P.C.
WORK LAWYERS, P.C.

12 By: 
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16 Attorneys for Plaintiffs



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Make a Reservation

MATA vs HYATT CORPORATION DBA WATERFRONT HOTEL, A DELAWARE CORPORATION DOING BUSINESS IN CALIFORNIA

Case Number: 23CV033777 Case Type: Civil Unlimited Category: Other Employment Complaint Case
Date Filed: 2023-05-18 Location: Rene C. Davidson Courthouse - Department 18

Reservation

Case Name:

MATA vs HYATT CORPORATION DBA WATERFRONT
HOTEL, A DELAWARE CORPORATION DOING
BUSINESS IN CALIFORNIA

Case Number:

23CV033777

Type:

Motion re: (MOTION FOR PRELIMINARY APPROVAL
OF CLASS AND PAGA ACTION SETTLEMENT)

Status:

RESERVED

Filing Party:

GENERO MATA (Plaintiff)

Location:

Rene C. Davidson Courthouse - Department 18

Date/Time:

07/14/2026 1:30 PM

Number of Motions:

1

Reservation ID:

038888672418

Confirmation Code:

CR-U4KSPCCYESWXJRCBX

Fees

Description	Fee	Qty	Amount
Motion re: (name extension)	0.00	1	0.00
Court Technology Fee	1.00	1	1.00
TOTAL			\$1.00

Payment

Amount:

\$1.00

Type:

Visa

Account Number:

XXXX6929

Authorization:

04506G

Payment Date:

n/a

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