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8 and all others similarly situated and aggrieved

9
10 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
11 **FOR THE COUNTY OF ORANGE COUNTY**

12 JOSE MARTIN, an individual, on behalf of
13 himself and all others similarly situated and
aggrieved,

14 Plaintiff,

15 v.

16 RONDEUX RELOCATION SERVICES, INC.
17 doing business as PENN CORPORATE
RELOCATION SERVICES, a California
18 Corporation; and DOES 1 TO 25,

19 Defendants.
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Case No. 30-2024-01436412-CU-OE-CXC

*Assigned for all purposes to the Hon. Melissa R.
McCormick
Dept. CX105*

**NOTICE OF MOTION AND PLAINTIFF'S
MOTION FOR APPROVAL OF PAGA
SETTLEMENT**

*[Filed concurrently with Declaration of Megan
E. Ross; Proposed Order]*

Date: April 16, 2026
Time: 2:00 p.m.
Dept.: CX105
Judge: Hon. Melissa R. McCormick

1 **TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:**

2 **PLEASE TAKE NOTICE** that on April 16, 2026, at the Superior Court of the State of
3 California for the County of Orange County, before the Honorable Melissa R. McCormick, Plaintiff
4 Jose Martin (“Plaintiff”) will and hereby does move this Court for an order approving a settlement
5 pursuant to the Private Attorneys General Act of 2004, California Labor Code § 2698 *et seq.*
6 (“PAGA”).

7 This motion is based upon this Notice, the Memorandum of Points and Authorities; the
8 Declaration of Megan E. Ross in support thereof; the Stipulation and Agreement for PAGA
9 Representative Action Settlement (the “Settlement Agreement”); the Proposed Order Granting
10 Approval of PAGA Settlement and Entering Judgment; all other records, pleadings, and papers filed
11 in this action; and upon such other evidence or argument as may be presented to the Court at the
12 hearing of this motion.

13
14 Dated: February 17, 2026

ABRAMSON LABOR GROUP

15
16 By: 

Megan E. Ross

17 Attorney for Plaintiff JOSE MARTIN and the
18 PAGA Settlement Group Members
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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

This PAGA representative action stems from RonDeux Relocation Services, Inc. doing business as Penn Corporate Relocation Services’ (“Defendant” or “RonDeux”) alleged violations of Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1182.12, 1194, 1197, 1197.1, and 2802, as to *any and all persons employed by Defendant in any nonexempt, hourly position in the State of California during the PAGA Period* (the “PAGA Settlement Group Member(s)”). The “Covered Pay Periods” is defined as the pay periods in which PAGA Settlement Group Members provided services to RonDeux in California during the PAGA Period. A PAGA action is a type of qui tam action filed on behalf of the state to assist it with labor law enforcement. (*Iskanian v. CLS Transp. Los Angeles, LLC* (2014) 59 Cal.4th 348, 380-382.) As such, the state is the real party in interest in a PAGA action. (*Id.* at 382.)

The State of California was timely served with a copy of the agreement negotiated between the parties (the “Settlement Agreement”) concurrently with this Motion to Approve the PAGA Settlement.

Plaintiff and the PAGA Settlement Group Members contend that between August 22, 2023, and October 31, 2024 (the “PAGA Period”), Defendant violated Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1182.12, 1194, 1197, 1197.1, and 2802. (Declaration of Megan E. Ross [“MER Decl.”] at ¶ 2.) Defendant has denied and continues to deny each and every material factual allegation and alleged claims asserted in the Action and denies that Plaintiffs or any other alleged aggrieved employee have been harmed based on the allegations raised in the Action. The Parties dispute the merits of the claims and defenses. (MER Decl. ¶ 3.)

The Parties exchanged various documents and information that allowed both sides to evaluate the potential exposure and potential risk, such as handwritten timekeeping records, electronic payroll records, hundreds of paystubs, Defendant’s Employee Handbook, and the necessary data to evaluate the valuation of a PAGA settlement including number of PAGA Settlement Group Members and number of pay periods at issue. (MER Decl. ¶ 4.) During this process, Plaintiff’s counsel analyzed,

1 researched, and investigated the potential issues, including matters related to the calculation of PAGA
2 damages, interviews of Plaintiff, trial management, and appellate issues and risks. (MER Decl. ¶ 5.)

3 Now with a comprehensive Settlement Agreement that resolves the claims alleged in this case,
4 Plaintiff seeks this Court's approval of a \$180,000.00 PAGA settlement involving approximately 35
5 PAGA Settlement Group Members. (MER Decl ¶ 6.) The settlement merits full approval because it
6 fulfills the purpose of PAGA (*i.e.*, to deter violations of the Labor Code and secure obedience of
7 California's labor laws; to end ongoing violations of the Labor Code either through injunctive relief
8 or a defendant's voluntary changes in light of a PAGA action; and to provide relief that is genuine,
9 meaningful, and consistent with California's goal of benefitting the public through enforcement of
10 labor laws). The following table summarizes the allocation of the Total Settlement Amount:

11 **Total Settlement Amount of \$180,000.00 is Broken Down as Follows:**

- | |
|---|
| 12 <ul style="list-style-type: none">• Plaintiff's Counsel Attorneys' Fees not to exceed \$60,000.00;• Plaintiff's Counsel Costs totaling \$15,000.00;• Settlement Administration Costs, not to exceed \$5,000.00;• Plaintiff's Incentive payment of \$5,000.00;• Approximately \$95,000.00 for the Net Settlement Amount:<ul style="list-style-type: none">○ 35% of the Net Settlement Amount for the PAGA Aggrieved Employee Payment (approximately \$33,250.00)○ 65% of the Net Settlement Amount for the LWDA Payment (approximately \$61,750.00) |
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18 Because this is a PAGA-only settlement, the process for approval is fairly straight-forward:
19 "The superior court shall review and approve any settlement of any civil action filed pursuant to this
20 part." (Labor Code § 2699(1)(2).) Based on the California Supreme Court's holdings in *Arias v.*
21 *Superior Court* (2009)46 Cal.4th 969 and *Iskanian v. CLS Transportation Los Angeles, LLC* (2014)
22 59 Cal.4th 348, there is no requirement under PAGA for Plaintiff to establish the requirements of class
23 certification (*i.e.* numerosity, typicality, commonality and adequacy) nor is there the usual two-step
24 preliminary and final approval process as found in class actions. Rather, this PAGA-only settlement
25 merely requires a one-step review and approval process.

26 For these reasons and those discussed below, the Parties now seek the Court's approval of the
27 Settlement.
28

1 **II. FACTUAL BACKGROUND AND PROCEDURAL HISTORY**

2 On August 22, 2024, Plaintiff submitted a letter to the California Labor and Workforce
3 Development Agency (“LWDA”) to notify the LWDA pursuant to the Private Attorneys General Act
4 of 2004, Labor Code section 2698, *et seq.* (“PAGA”) of Plaintiff’s intent to seek civil penalties under
5 PAGA for violations of Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a),
6 1174(d), 1182.12, 1194, 1197, 1197.1, and 2802. (MER Decl ¶ 7, and **Exhibit 2.**) This notice letter
7 is required under Labor Code section 2699.3(a)(1)(A) as a prerequisite to bringing a PAGA
8 representative claim against an employer. The LWDA did not respond to this notice, thus allowing
9 Plaintiff to file the instant lawsuit. (Lab. Code § 2699.3(a)(2)(A); MER Decl. ¶ 7.)

10 On October 28, 2024, Plaintiff filed this representative action complaint for penalties pursuant to
11 the Labor Code Private Attorneys General Act of 2004 (“PAGA”) for violations of Labor Code sections
12 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1182.12, 1194, 1197, 1197.1, and 2802. (MER
13 Decl., ¶ 8.)

14 Although Defendant vehemently denied the allegations and vowed to vigorously defend
15 against them, the parties agreed to attempt to reach a resolution. (MER Decl. ¶ 9.) The Parties
16 exchanged various documents and information that allowed both sides to evaluate the potential
17 exposure and potential risk, such as handwritten timekeeping records, electronic payroll records,
18 hundreds of paystubs, and Defendant’s Employee Handbook. (MER Decl. ¶ 4.) During this process,
19 Plaintiff’s counsel analyzed, researched, and investigated the potential issues, including matters
20 related to the calculation of PAGA damages, interviews of Plaintiff, trial management, and appellate
21 issues and risks. (MER Decl. ¶ 5.)

22 The Parties considered the sharply disputed factual and legal issues involved in this litigation,
23 the risks associated with further prosecution, and the substantial benefits to be received pursuant to
24 the compromise and settlement of the Action. (MER Decl. ¶ 10.)

25 On July 10, 2025, the Parties attended mediation with respected labor and employment
26 mediator, Brandon Coen, Esq., and struck a settlement at the conclusion of the mediation, thereby
27 fully and finally resolving the action in its entirety, as set forth in the Settlement Agreement. (*Id.*) The
28 Settlement Agreement and its terms represent a reasonable and adequate settlement of highly disputed

1 claims, and are the product of good faith, and informed arms-length negotiations between the Parties
2 consistent with public policy and fully comply with applicable provisions of law. (MER Decl ¶ 11.)
3 The Parties believe that settlement on the terms set forth in the Settlement Agreement is in the best
4 interest of the Plaintiff, the LWDA, the PAGA Settlement Group Members covered by PAGA, and
5 Defendant, and is fair and reasonable. The Parties now present the Settlement Agreement to this Court
6 for approval. (*Id.*)

7 **III. SUMMARY OF PLAINTIFF’S CLAIMS**

8 **A. Plaintiff’s Meal Period Claim**

9 California Labor Code section 226.7(a) provides, “No employer shall require any employee to
10 work during any meal or rest period mandated by an applicable order of the Industrial Welfare
11 Commission.” IWC Wage Order No. 9-2001 (11)(A) provides, in pertinent part: “No employer shall
12 employ any person for a work period of more than five (5) hours without a meal period of not less
13 than 30 minutes, except that when a work period of not more than six (6) hours will complete the day’s
14 work the meal period may be waived by mutual consent of the employer and the employee.”

15 California Labor Code section 512(k) provides, in pertinent part, that: “An employer may not
16 employ an employee for a work period of more than five hours per day without providing the employee
17 with a meal period of not less than 30 minutes, except that if the total work period per day of the
18 employee is no more than six hours, the meal period may be waived by mutual consent of both the
19 employer and employee.

20 An employer may not employ an employee for a work period of more than 10 hours per day
21 without providing the employee with a second meal period of not less than 30 minutes, except that if
22 the total hours worked is no more than 12 hours, the second meal period may be waived by mutual
23 consent of the employer and the employee only if the first meal period was not waived.”

24 Here, Plaintiff alleges that Defendant failed to provide compliant meal periods to him and the
25 PAGA Settlement Group Members. Specifically, Defendant enforces practices that effectively require
26 Plaintiff and other Class Members to start their meal periods late after the end of the fifth hour. (MER
27 Decl. ¶ 12.)

1 In addition to failing to provide compliant meal periods, Plaintiff and the PAGA Settlement
2 Group Members were not compensated with one (1) hours' worth of pay at their regular rate of
3 compensation when they were not provided with a compliant meal period in accordance with Labor
4 Code section 226.7(b). (MER Decl. ¶ 13.)

5 **B. Plaintiff's Rest Period Claim**

6 California Labor Code section 226.7(a) provides, "No employer shall require any employee to
7 work during any meal or rest period mandated by an applicable order of the Industrial Welfare
8 Commission."

9 IWC Wage Order No. 9-2001, section (12)(A) provides, in pertinent part: "Every employer
10 shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in
11 the middle of each work period. The authorized rest period time shall be based on the total hours
12 worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof.
13 However, a rest period need not be authorized for employees whose total daily work times is less than
14 three and one-half (3½) hours. Authorized rest period time shall be counted as hours worked for which
15 there shall be no deduction from wages."

16 IWC Wage Order No. 9-2001, section (12)(B) provides, "If an employer fails to provide an
17 employee with a rest period in accordance with the applicable provisions of this order, the employer
18 shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each
19 workday that the rest period is not provided."

20 Here, Plaintiff alleges that Defendant failed to authorize or permit him and the PAGA
21 Settlement Group Members to take duty-free rest periods of not less than ten (10) minutes for every
22 major fraction of four (4) hours worked. Specifically, Plaintiff alleges that, although Defendant
23 maintains uniform compliant written policies, Defendant consistently applies verbal, noncompliant
24 policies and practices that result in failing to provide employees from taking full 10-minute rest breaks,
25 resulting in Plaintiff and the PAGA Settlement Group Members working during their entire rest breaks
26 at the direction of Defendants and/or with Defendants' knowledge and acquiescence. (MER Decl. ¶
27 14.) Thus, Plaintiff and the PAGA Settlement Group Members were not authorized or permitted to
28 take compliant rest periods at any time during their employment with Defendant.

1 The failure to provide a compliant meal or rest break - or advise employees of same, which
2 amounts to the same thing - gives rise to rest break premium claims. (*See, e.g., Amaro v. Gerawan*
3 *Farming, Inc.*, 2016 WL 3924400 (E.D. Cal. May 19, 2016)**Error! Bookmark not defined.**
4 [certifying class of piece-rate agricultural workers for claims that they were not provided paid rest
5 breaks in violation of Labor Code section 226.7 based on a uniform failure to advise that they would
6 be paid separately and hourly for rest breaks].)

7 In addition to failing to authorize and permit compliant rest periods, Plaintiff asserted that
8 Plaintiff and the PAGA Settlement Group Members were not compensated with one (1) hour's worth
9 of pay at their regular rate of compensation when they were not provided with a compliant rest period
10 in accordance with Labor Code section 226.7(b). (MER Decl. ¶ 15.)

11 C. Plaintiff's Minimum Wage Claim

12 Labor Code section 510 provides in relevant part: "[e]ight hours of labor constitutes a day's
13 work. Any work in excess of eight hours in one work day and any work in excess of 40 hours in any
14 one workweek and the first eight hours worked on the seventh day of work in any one workweek
15 shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an
16 employee. Any work in excess of 12 hours in one day shall be compensated at the rate of no less than
17 twice the regular rate of pay for an employee. In addition, any work in excess of eight hours on any
18 seventh day of a workweek shall be compensated at the rate of no less than twice the regular rate of
19 pay of an employee."

20 Labor Code section 1197 provides: "The minimum wage for employees fixed by the
21 commission is the minimum wage to be paid to employees, and the payment of a less wage than the
22 minimum so fixed is unlawful." Labor Code section 1182.12 establishes the right of employees to be
23 paid minimum wages for all hours worked in amounts set by state law. Labor Code section 1194,
24 subdivision (a) provides: "Notwithstanding any agreement to work for a lesser wage, an employee
25 receiving less than the legal minimum wage or the legal overtime compensation applicable to the
26 employee is entitled to recover in a civil action the unpaid balance of the full amount of this minimum
27 wage or overtime compensation, including interest thereon, reasonable attorney's fees, and costs of
28 suit." Labor Code section 1194.2 provides in pertinent part: "In any action under Section 1193.6 or

1 Section 1194 to recover wages because of the payment of a wage less than the minimum wage fixed
2 by an order of the commission, an employee shall be entitled to recover liquidated damages in an
3 amount equal to the wages unlawfully unpaid and interest thereon.”

4 Pursuant to IWC Wage Order No. 9-2001, section (2)(H), at all times material hereto, “hours
5 worked” includes “the time during which an employee is subject to the control of an employer, and
6 includes all the time the employee is suffered or permitted to work, whether or not required to do
7 so.”

8 At all times relevant during the liability period, under the provisions of IWC Wage Order No.
9 9-2001, Plaintiff and the PAGA Settlement Group Members should have received not less than the
10 minimum wage in a sum according to proof for the time worked, but not compensated. For all hours
11 that Plaintiff and the PAGA Settlement Group Members worked, they are entitled to not less than the
12 California minimum wage and, pursuant to Labor Code section 1194.2(a) liquidated damages in an
13 amount equal to the unpaid minimum wages and interest thereon. Pursuant to Labor Code section
14 1194, Plaintiff and the PAGA Settlement Group Members are also entitled to their attorneys’ fees,
15 costs, and interest according to proof.

16 Here, Plaintiff alleges that he and the PAGA Settlement Group Members were not paid all
17 wages for their time spent working off-the-clock while waiting to be transported to their job site as a
18 group. As such, none of that pre-shift time was accounted for on their time records. (MER Decl. ¶
19 16.) Additionally, Plaintiff relies on *Naranjo* for the established law now that the unpaid meal period
20 and rest break premiums are to be classified as unpaid wages (not penalties), which then triggers
21 derivative violations of Labor Code sections 203 and 226. (*Naranjo v. Spectrum Sec. Servs., Inc.*
22 (2022) 13 Cal. 5th 93.)

23 **D. Plaintiff’s Overtime Claim**

24 Pursuant to section 3 of IWC Wage Order No. 9-2001; California Code of Regulations, Title
25 8, Chapter 5, section 11040, section 12; and Labor Code sections 200, 204, 226, 500, 510, 512, 1194,
26 and 1198, Defendants were required to compensate Plaintiff and the PAGA Settlement Group
27 Members for all overtime hours worked, which is calculated at one and one-half (1½) times the
28 regular rate of pay for hours worked in excess of eight hours per day and/or 40 hours per week, and

1 for the first eight hours on the seventh consecutive work day, with double time after eight hours on
2 the seventh day of any work week, or after 12 hours in any work day.

3 Here, Plaintiff and the PAGA Settlement Group Members were and are nonexempt
4 employees entitled to the protections of IWC Wage Order No. 9-2001; California Code of
5 Regulations, Title 8, Chapter 5, section 11040, section 12; and Labor Code sections 200, 226, 500,
6 510, 512, 1194, and 1198. (MER Decl. ¶ 17.) In addition, during the PAGA Period, Plaintiff and the
7 PAGA Settlement Group Members consistently worked five days per week for shifts of eight hours
8 or more. During the course of Plaintiff's employment, and during the course of the employment of
9 the PAGA Settlement Group Members, Defendants failed to compensate Plaintiff and PAGA
10 Settlement Group Members for overtime hours worked as required under the aforementioned Labor
11 Codes and Regulations. (MER Decl. ¶ 18.)

12 For the reasons stated above, Plaintiff and the PAGA Settlement Group are entitled to one
13 and one-half (1½) times and/or double their regular rate of pay for overtime work performed during
14 the PAGA Period, based on appropriate calculations of the "total remuneration" for each pay period.

15 **E. Plaintiff's Wage Statement Claim**

16 Labor Code section 226(e) provides that an employee is entitled to recover \$50 for the initial
17 pay period in which a violation of Labor Code section 226 occurs and \$100 for each subsequent pay
18 period, not to exceed \$4,000.00, as well as an award of costs and reasonable attorneys' fees, for all
19 such pay periods.

20 An employee suffering injury as a result of a knowing and intentional failure by an employer
21 to comply with Labor Code section 226(a) is entitled to recover the greater of all actual damages or
22 fifty dollars (\$50) for the initial pay period in which a violation occurs and one hundred dollars (\$100)
23 per employee for each violation in a subsequent pay period, not exceeding an aggregate penalty of
24 four thousand dollars (\$4,000), and is entitled to an award of costs and reasonable attorney's
25 fees." (*Id.* § 226(e).)

26 Here, Defendant failed to accurately record the overtime hours worked by Plaintiff and the
27 PAGA Settlement Group Members. Additionally, Defendant failed to accurately record all rates of
28 pay in effect during the PAGA Period. (MER Decl. ¶ 19.)

1 **F. Plaintiff's Waiting Time Penalty Claim**

2 Labor Code section 201 provides, in relevant part, "[I]f an employer discharges an employee,
3 the wages earned and unpaid at the time of discharge are due and payable immediately." Labor Code
4 section 202 provides, in relevant part, "[I]f an employee not having a written contract for a definite
5 period quits his or her employment, his or her wages shall become due and payable not later than 72
6 hours thereafter, unless the employee has given 72 hours previous notice of his or her intention to
7 quit, in which case the employee is entitled to his or her wages at the time of quitting."

8 California Labor Code section 203 provides that if an employer willfully fails to pay
9 compensation promptly upon discharge or resignation, as required by sections 201 and 202, then the
10 employer is liable for penalties in the form of continued compensation up to 30 workdays.

11 Here, at the time of Plaintiff's and the PAGA Settlement Group Members' respective
12 separation dates, Plaintiff and the PAGA Settlement Group Members had unpaid wages. Plaintiff
13 resigned without notice, however, Defendant failed to pay Plaintiff his final wages within 72 hours.
14 (MER Decl. ¶ 20.)

15 At the time of Plaintiff's and the PAGA Settlement Group Members' respective separation
16 dates, Plaintiff and the PAGA Settlement Group Members had unpaid wages. Defendant willfully
17 failed to pay Plaintiff and other PAGA Settlement Group Members who are no longer employed by
18 Defendant for their uncompensated hours, uncompensated overtime, and missed, untimely, or on-
19 duty meal periods and rest breaks, accrued vacation time/paid time off at the forgoing rate upon their
20 separation from employment with Defendant as required by California Labor Code sections 201 and
21 202. (MER Decl. ¶ 21.)

22 **G. Plaintiff's Reimbursement Claim**

23 California Labor Code section 2802 provides that "An employer shall indemnify his or her
24 employee for all necessary expenditures or losses incurred by the employee in direct consequence of
25 the discharge of his or her duties, or of his or her obedience to the directions of the employer, even
26 though unlawful unless the employee, at the time of obeying the directions, believed them to be
27 unlawful."

28 Plaintiff alleged that, at the direction of Defendant and/or with Defendant's knowledge and

1 acquiescence, Plaintiff and the PAGA Settlement Group Members incurred necessary expenditures
2 and losses in direct consequence of the discharge of their employment duties and their obedience to
3 the directions of Defendant, and Defendant did not reimburse Plaintiff and the PAGA Settlement
4 Group Members for these expenditures or losses. Such expenses include, but are not limited to,
5 expenses for cell phone data for the use of their personal cell phones required for communication
6 purposes with coworkers during their shifts and for the purchase of tools required to carry out daily
7 tasks. (MER Decl. ¶ 22.)

8 **IV. PAGA AND ITS REQUIREMENTS**

9 PAGA provides an enforcement mechanism for California’s labor laws by enlisting individual
10 plaintiffs as private attorneys general to recover civil penalties for the state, with a share also going
11 to the individual plaintiffs and other employees. Due to the lack of financing for California’s
12 agencies, and the substantial number of Labor Code violations by California employers, the
13 California Legislature found that it was in the public interest to allow aggrieved employees to act as
14 “private attorneys general” to enforce and recover civil penalties on behalf of the State of California
15 for Labor Code violations committed by employers. (*Arias*, 46 Cal.4th at 980.) As the Legislature
16 that adopted PAGA observed, “the only meaningful deterrent to unlawful conduct is the vigorous
17 assessment and collection of civil penalties as provided in the Labor Code.” (Stats. 2003 ch. 906, §
18 1(b).)

19 Moreover, the Labor Code’s primary purpose is to “ensure employees are not required or
20 permitted to work under substandard unlawful conditions ... and to protect employers who comply
21 with the law from those who attempt to gain a competitive advantage at the expense of their workers
22 by failing to comply with minimum labor standards.” (Labor Code § 90.5(a).) Therefore, the
23 Legislature determined that “adequate financing of labor law enforcement was necessary to achieve
24 maximum compliance with state labor laws, that staffing levels for labor law enforcement agencies
25 had declined and were unlikely to keep pace with the future growth of the labor market, and that it
26 was therefore in the public interest to allow aggrieved employees, acting as private attorneys general,
27 to recover civil penalties for Labor Code violations, with the understanding that labor law
28 enforcement agencies were to retain primacy over private enforcement efforts.” Thus, Plaintiff,

1 acting as a private attorney general and proxy for the State of California, filed this action seeking
2 civil penalties for Defendant's alleged violations of the Labor Code.

3 Penalties recovered under PAGA "shall be distributed as follows: 65 percent to the Labor and
4 Workforce Development Agency for enforcement of labor laws and education of employers and
5 employees about their rights and responsibilities under this code ...; and 35 percent to the aggrieved
6 employees." (Lab. Code § 2699(i).)

7 Before filing a PAGA action, an aggrieved employee must first provide written notice to the
8 LWDA and the employer of the particular Labor Code violations the aggrieved employee alleges the
9 employer has violated. (Labor Code § 2699.3(a)(l).) This notice provides the LWDA with the
10 opportunity to investigate and prosecute the claim. The employee may only sue on the state's behalf
11 if the LWDA fails to respond to the notice within 65 days, responds that it does not intend to
12 investigate, or investigates and does not issue a citation within 185 days. (Labor Code §§
13 2699.3(a)(2), 2699(h).)

14 In this case, Plaintiff provided the LWDA with a notice letter advising it of the alleged Labor
15 Code violations, but the LWDA deferred the prosecution of these violations to Plaintiff and his
16 attorneys. (MER Decl. ¶ 6.) Accordingly, the Settlement and the \$180,000.00 common fund created
17 by it for the benefit of the State and PAGA Settlement Group Members, is solely the result of the
18 work performed by Plaintiff and his attorneys on this case – all while the PAGA Settlement Group
19 Members will preserve their own separate individual claims should they wish to pursue them.

20 Any settlement of a PAGA action brought by an aggrieved employee must be approved by
21 the court. (Lab. Code § 2699(1)(2).) In 2009, the California Supreme Court considered the PAGA
22 approval process and, more specifically, whether an aggrieved employee needs to meet class
23 certification requirements. (*Arias*, 46 Cal.4th at 976.) After a substantial review of the legislative
24 history of PAGA, the Court held that an aggrieved employee's representative action brought on behalf
25 of the state and other aggrieved employees against an employer for PAGA violations *does not* need
26 to meet the requirements for class certification nor does there need to be notice to the other
27 employees. (*Id.* at 975, 980-88.) As the Court held, a plaintiff bringing suit under PAGA does so as
28 the proxy or agent of California's labor law enforcement agencies. (*Id.* at 986.) Thus, the Court simply

1 reviews the settlement and approves it if it is deemed to be fair and reasonable.

2 Accordingly, the Parties to this current PAGA action have reached such an agreement and
3 now seek this Court's approval of the Settlement.

4 **V. THE SETTLEMENT AND DISTRIBUTION OF PAGA PENALTIES**

5 The following is a summary of the principal terms of the Settlement Agreement.

6 **A. TERMS OF THE SETTLEMENT AND DISTRIBUTION OF PAGA**
7 **PENALTIES**

8 The settlement provides that Defendant will pay a non-reversionary settlement amount of One
9 Hundred Eighty Thousand Dollars (\$180,000.00) (the "Total Settlement Amount"), inclusive of
10 payments to the LWDA and the PAGA Settlement Group Members, attorneys' fees and litigation
11 costs, Plaintiff's enhancement awards, and Settlement Administrator fees. (The Settlement
12 Agreement is attached as **Exhibit 1** to the MER Decl.). After payment of the attorneys' fees and
13 costs, Plaintiff's enhancement award, and settlement administrator fees, the remaining funds (the
14 "Net Settlement Amount") is approximately **\$95,000**.

15 **B. THE DISTRIBUTION OF THE NET SETTLEMENT AMOUNT**

16 Sixty-Five Percent (65%) of the Net Settlement Amount shall be distributed to the LWDA
17 consistent with the Settlement Agreement. The Settlement Agreement provides for a fair and
18 equitable means of allocating the remaining thirty-five percent (35%) of the Net Settlement Amount
19 to the PAGA Settlement Group Members. The allocation among the PAGA Settlement Group
20 Members shall be determined by dividing the number of pay periods he or she worked during the
21 Covered Period by the total aggregate number of pay periods worked by all PAGA Settlement Group
22 Members during the Covered Period and then multiplying this amount by the PAGA Aggrieved
23 Employee Payment.

24 **C. PAYMENT AND THE NOTICE**

25 Within thirty (30) days after the Effective Date, Defendant will transfer the Total Settlement
26 Amount to the Settlement Administrator via wire transfer. (Settlement Agreement, p. 5.) "Effective
27 Date" means the date of service of the Notice of Entry of the Court's Final Order dismissing the Case
28 with prejudice. (Settlement Agreement, p. 1.)

1 Within seven (7) calendar days of the Approval Order, Defendant will provide to the
2 Settlement Administrator the last known mailing addresses for each of the PAGA Settlement Group
3 Members, for the purpose of the Settlement Administrator distributing the Settlement Shares by U.S.
4 mail delivery of a check. (Settlement Agreement p. 11.) No later than 10 days after the Defendant
5 transfers the Total Settlement Amount to the Settlement Administrator, the Settlement Administrator
6 will mail a check to each PAGA Settlement Group Member with his or her Settlement Share (defined
7 in the Settlement Agreement as the portion of the Net Settlement Amount allocable to each PAGA
8 Settlement Group Member as consideration for the settlement and release of claims for penalties
9 under PAGA as provided by this Agreement.) (*Id.*)

10 **D. SETTLEMENT ALLOCATION TO THE PAGA SETTLEMENT GROUP**
11 **MEMBERS**

12 As noted, should the Court so elect, thirty-five percent (35%) of the PAGA Penalties will be
13 allocated to the PAGA Settlement Group Members. (Settlement Agreement p. 6.) Based on the
14 numbers provided by Defendant, approximately 35 current and former employees will share in this
15 fund. The Settlement Agreement provides a very fair and equitable means of allocating this fund.
16 The allocation among the PAGA Settlement Group Members shall be divided equally among all
17 PAGA Settlement Group Members. (*Id.*) The portion of each Aggrieved Employee's share will be
18 treated as non-wage income and reported by the Settlement Administrator on IRS Form 1099, as
19 required by law. (*Id.*)

20 **E. THE RELEASE**

21 The California Supreme Court has explained that a judgment in "a representative action
22 brought by an aggrieved employee under the Labor Code Private Attorneys General Act of 2004 ...
23 is binding not only on the named employee plaintiff but also on government agencies and any
24 aggrieved employee not a party to the proceeding." (*Arias*, 46 Cal. 4th at 985-986.) In accordance
25 with this rule, the release in the Settlement Agreement narrowly covers the claims for civil penalties
26 the Representative Plaintiff brought under Labor Code section 2699 and not the claims for the alleged
27 underlying violations. (Settlement Agreement p. 6-7.) The release in the Settlement Agreement
28 includes:

1 In his capacity as a private attorney general and an “aggrieved employee” acting on
2 behalf of himself, the PAGA Settlement Group Members, and as a proxy or agent of
3 the LWDA and the State of California, Plaintiff agrees to release RonDeux and the
4 other Released Parties, from any and all PAGA Released Claims that arose during the
5 PAGA Period. The express purposes of this Settlement Agreement and the Final Order
6 to be entered by the Court following approval of this Settlement Agreement regarding
7 the Action is to forever bar Plaintiff, the LWDA, and any other individual or entity
8 acting on behalf of or purporting to act on behalf of the LWDA from asserting any of
9 the PAGA Released Claims in any future litigation. It is the intent of the Parties that,
10 to the greatest extent provided by law, including under the holding of *Arias v. Superior*
11 *Court*, 46 Cal.4th 969, 986 (2009), the ability of Plaintiff, the State of California and
12 any PAGA Settlement Group Member (which includes any legal heirs and/or
13 successors in interest of each and every PAGA Settlement Group Member) to bring a
14 PAGA Released Claim on behalf of the LWDA is completely and forever foreclosed.
15 Any Party to this Settlement Agreement may use the Settlement Agreement to assert
16 that this Settlement Agreement and the Final Order to be entered by the Court
17 following approval of this Settlement Agreement bar any later-filed action asserting
18 any of the PAGA Released Claims against any of the Released Parties. The provisions
19 of this paragraph apply regardless of whether Plaintiff and/or the PAGA Settlement
20 Group Members cash their Individual PAGA Payment checks, so long as the Gross
21 Settlement Amount is administered and carried out according to this Settlement
22 Agreement. No PAGA Settlement Group Member has the right to opt-out of, object
23 to, or otherwise challenge this PAGA Release.

24
25 “PAGA Released Claims” means all claims, causes of action, debts, liabilities,
26 demands, obligations, penalties, guarantees, costs, expenses, attorneys' fees, damages,
27 or interest that were alleged or could have been alleged in the Case that are based on
28 alleged failure to provide meal periods; failure to provide rest breaks; failure to pay

1 minimum wages; failure to pay overtime wages; failure to furnish timely, accurate
2 wage statements; failure to pay all wages upon separation; failure to reimburse all
3 necessary, business- related expenses; and failure to pay all wages earned through the
4 end of the PAGA Period. No PAGA Settlement Group Member has the right to opt-
5 out of, object to, or otherwise challenge the PAGA Released Claims. The Parties agree
6 that, beyond the Gross Settlement Amount (subject to increase pursuant to the
7 Escalator Clause at Paragraph 4), RonDeux shall not owe any additional monies to the
8 PAGA Settlement Group Members or the LWDA, based on the PAGA Released
9 Claims. Upon full funding of the Gross Settlement Amount, except as to such rights
10 or claims as may be created by this Settlement Agreement, all PAGA Settlement
11 Group Members and the LWDA fully release and discharge the Released Parties from
12 all PAGA Released Claims during the PAGA Period.”

13 For these reasons, the Parties contend that the release narrowly applies only to the claims
14 alleged, and only binds the PAGA Settlement Group Members as to the PAGA claims.

15 **VI. THE SETTLEMENT IS FAIR AND REASONABLE, AND WARRANTS COURT**
16 **APPROVAL**

17 **A. Standards for Approval of a PAGA Settlement**

18 The Court has wide latitude in determining whether to approve the penalties proposed as part
19 of a PAGA settlement. Interestingly, the criteria focus on the effect the penalties may have on the
20 defendant-employer rather than the LWDA or the aggrieved employees who will receive the
21 penalties. (*See, Iskanian, supra*, 59 Cal.4th at 313 [stating that while the State clearly has an interest
22 “in receiving the proceeds of civil penalties,” the penalties are “used to deter violations.”].) This is
23 different than the analysis of a class action settlement, which typically focuses on the amount
24 received by the class and compares that to the reasonable range of potential outcomes in this case.
25 (*C.f., e.g., Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 130.) Moreover, “there is
26 no requirement that the Court certify a PAGA claim for representative treatment” as in a class action.
27 (*Villalobos v. Calandri Sonrise Farms LP* (C.D. Cal. July 2015) 2015 WL 12732709, at *5.)

1 **B. The Civil Penalties Are Appropriate Under The Circumstances And Given**
2 **Defendant’s Convincing Arguments And Evidence**

3 Plaintiff contends that a non-reversionary Total Settlement Amount of \$180,000.00
4 represents an excellent recovery that is large enough to punish or deter Defendant. The proposed
5 Settlement provides a fair and reasonable monetary recovery for the LWDA and the PAGA
6 Settlement Group Members in the face of hotly-disputed claims.

7 Although PAGA and its legislative history do not seem to require a comparison with the
8 “maximum value” of the claims to the actual settlement amount, the penalties are reasonable when
9 considered in this context as well. The number of PAGA Settlement Group Members in the PAGA
10 covered period is only 35 and the number of PAGA-eligible pay periods is approximately 825. (MER
11 Decl. ¶ 23.)

12 Further, while Plaintiff believes the claims are meritorious and that he would have recovered
13 unreduced penalties, Defendant asserted numerous defenses to the claims. (MER Decl. ¶ 24.) For
14 example, a significant factor in evaluating the value of a PAGA-only case is that all PAGA awards
15 are discretionary and subject to potentially significant reduction by the Court. Defendant maintains
16 that given their good faith and *de minimis* defenses, this Court would exercise its discretion to
17 substantially reduce any PAGA penalties if it were to find Defendant liable for any of Plaintiff’s
18 claims. (*Id. See also*, Labor Code §§ 203, 2699(e)(2); *Thurman v. Bayshore Transit Mgmt., Inc.*
19 (2012) 203 Cal.App.4th 1112, 1135 [affirming reduction of PAGA penalties for wage statement
20 violations from \$2,800,000 to \$500,000, because “the aggrieved employees suffered no injury” as a
21 result of the violations, the defendants “were not aware” their wage statements violated the law, and
22 the defendants “took prompt steps to correct all violations once notified.”]; *Fleming v. Covidien, Inc.*
23 (C.D. Cal. Aug. 12, 2011, No. (OPX)) 2011 WL 7563047, at *4 [reducing PAGA penalties from \$2.8
24 million to \$500,000]. *Id.*)

25 Additionally, Defendant argued Plaintiff could only seek PAGA penalties at the \$100 “initial”
26 violation rate, as opposed to the \$200 “subsequent” violation rate, as before Plaintiff initiated this
27 action, Defendant had never been put on notice by a court or the Labor Commissioner that its practices
28 violated the Labor Code. (*See, Amaral v. Cintas Corp. No. 2* (2008) 163 Cal.App.4th 1157, 1209

1 (finding “initial” violation rate applies until employer has been notified that it is violating a Labor
2 Code provision).) As a result, Plaintiff gave Defendant the benefit of the “initial” \$100.00 per pay
3 period violation as opposed to the \$200.00 subsequent per violation rate in calculating penalties.
4 (MER Decl. ¶ 25.) In light of the foregoing, Plaintiff’s Counsel took into consideration the defenses
5 raised and applied the appropriate discounts. (*Id.*)

6 This settlement is a great result given that Courts can exercise their discretion to reduce the
7 amount of PAGA penalties. (***Error! Bookmark not defined.*** See e.g., *Fleming v. Covidien Inc.*, 2011
8 WL 7563047, at *4 (C.D. Cal. Aug. 12, 2011).) Further, in *Carrington v. Starbucks Corp.* (Cal. App.
9 2018) 30 Cal. App. 5th 504, 517, the California Court of Appeals deemed it reasonable to award just
10 five dollars per PAGA violation. **Here, with 825 pay periods at issue, under *Carrington***
11 **appropriate settlement amount could be as low as \$4,125.00.** (MER Decl. ¶ 27.) Instead, despite
12 the risks of the case identified through mediation and exchange of documents and information with
13 opposing counsel, the Total Settlement Amount of \$180,000.00 results in \$218.18 for each pay
14 period. (*Id.*) Accordingly, the proposed settlement reflects a better result than some actual PAGA
15 trials that were litigated to completion, though other cases also provided for a greater award than
16 *Carrington*. Thus, the PAGA settlement amount is reasonable in light of significant risks and
17 uncertainties associated with the PAGA claims in this case.

18 Defendant vigorously disputed the merits of Plaintiff’s claims. (MER Decl. ¶¶ 3, 9, 24.)
19 Defendant asserted that it paid all minimum and overtime wages for all hours worked, provided all
20 legally mandated meal and rest periods, reimbursed all business expenses, and produced only
21 complete and accurate wage statements. (*Id.*)

22 The scope of the release of the PAGA Settlement is necessarily strictly confined to those
23 PAGA civil penalties that were or could have been alleged in the Action. The PAGA Released Claims
24 do not release any Aggrieved Employee’s non-PAGA claims for alleged violations of the Labor Code.
25 Individual PAGA Settlement Group Members who believe they have been denied, for example,
26 minimum wage or overtime, can maintain those rights to pursue those claims in another proceeding.

27 The proposed Settlement, even with deductions, provides a substantial sum of \$33,250.00 to
28 the aggrieved employees and \$61,750.00 to the LWDA. (MER Decl. ¶ 28.) The Settlement secured

1 by Plaintiff here is greater than other PAGA penalty awards approved by California state courts,
2 which often range between \$7,500.00 and \$15,000.00 for PAGA claims impacting hundreds or
3 thousands of individuals, resulting in much lower PAGA penalty payments on a per capita basis. (*See,*
4 *e.g., Penaloza v. PPG Industries Inc.*, Case No. BC471369, 2013 WL 2917624 at *2 (Super. Ct. L.A.
5 County, May 20, 2013) (approving PAGA penalties of \$5,000.00 to class of 667 members); *Cabrera*
6 *v. Advantage Sale & Marketing, LLC*, Case No. BC485259, 2013 WL 1182822 (Super. Ct. L.A.
7 County, March 12, 2013 (approving PAGA penalties of \$10,000.00 for class of approximately 3,000
8 members). *Id.*)

9 Public policy strongly favors the settlement of litigation. (*Consumer Advocacy Group v.*
10 *Kintetsu Enterprises of America* (2006) 141 Cal.App.4th 46, 63.) Because the proposed Settlement
11 is neither unjust nor ignores the public interest, it should be approved.

12 Accordingly, the gross PAGA penalty payment is extremely reasonable in light of the risks
13 and uncertainties associated with the PAGA claims in this case. The Settlement commits Defendant
14 to pay over \$95,000.00 in PAGA penalties (after fees and costs), which is large enough to punish
15 Defendant for alleged violations and to deter such alleged conduct in the future. (MER Decl. ¶ 29.)
16 At the same time, in light of the alleged violations and defenses thereto, it is not so large as to be
17 oppressive or confiscatory. Based upon the foregoing, the proposed settlement is fair, reasonable, and
18 in the best interest of the state of California, Plaintiff, and the PAGA Settlement Group Members.

19 **VII. THE REQUESTED ATTORNEYS' FEES AND LITIGATION COSTS ARE FAIR**
20 **AND REASONABLE**

21 For their efforts and the risk that they undertook in obtaining a common fund settlement that
22 benefits the LWDA and PAGA Settlement Group Members, the Parties allocated one-third of the
23 Total Settlement Amount to Plaintiff's Counsel for reasonable attorneys' fees, plus actual litigation
24 costs. These fees are warranted under the law and within the range of fees commonly awarded in
25 similar cases.
26
27
28

1 A. **PLAINTIFF’S COUNSEL ARE ENTITLED TO RECOVER ATTORNEYS’**
2 **FEES UNDER THE COMMON FUND DOCTRINE IN THIS QUI TAM**
3 **ACTION**

4 When awarding attorneys’ fees, courts have discretion to choose among two different
5 methods for calculating a reasonable attorney’s fees award: 1) the common fund approach; or 2) the
6 lodestar approach (*See Laffitte v. Robert Half Int’l Inc.* (2016) 1 Cal.5th 480, 504 [“The choice of a
7 fee calculation method is generally one within the discretion of the trial court, the goal under either
8 the percentage or lodestar approach being the award of a reasonable fee to compensate counsel for
9 their efforts.”].) In *Laffitte*, the California Supreme Court held that “[t]he recognized advantages of
10 the percentage method – including relative ease of calculation, alignment of incentives between
11 counsel and the class, a better approximation of market conditions in a contingency case, and the
12 encouragement it provides counsel to seek an early settlement and avoid unnecessarily prolonging
13 litigation – convince us the percentage method is a valuable tool that should not be denied by our
14 trial courts.” (*Id.*) (emphasis added). Similarly, the Ninth Circuit has found that counsel should not
15 “receive a lesser fee for settling a case quickly.” (*Vizcaino v. Microsoft Corp.* (9th Cir. 2002) 290
16 F.3d 1043.)

17 Further, PAGA provides that a Plaintiff is entitled to recover reasonable attorneys’ fees,
18 expenses, and costs under section 2699(g)(1) of the California Labor Code, which states that, “Any
19 employee who prevails in any action shall be entitled to an award of reasonable attorney’s fees and
20 costs, including any filing fee paid pursuant to subparagraph (B) of paragraph (1) of subdivision (a)
21 or subparagraph (B) of paragraph (1) of subdivision (c) of Section 2699.3. As discussed below, in a
22 qui tam action, reasonable attorneys’ fees and costs are typically awarded under the common fund
23 doctrine where, as here, the litigation creates a common fund of money in a specific amount for the
24 benefit of others.

25 “A qui tam action is one brought under a statute that allows a private person to sue as a private
26 attorney general to recover damages or penalties, all or part of which will be paid to the government.”
27 (*People ex rel. Stratham v. Acacia Research Corp.* (2012) 210 Cal.App.4th 487, 491-492.) “A qui
28 tam action ‘is a type of private attorney general lawsuit’ [citation], in which ‘the qui tam plaintiff

1 stands in the shoes of the state or political subdivision [citation].” (*Id.* at p. 501.) As the name of the
2 PAGA statute makes clear (e.g. “Labor Code Private Attorney General Act”), a PAGA action is a
3 *qui tam* action because the statute allows the employee plaintiff, acting as the proxy of the state’s
4 labor law enforcement agency, to sue his or her employer for Labor Code violations and recover civil
5 penalties that otherwise would have been assessed and collected by the Labor and Workforce
6 Development Agency (LWDA). (*Iskanian v. CLS Transp. Los Angeles, LLC* (2014) 59 Cal.4th 348,
7 380.) “A PAGA representative action is therefore a type of *qui tam* action.” (*Id.* at p. 382.) Indeed,
8 the majority of the civil penalties recovered in a PAGA action are paid to the state, with a smaller
9 portion paid to the aggrieved employees. (See Lab. Code § 2699(i).)

10 As here, where a common fund is created in a *qui tam* action by the successful litigation of a
11 plaintiff and his attorneys, the plaintiff’s attorneys are entitled to recover their fees from the common
12 fund. (*Bank of America v. Cory* (1985) 164 Cal.App.3d 66, 89-91.) Through the successful efforts of
13 Plaintiffs and their attorneys, a common fund was created in the amount of \$180,000 for the benefit
14 of the PAGA Settlement Group Members and the State of California. (MER Decl. ¶ 26.) Thus, these
15 beneficiaries must bear their share of the costs and attorney’s fees, which fees and costs must be
16 deducted from the settlement amount under the common fund theory.

17 The California Supreme Court recently upheld the use of the common fund theory of recovery
18 for attorney’s fees in (*Laffitte v. Robert Half Int’l Inc.* (2016) 1 Cal.5th 480, 506.) In *Laffitte*, the
19 settlement created a common fund of \$19 million dollars. The Court approved the award of attorneys’
20 fees in the amount of one-third of the gross \$19 million-dollar settlement (e.g. awarded \$6.33 million
21 in attorney’s fees) under the common fund theory of recovery. (*Id.*) This ruling is consistent with the
22 Court’s prior rulings recognizing that “when a number of persons are entitled in common to a specific
23 fund, and an action brought by ... plaintiffs for the benefit of all results in the creation or preservation
24 of that fund, such ... plaintiffs may be awarded attorneys’ fees out of the fund.” (*Serrano III v. Priest*
25 (1977) 20 Cal.3d 25, 34; *Boeing Co. v. Van Gemert* (1980) 444 U.S. 472, 478 (“[A] lawyer who
26 recovers a common fund . . . is entitled to reasonable attorneys’ fees from the fund as a whole”);
27 *Mills v. Electric Auto-Lite Co.* (1970) 396 U.S. 375, 393-394 (discussing the acceptance of awarding
28 attorneys’ fees and expenses from a settlement where “litigation has conferred a substantial benefit

1 on the members of an ascertainable class”); see also *Lealao v. Beneficial California, Inc.* (2000) 82
2 Cal.App.4th 19, 26 (“[f]ee spreading occurs when a settlement or adjudication results in the
3 establishment of a separate or so-called common fund for the benefit of the class.”)

4 Accordingly, the common fund doctrine allows a court to award attorneys’ fees based upon a
5 percentage of the total fund that is created for the satisfaction of beneficiaries’ claims when the fund
6 consists of a “certain or easily calculable sum of money.” *Dunk v. Ford Motor, Co.* (1996) 48
7 Cal.App.4th 1794, 1809; *Jutkowitz v. Bourns, Inc.* (1981) 118 Cal.App.3d 102, 110 [application of
8 the percentage of the fund recovery depended on “[t]he critical point” that “a fund was created from
9 which attorneys’ fees could be paid”]; A. Conte & H. Newberg, *Newberg on Class Actions*, § 14:6
10 (4th ed. 2002).)

11 California law has long upheld, and continues to uphold, the percentage of the recovery
12 method for awarding attorneys’ fees where a fund is established. (See e.g., *Serrano III v. Priest* (1977)
13 20 Cal.3d 25, 34; *Bell v. Farmers Insurance Exchange* (2004) 115 Cal.App.4th 715, 726; *Chavez v.*
14 *Netflix, Inc.* (2008) 162 Cal.App.4th 43, 563 (“fees based on a percentage of the benefits are in fact
15 appropriate in large class actions...”); *Sanders v. City of Los Angeles* (1970) 3 Cal.3d 252, 261, 263
16 (affirming award of attorneys’ fees based on percentage of recovery); *Chavez v. Netflix, Inc., supra*,
17 162 Cal.App.4th at pp. 65-66; see also *Consumer Cause, Inc. v. Mrs. Gooch’s Natural Food Markets,*
18 *Inc.* (2005) 127 Cal.App.4th 387, 397 (the common fund doctrine is “frequently applied in class
19 actions when the efforts of the attorney for the named class representatives produce monetary benefits
20 for the entire class”); *Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 254 (“courts
21 recognize two methods for calculating attorney fees in class actions: the lodestar/multiplier method
22 and the percentage of recovery.”)

23 In light of the foregoing, awarding attorneys’ fees based on a one-third percentage of the gross
24 settlement amount is favored by California Courts when a fund established for the common benefit
25 of others is involved, such as here. Accordingly, awarding fees on this basis in the amount of one-
26 third of the \$180,000.00 Total Settlement Amount is reasonable and appropriate.

1 **B. A FEE OF ONE-THIRD OF THE GROSS SETTLEMENT AMOUNT IS FAIR**
2 **AND REASONABLE BASED UPON THE FACTORS DEVELOPED BY THE**
3 **COURTS AND SERVES THE PUBLIC POLICY OF ATTRACTING**
4 **COMPETENT COUNSEL TO LITIGATE THESE CASES**

5 An award of fees from the Total Settlement Amount under the common fund doctrine prevents
6 unjust enrichment of those who benefit from the common fund created through the successful efforts
7 of plaintiff's counsel and furthers the important goal of attracting competent counsel to handle
8 representative actions enforcing minimum labor standards. (*Laffitte v. Robert Half Int'l Inc.* (2016) 1
9 Cal.5th 480, 503.) In affirming the use of the common fund doctrine in California, the California
10 Supreme Court summarized the benefits of the percentage method of recovery stating: "The
11 recognized advantages of the percentage method—including relative ease of calculation, alignment
12 of incentives between counsel and the class, a better approximation of market conditions in a
13 contingency case, and the encouragement it provides counsel to seek an early settlement and avoid
14 unnecessarily prolonging the litigation [citations]—convince us the percentage method is a valuable
15 tool that should not be denied our trial courts." (*Id.*)

16 Among the factors considered in determining whether the requested fee percentage is
17 reasonable are: (1) the results achieved; (2) the risk of further litigation; (3) the skill required of
18 plaintiff's counsel and the quality of work performed by plaintiff's counsel; (4) the contingent nature
19 of the fee and the financial burden carried by the plaintiff; and (5) awards made in similar cases.
20 (*Vizcaino v. Microsoft Corp.* (9th Cir. 2002) 290 F.3d 1043, 1048-50.) All these factors support an
21 award here of one-third of the common fund.

22 First, Plaintiff's Counsels' efforts resulted in a common fund settlement amount of
23 \$180,000.00. This is a great PAGA settlement considering the contested issues.

24 Second, Plaintiff faced significant risks going forward with the litigation. As discussed above,
25 Defendant raised various defenses and, as such, Plaintiff faced risky issues going forward with this
26 litigation, as well as the fact that it would have taken significant time to realize any recovery in this
27 action along with the possibility of post-trial appeals.

28 Third, Plaintiff's Counsel are experienced representative and class action litigators, and have

1 previously achieved significant PAGA and class action awards. This experience and expertise,
2 combined with the high quality of work performed in this case by Plaintiff's Counsel, resulted in the
3 settlement achieved.

4 Fourth, as discussed above, the request for attorneys' fees in the amount of one-third of the
5 common fund falls well within the norms accepted by state and federal courts in California in
6 comparable wage and hour actions. Moreover, the award of a one-third fee recovery under the
7 common fund doctrine was recently approved by the California Supreme Court in *Laffitte, supra*, 1
8 Cal.5th 480, 503.

9 For all of the above reasons, a common fund fee award here in the amount of one-third of the
10 \$180,000.00 common fund created by Plaintiff and his attorneys is fair and reasonable.

11 **C. AN AWARD OF 1/3 OF ATTORNEYS' FEES IS CONSISTENT WITH**
12 **PLAINTIFF'S COUNSELS' EXPERIENCE, THE RESULTS ACHIEVED,**
13 **AND OTHER CASES**

14 Plaintiffs' Counsels' request for attorneys' fees in the amount of 1/3 of the common fund falls
15 within the range of attorneys' fees regularly awarded by Courts in similar matters. (*See e.g., McCrary*
16 *v. Elations Co., LLC*, 2016 U.S. Dist. LEXIS 24050, at *2 (C.D. Cal. Feb. 25, 2016) (finding that
17 most fee awards based on either a percentage calculation or lodestar percentage are 33%; *Romero v.*
18 *Producers Dairy Foods, Inc.*, 2007 U.S. Dist. LEXIS 86270, 2007 WL 3492841, at *4 (E.D. Cal.
19 Nov. 14, 2007) (awarding 33% of the settlement fund in a wage-and-hour case involving allegations
20 of unpaid wages after explaining that "fee awards in class actions average around one-third of the
21 recovery."); *Stuart v. RadioShack Corp.*, 2010 WL 3155645 (N.D. Cal. Aug. 9, 2010) [noting that a
22 fee award of 1/3 of the settlement was "well within the range of percentages which courts have upheld
23 as reasonable in other class action lawsuits."].)¹

24 Plaintiffs' Counsel in this action are experienced wage-and-hour litigators who have
25 prosecuted numerous Class and PAGA actions including several at the appellate level helping to
26

27 ¹ See also *In re Mego Fin. Corp. Sec. Litig.*, 213 F.3d 454, 463 (9th Cir. 2000) (affirming an award of attorneys' fees
28 equal to approximately 33 percent of the common fund); *Vasquez v. Coast Valley Roofing, Inc.*, 266 F.R.D. 482, 491-
92 (E.D. Cal. 2010) (33.33% award).

1 establish law favorable to employees. Plaintiff's Counsel have provided their qualifications and
2 experience in their concurrently filed declaration. (*See*, MER Decl. ¶¶ 30.) The excellent results
3 achieved in light of the significant risks associated with contingency litigation support Plaintiff's
4 Counsels' request for an award of 1/3 of the common fund.

5 Plaintiff's Counsel believes that the Court should also take into advisement the considerable
6 risks undertaken by the prosecution of this action, the excellent result achieved by Plaintiff's Counsel
7 as well as the non-monetary relief from which the PAGA Settlement Group Members have already
8 benefitted. It is not a foregone conclusion that every case taken on a contingency fee basis will result
9 in a recovery or that the attorneys' fees recovered will actually compensate the firm for the amount
10 of time expended in an action. Moreover, even when successful, a class and representative action
11 contingency law firm may only receive a small percentage of the amount of attorneys' fees incurred
12 during the prosecution of a case. Where plaintiffs' counsel does succeed, therefore, it is appropriate
13 to compensate the firm for the risks the firm regularly undertakes. Plaintiffs' Counsel's firms are
14 currently prosecuting actions where the defendant has declared bankruptcy even after the successful
15 negotiation of a settlement and have done numerous cases where they have received a negative
16 multiplier meaning that Plaintiff's Counsel prosecutes cases where they do not receive full
17 compensation for all of their hours worked. This risk is particularly acute when dealing with a
18 defendant of this size.

19 Lastly, Plaintiff's Counsel believes that the Court should take into consideration the excellent
20 result achieved by Plaintiff's Counsel. Plaintiff's Counsel obtained a significant monetary recovery
21 in light of the discretionary nature of PAGA penalties. In a PAGA action, the Court has the same
22 authority "to assess a civil penalty" that the Labor Commissioner would have, as well as complete
23 discretion to "award a lesser amount than the maximum civil penalty amount specified [by PAGA]
24 if, based on the facts and circumstances of the particular case, to do otherwise would result in an
25 award that is unjust, arbitrary and oppressive, or confiscatory." (Lab. Code § 2699(e)(2).) Courts
26 often exercise at least some discretion with respect to PAGA penalties and it's possible that the Court
27 in this action would have exercised its discretion to reduce the PAGA penalties. Courts have exercised
28 their discretion to award only 5% to 18% of the potential PAGA penalties. (*See e.g., Kileigh*

1 *Carrington v. Starbucks Corporation, et al.*, San Diego Superior Court Case No. 37-2014-00018637-
2 CU-OE-CTL (Apr. 3, 2017) (holding that the plaintiff was only entitled to collect the reduced penalty
3 amount of \$5.00 for each pay period in which a meal period violation occurred or 5% of the PAGA
4 penalties at issue); *Fleming v. Covidien, Inc.* (C.D. Cal. Aug. 12, 2011) 2011 WL 7563047, at *4
5 [reducing PAGA penalties by 82% to \$5000 per employee].)

6 Further, courts can exercise their discretion to reduce the amount of PAGA penalties.
7 (*Carrington v. Starbucks Corp.* (Cal. App. 2018) 30 Cal. App. 5th 504, 517 [deeming it reasonable
8 to award PAGA penalties at only \$5 per pay period].) Here, with 825 pay periods at issue, under
9 *Carrington* an appropriate settlement amount could be as low as \$4,125, far lower than the amount
10 recovered via the proposed settlement. Accordingly, the proposed settlement reflects a better result
11 than some actual PAGA trials that were litigated to completion, though other cases also provided for
12 greater award than *Carrington*.

13 **D. THE REQUESTED LITIGATION COSTS ARE FAIR AND REASONABLE**

14 Plaintiff's Counsel requests reimbursement of their actual out-of-pocket expenses incurred to
15 prosecute this action. These expenses were incidental and necessary to the effective representation of
16 the employees. (*See Harris v. Marhoefer* (9th Cir. 1994) 24 F.3d 16, 19.) Plaintiff's Counsel are
17 permitted to recover their litigation costs and expenses under the common fund doctrine. (*See Serrano*
18 *III*, 20 Cal.3d at 35 [common fund doctrine permits recovery of fees and costs from the fund]; *Rider*
19 *v. County of San Diego* (1992) 11 Cal.App.4th 1410, 1424 n.6 [costs are recoverable from the
20 common fund "[o]f necessity, and for precisely the same reasons discussed above with respect to the
21 recovery of attorneys' fees by . . . [Plaintiffs'] attorneys".) Furthermore, Plaintiff's Counsel are
22 entitled to recover "those out-of-pocket expenses that would normally be charged to a fee-paying
23 client." (*Harris, supra*, 24 F.3d at 19.)

24 The actual litigation costs in this case by Plaintiff's Counsel to date amount to \$14,149.55,
25 which includes anticipated costs in association with the filing and serving of the present motion, and
26 in connection with shepherding this settlement through funding and disbursement. (MER Decl., ¶
27 31.)

1 **VIII. SUBMISSION TO THE LWDA**

2 The Settlement and this Motion are concurrently being submitted to the LWDA in accordance
3 with Labor Code section 2699(1)(2). (MER Decl., ¶ 32 and **Exhibit 3.**)

4 **IX. THE SETTLEMENT ADMINISTRATOR**

5 The Parties have agreed to use Simpluris, Inc. as the Settlement Administrator. (MER Decl.,
6 ¶ 33 and **Exhibit 4.**) The Settlement Administrator will be responsible for processing the settlement
7 payments for the PAGA Settlement Group Members. (Settlement Agreement p. 5.). Simpluris, Inc.
8 has administered hundreds, if not thousands, of class and PAGA settlements.

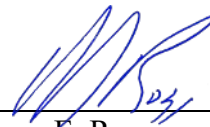
9 **X. CONCLUSION**

10 For the foregoing reasons, Plaintiff requests that the Court approve the PAGA Settlement.

11
12 Dated: February 17, 2026

ABRAMSON LABOR GROUP

13
14 By:

/s/ 

Megan E. Ross
Attorneys for Plaintiff and the PAGA
Settlement Group Members

3 **PROOF OF SERVICE**

4 **STATE OF CALIFORNIA, COUNTY OF LOS ANGELES**

5 I am an employee in the County of Los Angeles, State of California. I am over the age of 18
6 and not a party to the within action; my business address is 1700 West Burbank Boulevard,
7 Burbank, CA 91506.

8 On February 17, 2026, I served the foregoing document, described as **NOTICE OF**
9 **MOTION AND PLAINTIFF'S MOTION FOR APPROVAL OF PAGA SETTLEMENT** on
10 all interested parties in this action by placing a true copy thereof in a sealed envelope,
11 addressed as follows:

12 Krikor Moloyan
13 Danae Ruelas (Staff)
14 **O'HAGAN MEYER**
15 550 S. Hope Street | Suite 2400
16 Los Angeles, CA 90071

kmoloyan@ohaganmeyer.com
druelas@ohaganmeyer.com
Attorneys for RONDEUX RELOCATION
SERVICES, INC.

17 **Department of Industrial Relations**
18 **Labor & Workforce Development**
19 **Agency**
20 800 Capitol Mall.; Ste 5000
21 Sacramento, CA 95814

Via LWDA Website:
[https://www.dir.ca.gov/Private-AttorneysGeneral-
Act/Private-Attorneys-GeneralAct.html](https://www.dir.ca.gov/Private-AttorneysGeneral-Act/Private-Attorneys-GeneralAct.html)

22 ☐ **(BY MAIL)** I placed such envelope, with postage thereon prepaid, in the United States mail
23 at Burbank, California. I am "readily familiar" with the firm's practice of collecting and
24 processing correspondence for mailing. Under that practice, it would be deposited with the
25 U.S. Postal Service on that same day, with postage thereon fully prepaid, at Burbank,
26 California, in the ordinary course of business. .

27 ☐ **(VIA CASE ANYWHERE)** I caused such documents described herein to be uploaded
28 electronically onto the website www.caseanywhere.com per a mutual agreement between
the parties. I uploaded the above-entitled document(s) with the understanding that all
parties will have access and be able to download said documents.

☒ **(BY ELECTRONIC MAIL)** I sent such document via electronic mail to the email(s) noted
above.

☒ **(STATE)** I declare, under penalty of perjury under the laws of the State of California, that
the above is true and correct.

Executed on February 17, 2026, at Burbank, California.

26 Denny Baek
27 Denny Baek