Miriam L. Schimmel (State Bar No. 185089)
mschimmel@blackstonepc.com
Joana Fang (State Bar No. 309623)
jfang@blackstonepc.com
Alexandra Rose (State Bar No. 329407)
arose@blackstonepc.com
James S. Winn Jr. (State Bar No. 349690)
jwinn@blackstonepc.com
BLACKSTONE LAW, APC
8383 Wilshire Boulevard, Suite 745
Beverly Hills, California 90211
Tel: (310) 622-4278/ Fax: (855) 786-6356

Attorneys for Plaintiff Ana Valenzuela and the Class

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN DIEGO

ANA VALENZUELA, individually, and on behalf of other similarly situated employees and aggrieved employees pursuant to the California Private Attorneys General Act,

Plaintiff,

vs.

HANDLERY HOTELS, INC.; and DOES through 25, inclusive,

Defendants.

Case No. 24CU006128C

Honorable Euketa Oliver
Department C-75

NOTICE OF MOTION AND MOTION FOR FINAL APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT, ATTORNEYS' FEES AND COSTS, ENHANCEMENT PAYMENT, AND SETTLEMENT ADMINISTRATION COSTS; MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT THEREOF

Date:	October 30, 2026
Time:	9:00 a.m.
Dept:	C-75
Complaint Filed:	August 15, 2024
FAC Filed:	November 11, 2025
Trial Date:	Not Set

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE THAT on **October 30, 2026 at 9:00 a.m.** in Department C-75 of the above-captioned Court located at 330 West Broadway, San Diego, California 92101, pursuant to California Code of Civil Procedure section 382, Rule 3.769 of the California Rules of Court, and California Labor Code section 2699(s)(2), Plaintiff Ana Valenzuela ("Plaintiff") will and hereby does move the Court for an Order granting final approval of the proposed class action and Labor Code Private Attorneys General Act of 2004, California Labor Code sections 2698, *et seq*. ("PAGA") settlement between Plaintiff and Defendant Handlery Hotels, Inc. ("Defendant").

Plaintiff requests that the Court enter an Order:

1. Granting final approval of the class action and PAGA settlement;

2. Approving the settlement as fair, adequate, and reasonable, based upon the terms as set forth in the Court-approved Joint Stipulation of Class Action and PAGA Settlement ("Settlement Agreement" or "Settlement"), including payment by Defendant of the Gross Settlement Amount of One Million Eighty Thousand Dollars and Zero Cents ($1,080,000.00) equal to the amounts to pay (1) the Settlement Class Members and PAGA Employees pursuant to the terms of the Settlement; (2) the Court-approved Attorneys' Fees and Costs; (3) the Court-approved Enhancement Payment; (4) the Court-approved Settlement Administration Costs; and (5) the Court-approved payment to the California Labor and Workforce Development Agency ("LWDA") pursuant to PAGA;

3. Approving Class Counsel's request for thirty-five percent (35%) of the Gross Settlement Amount, i.e., Three Hundred Seventy-Eight Thousand Dollars and Zero Cents ($378,000.00) in attorneys' fees, plus reimbursement of actual costs and expenses in the amount of Twenty-Eight Thousand Five Hundred Eleven Dollars and Fifty-Nine Cents ($28,511.59);

4. Approving the Enhancement Payment to Plaintiff in the amount of Seven Thousand Five Hundred Dollars and Zero Cents ($7,500.00) in recognition of her services to the Class Members;

5. Approving the Settlement Administration Costs to ILYM Group, Inc. in the amount of Seven Thousand Eight Hundred Fifty Dollars and Zero Cents ($7,850.00); and

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///

6. Approving Thirty-Five Thousand One Hundred Dollars and Zero Cents ($35,100.00) to be paid to the LWDA as sixty-five percent (65%) of the Fifty-Four Thousand Dollars and Zero Cents ($54,000.00) allocated to civil penalties under PAGA.

This Motion is made pursuant to Rule 3.769 of the California Rules of Court, which requires approval by the Court of a class action settlement.

This Motion is based on the following Memorandum of Points and Authorities, the Settlement Agreement, the Declarations of Class Counsel (James S. Winn Jr.), the Class Representative (Ana Valenzuela), and the Settlement Administrator (Cassandra Polites on behalf of ILYM Group, Inc.), the pleadings and other records on file with the Court in this matter, and such evidence or oral argument as may be presented at the hearing on this Motion.

Respectfully submitted,

Dated: October 7, 2026

BLACKSTONE LAW, APC

By: James S. Winn Jr.
James S. Winn Jr.
Attorneys for Plaintiff Ana Valenzuela and the Class

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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Plaintiff Ana Valenzuela ("Plaintiff" or "Class Representative") seeks final approval of the class action settlement reached with Defendant Handlery Hotels, Inc. ("Defendant"). Subject to Court approval, Plaintiff and Defendant (together, the "Parties") have settled the Released Class Claims and Released PAGA Claims as defined in the Joint Stipulation of Class Action and PAGA Settlement ("Settlement Agreement" or "Settlement") for a total amount of One Million Eighty Thousand Dollars and Zero Cents ($1,080,000.00) ("Gross Settlement Amount"). (*See* Declaration of James S. Winn Jr. in Support of Plaintiff's Motion for Final Approval of Class Action and PAGA Settlement, Attorneys' Fees and Costs, Enhancement Payment, and Settlement Administration Costs ["Winn Decl."], ¶ 12, Exh. 1).

The Court conditionally certified, for settlement purposes only, the Class defined as: "All current and former hourly-paid and/or non-exempt employees who worked for Defendant in the State of California at any time during the Class Period" ("Class" or "Class Members"). (Settlement Agreement, ¶ 10.b; Winn Decl., ¶ 10). The "Class Period" is defined as the period from August 15, 2020 through September 14, 2025. (Settlement Agreement, ¶ 10.f; Winn Decl., ¶ 10). The "Settlement Class Members" consist of all Class Members who did not submit a timely and valid Request for Exclusion. (Settlement Agreement, ¶ 10.mm; Winn Decl., ¶ 10). The "PAGA Employees" consist of "all current and former hourly-paid and/or non-exempt employees who worked for Defendant in the State of California at any time during the PAGA Period." (Settlement Agreement, ¶ 10.y; Winn Decl., ¶ 10). The "PAGA Period" is defined as the period from August 14, 2023 through September 14, 2025. (Settlement Agreement, ¶ 10.aa; Winn Decl., ¶ 10).

As discussed herein, the proposed Settlement satisfies all the criteria for final settlement approval under California law because it is fair, adequate, and reasonable. (Winn Decl., Exh. 1; *See also, Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-30; *Dunk v. Ford Motor Company* (1996) 48 Cal.App.4th 1794, 180l). The response of the Class to the Settlement confirms that final settlement approval is appropriate. *There have been no objections to and only one (1) request to opt-out from* the Class Settlement. (Declaration of Cassandra Polites of ILYM Group, Inc.

Regarding Notice and Settlement Administration ["Polites Decl."], ¶¶ 10 and 11).

Because the Settlement achieves outstanding results for the Settlement Class Members, the PAGA Employees, and the State of California, Plaintiff respectfully requests, on behalf of the Class and without opposition from Defendant, that the Court approve the Settlement as fair, adequate, and reasonable, and enter judgment in accordance with the Settlement's terms.

Plaintiff seeks the Court's approval of an attorneys' fee award of thirty-five percent (35%) of the Gross Settlement Amount, equaling Three Hundred Seventy-Eight Thousand Dollars and Zero Cents ($378,000.00), plus reimbursement of actual litigation costs and expenses in the amount of Twenty-Eight Thousand Five Hundred Eleven Dollars and Fifty-Nine Cents ($28,511.59) (together, "Attorneys' Fees and Costs"). Class Counsel's request for an award of attorneys' fees and costs is reasonable and appropriate in light of the outstanding work performed by Class Counsel in the matter, the contingent nature of this action, and the results achieved under the Settlement. (*See Lealao v. Beneficial California, Inc.* (2000) 82 Cal.App.4th 19).

Plaintiff also requests the Court's approval of the amount to be paid to Plaintiff in the amount of Seven Thousand Five Hundred Dollars and Zero Cents ($7,500.00) ("Enhancement Payment") for her services on behalf of the Class. This amount proposed to be awarded to Plaintiff is fair and reasonable for the reasons Plaintiff provided in her declaration. (*See* Declaration of Plaintiff Ana Valenzuela in Support of Motion for Final Approval of Class Action and PAGA Settlement, Attorneys' Fees and Costs, Enhancement Payment, and Settlement Administration Costs ["Valenzuela Decl."] filed concurrently herewith). Courts approve incentive awards to plaintiffs when justified and appropriate to compensate plaintiffs for their time, effort, and inconvenience. (*See e.g., Van Vranken v. Atlantic Richfield Co.* (N.D. Cal. 1995) 901 F. Supp. 294, 299).

Finally, Plaintiff requests that the Court approve the payment of Seven Thousand Eight Hundred Fifty Dollars and Zero Cents ($7,850.00) ("Settlement Administration Costs") to ILYM Group, Inc. ("ILYM" or "Settlement Administrator") as compensation for its administration services it has and will provide in connection with the Settlement. (*See, generally*, Polites Decl.).

II. PROCEDURAL HISTORY AND FACTUAL BACKGROUND

Defendant is a hotel chain with two locations – San Diego and San Francisco. Plaintiff was

employed by Defendant as an hourly-paid, non-exempt Front Desk Agent from approximately June 2023 to approximately May 2024. (Valenzuela Decl., ¶ 2).

On August 14, 2024, Plaintiff provided written notice to the California Labor and Workforce Development Agency ("LWDA") by online submission and to Defendant Handlery Hotels, Inc. ("Defendant") by U.S. Certified Mail, pursuant to California Labor Code Section 2699.3, of the specified provisions of the California Labor Code alleged to have been violated by Defendant ("PAGA Letter"). (Winn Decl. ¶ 2).

On August 15, 2024, Plaintiff filed a Class Action Complaint in the action entitled *Ana Valenzuela v. Handlery Hotels, Inc.*, San Diego County Superior Court, Case No. 24CU006128C ("Action"), thereby commencing a putative class action against Defendant. (*Id*., ¶ 3).

On October 21, 2024, Plaintiff filed a Complaint for Enforcement Action Under the Private Attorneys General Act, Cal. Labor Code §§ 2698 *Et Seq.* in the action entitled *Ana Valenzuela v. Handlery Hotels, Inc.*, San Diego County Superior Court, Case No. 24CU018380C ("PAGA Action"), which alleged one cause of action under the Private Attorneys General Act of 2004 pursuant to California Labor Code Section 2698 *et seq.* ("PAGA") against Defendant. (*Id*., ¶ 4).

On June 9, 2025, the Parties participated in a formal mediation conducted by Brandon McKelvey, Esq. ("Mediator"), a neutral and respected mediator with extensive experience in complex wage and hour matters, and with the assistance of the Mediator's evaluations, the Parties were able to reach an agreement to resolve this dispute on a class and representative basis. (*Id*., ¶ 5). The Parties then worked diligently to negotiate and memorialize the terms in a long form settlement agreement. (Ibid).

On October 13, 2025, the Parties executed the Settlement Agreement. (*Id*., ¶ 6).

On November 6, 2025, Plaintiff filed a Motion for Preliminary Approval of Class Action and PAGA Settlement ("Motion for Preliminary Approval") and supporting documents. (*Id*., ¶ 7).

On November 11, 2025, Plaintiff filed a First Amended Class and Representative Action Complaint ("Operative Complaint") in the Action. (*Id*., ¶ 8). The Operative Complaint alleges ten (10) causes of action for violations of the California Labor Code for failure to pay minimum wages, failure to pay overtime wages, failure to provide compliant meal periods and premium payments in

lieu thereof, failure to provide compliant rest periods and premiums payments in lieu thereof, failure to timely pay wages during employment, failure to provide accurate wage statements, failure to timely pay wages upon termination, and failure to reimburse necessary business expenses, for violations of California Business & Professions Code Section 17200, *et seq.* based on the aforementioned California Labor Code violations, and for civil penalties under PAGA based on the aforementioned California Labor Code violations. (Ibid).

On June 23, 2026, the Court entered the Order Granting Preliminary Approval of Class Action and PAGA Settlement ("Preliminary Approval Order"), thereby preliminary approving the terms of the Settlement Agreement, the Notice of Class Action Settlement ("Class Notice"), and the proposed administration procedures and associated deadlines. (Winn Decl. ¶ 9 and Exh. 2).

The Parties agree that the Class described herein may be certified for settlement purposes only. If for any reason the Settlement is not approved, the certification will have no force or effect and will immediately be revoked. The Parties further agree that certification for purposes of approving the Settlement Agreement is in no way an admission that class certification is proper under the more stringent standard applied for litigation and that evidence of this limited stipulation for settlement purposes only will not be admissible for any purpose in this or any other proceeding.

III. SUMMARY OF THE SETTLEMENT TERMS AND PLAN OF DISTRIBUTION

The Parties have agreed to settle the Class and PAGA claims at issue in the Operative Complaint for a non-reversionary Gross Settlement Amount of $1,080,000.00, which is exclusive of employer-side payroll taxes. (Settlement Agreement, ¶ 10.q; Winn Decl., ¶ 12). The Gross Settlement Amount includes: (1) Class Counsel's fees in the amount of thirty-five percent (35%) of the Gross Settlement Amount ($378,000.00); (2) Class Counsel's actual litigation costs and expenses ($28,511.59); (3) Settlement Administration Costs ($7,850.00); (4) Enhancement Payment ($7,500.00); and (5) PAGA Amount ($54,000.00). (Settlement Agreement, ¶¶ 10.q, 13, 14, 15, and 16; Winn Decl., ¶ 12). After the above Court-approved amounts are deducted from the Gross Settlement Amount, the Settlement Class Members will share in a Net Settlement Amount of approximately $604,138.41. (Settlement Agreement, ¶ 10.v; Winn Decl., ¶ 12).

The Settlement does not require Settlement Class Members to submit claims as a prerequisite

to receiving their *pro rata* share of the Net Settlement Amount ("Individual Settlement Share") nor does it require PAGA Employees to submit claims as a prerequisite to receiving their *pro rata* share of thirty-five percent (35%) of the PAGA Amount ("Individual PAGA Payment"). (Settlement Agreement, ¶¶ 10.r, 10.t, 18, and 19; Winn Decl., ¶ 13). Individual Settlement Shares and Individual PAGA Payments are calculated on a pro rata basis using Workweeks and Pay Periods, respectively. (Settlement Agreement, ¶¶ 18 and 19; Winn Decl., ¶ 13).

Each Individual Settlement Share will be allocated as twenty percent (20%) wages (reported on an IRS Form W-2) and eighty percent (80%) penalties, interest, and non-wage damages (reported on an IRS Form 1099). (Settlement Agreement, ¶ 20; Winn Decl., ¶ 15). The Settlement Administrator will withhold the employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Shares, and issue checks to Settlement Class Members for their net payment of their Individual Settlement Share ("Individual Settlement Payment"). (Settlement Agreement, ¶¶ 10.s and 20; Winn Decl., ¶ 15). The employer's share of taxes and contributions in connection with the wages portion of Individual Settlement Shares will be paid by Defendant separately and in addition to the Gross Settlement Amount. (Settlement Agreement, ¶ 20; Winn Decl., ¶ 15). Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties and will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator. (Settlement Agreement, ¶ 20; Winn Decl., ¶ 15).

Each Individual Settlement Payment and Individual PAGA Payment check will be valid and negotiable for one hundred and eighty (180) calendar days from the date the checks are issued, and thereafter, shall be canceled. (Settlement Agreement, ¶ 38; Winn Decl., ¶ 16). Any funds associated with such canceled checks will be distributed by the Settlement Administrator to the State of California's Unclaimed Property Division in the name of the Settlement Class Member and/or PAGA Employee at issue. (Settlement Agreement, ¶ 38; Winn Decl., ¶ 16).

Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiff and all Settlement Class Members will release the Released Parties of the Released Class Claims, and Plaintiff, the State of California with respect to all PAGA Employees, and all PAGA Employees will release the Released Parties of the Released PAGA Claims. (Settlement Agreement, ¶¶ 10.hh, 39, and

40).

IV. THE SETTLEMENT ADMINISTRATION PROCESS

ILYM has taken all necessary steps to effectuate the notice and settlement administration process, as set forth in the Preliminary Approval Order.

On May 14, 2026, ILYM received the Court approved text for the Class Notice from Class Counsel. (Polites Decl., ¶ 4). On April 29, 2026, ILYM received the Class List from Defendant's counsel, which contained 305 individuals identified as Class Members who worked 27,132 Workweeks. (*Id*., ¶ 5). The Class List was uploaded to ILYM's database and checked for duplicates and other possible discrepancies. (Ibid). All 305 names and addresses contained in the Class List were then processed against the National Change of Address ("NCOA") database, maintained by the United States Postal Service ("USPS") before mailing of the Class Notice. (*Id*., ¶ 6).

On July 17, 2026, the Class Notice was mailed, via U.S. First Class Mail, to all 305 individuals contained in the Class List. (*Id*., ¶ 7). During settlement administration, 3 individuals identified themselves as Class Members and were added to the Class List, increasing the total to 308 Class Members who worked 27,772 Workweeks. (*Id*., ¶ 8).

21 Class Notices were returned to ILYM as undeliverable. (*Id*., ¶ 9). ILYM performed a computerized skip trace on the 21 returned Class Notices that did not have a forwarding address in an effort to obtain an updated address for the purpose of re-mailing the Class Notice. (Ibid). As a result of this skip trace, 19 updated addresses were obtained and the Class Notice was promptly re-mailed to those Class Members, via U.S First Class Mail. (Ibid). A total of 2 Class Notices has been deemed undeliverable as no updated address was found notwithstanding the skip tracing. (Ibid).

Class Members had sixty (60) calendar days after the Settlement Administrator mailed the Class Notices to submit a Request for Exclusion, Notice of Objection, and/or Dispute ("Response Deadline"). (Preliminary Approval Order, ¶ 12). The Response Deadline was September 15, 2026. (Polites Decl., ¶¶ 10-12). The Settlement Administrator received 1 Requests for Exclusion and no Notices of Objection and/or Disputes. (Ibid).

There are 307 Settlement Class Members who worked 27,534 Workweeks and 234 PAGA Employees who worked 7,127 Pay Periods. (*Id*., ¶¶ 14 and 16). The estimated average gross Individual Settlement Share is $1,946.74, the estimated highest gross Individual Settlement Share is

$5,752.06, and the estimated lowest gross Individual Settlement Share is $21.71; the estimated average Individual PAGA Payment is $80.77, the estimated highest Individual PAGA Payment is $326.18, and the estimated lowest Individual PAGA Payment is $2.65. (*Id*., ¶¶ 15 and 17).[1]

V. COMPLIANCE WITH PROCEDURAL REQUIREMENTS OF PAGA

On November 5, 2025, Class Counsel submitted a copy of the Settlement Agreement to the LWDA through its online submission portal in compliance with California Labor Code § 2699(s)(2). (Winn Decl., ¶ 17). The LWDA has not objected or otherwise responded to the submissions. (Ibid).

VI. EVALUATION OF SETTLEMENT FOR FINAL APPROVAL

A. The Legal Standard for Final Approval

Before granting final approval of a class action settlement, the Court must review the settlement for fairness, taking into account relevant factors, including, for example, the strength of the plaintiff's case, the risk, expense, complexity and likely duration of further litigation, the amount offered in settlement, the extent of discovery completed and the stage of the proceedings, the experience and views of counsel, and the reaction of the class members to the proposed settlement. (Cal. Rules of Court, rule 3.769(g); *Dunk v. Ford Motor Co*. (1996) 48 Cal.App.4th 1794, 1801; *Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 244-45; *Dunk*, 48 Cal.App.4th at 1801). A presumption of fairness exists where: (1) the settlement is reached through arm's-length bargaining; (2) investigation and discovery are sufficient to allow counsel and the court to act intelligently; (3) counsel is experienced in similar litigation; and (4) the percentage of objectors is small. (*Wershba*, 91 Cal.App.4th at 245; *Dunk*, 48 Cal.App.4th at 1802). "The settlement or fairness hearing is not to be turned into a trial or rehearsal for trial on the merits." (*Officers for Justice*, *supra*, 688 F.2d at 625).

B. The Settlement Should be Finally Approved

The Parties' settlement negotiations were at all times made at arm's-length and were adversarial. (Winn Decl., ¶ 18). The Parties engaged in extensive informal discovery prior to reaching a settlement. (*Id*., ¶ 19). Prior to mediation, Defendant produced all of the putative class members' time and pay data as well as Defendant's relevant wage and hour policies, and information regarding

[1] The actual average, highest, and lowest Individual Settlement Shares will be larger than the amounts stated in the Polites Decl. because the Net Settlement Amount is larger due to Class Counsel's request for reimbursement of litigation costs and expenses in an amount that is less than $35,000.00 (the difference between the amount sought and the amount authorized under the Settlement, i.e., $6,488.41 will be part of the Net Settlement Amount).

the total number of putative class members, the number of current versus former employees, the total workweeks worked by the putative class members, and the average rate of pay for the putative class members. (Ibid). This allowed Class Counsel to conduct an informed assessment and analysis of the strengths and weaknesses of the claims and the potential class-wide damages. (Ibid). The Parties extensively briefed issues regarding class certification and liability and provided their analyses to the Mediator who helped the Parties debate the strengths and weakness of their respective positions. (*Id*., ¶ 20). At all times, Plaintiff was willing and prepared to litigate this matter through class certification and trial if the Parties had been unable to reach a favorable resolution. (Ibid). Additionally, settlement negotiations were conducted by highly capable and experienced counsel. (Ibid). Class Counsel are respected members of the California State Bar with strong records of vigorous and effective advocacy and are experienced in handling complex wage and hour class action litigation. (Ibid). Accordingly, Class Counsel had sufficient information and experience to act intelligently in negotiating the Settlement.

C. The Settlement is Fair and Reasonable

A settlement is not judged against what might have been recovered had a plaintiff prevailed at trial, nor does the settlement have to obtain 100% of the damages sought to be fair and reasonable. (*Wershba*, 91 Cal.App.4th at 246, 250). Here, the reasonableness of the Settlement is underscored by the fact that Defendant has legal and factual grounds for defending the Action. Based upon Class Counsel's experience litigating similar complex matters, Plaintiff reasonably expected a vigorous and lengthy defense to both class certification and the merits of the Action absent a settlement. Class Counsel is aware of Defendant's defenses and arguments and has also taken into account the uncertainty and risk of the outcome of further litigation, and the difficulties and delays inherent in such litigation, including those involved in class and/or representative adjudication, and the burdens of proof necessary to establish liability for the claims asserted in the Action. (Winn Decl., ¶ 22).

Defendant denied and continues to deny any liability and wrongdoing of any kind, and further contended that Plaintiff's claims are not suitable for class certification because individual issues would predominate should this case go to trial. (*Id*., ¶ 23). As with all class actions, these complex cases raise difficult management and proof issues and, accordingly, there is a significant risk that the Court

may deny class certification. (Ibid). Even if Plaintiff prevailed at class certification, proving the amount of wages due to each Class Member would be an expensive, time-consuming, and extremely uncertain proposition. (*Id*., ¶ 24). In order to prove liability and damages, Class Counsel would need to request and analyze thousands of pages of documents, obtain the Class Members' contact information, contact them, and obtain declarations at great expense. (Ibid). Obtaining the cooperation of current employees would also be difficult, given the likely reluctance to aid prosecution of a lawsuit against a current employer. (Ibid). On the other hand, Defendant would likely be able to obtain the cooperation of its employees. (Ibid). Moreover, even if Plaintiff prevailed at class certification and trial, possible appeals would substantially delay any recovery by the Class. (Ibid).

In light of the Parties' respective legal positions and the risks of continued litigation, the Gross Settlement Amount for resolution of the Class and PAGA claims, is fair, adequate, and reasonable. (*Id*., ¶ 25).

VII. THE REQUESTED ATTORNEYS' FEES AND COSTS ARE REASONABLE AND SHOULD BE APPROVED

Class Counsel seeks thirty-five percent (35%) of the Gross Settlement Amount (i.e., $378,000.00) for fees and reimbursement of actual costs and expenses totaling $28,511.59 incurred in the prosecution of the Action. (Winn Decl., ¶ 26). The requested fees and costs are fair compensation for undertaking complex, risky, expensive, and time-consuming litigation on a contingent fee basis, especially in light of the substantial benefits achieved by Class Counsel for the Class Members. (Ibid).

A. Plaintiff's Fee Request of 35% of the Gross Settlement Amount is Proper Under the Common Fund Doctrine

Courts have long recognized the "common fund" or "common benefit" doctrine, under which attorneys who create a common fund or benefit for a group of persons may be awarded their fees and costs to be paid out of the fund.[2]

The California Supreme Court has held that, "when a number of persons are entitled in

[2] (*See Serrano v. Priest ("Serrano III")* (1977) 20 Cal.3d 25, 34, quoting *D'Amico v. Board of Medical Examiners* (1974) 11 Cal.3d 1; *Glendale City Employees' Association v. City of Glendale* (1975) 15 Cal.3d 328, 341 fn.19; *Quinn v. State of California* (1975) 15 Cal.3d 162, 167; *see also Boeing Co. v. Van Gernert* (1980) 444 U.S. 472,478; *Mills v. Electric Auto-Lite Co.* (1970) 396 U.S. 375, 391-392).

common to a specific fund, and an action brought by a plaintiff or plaintiffs for the benefit of all results in the creation or preservation of that fund, such plaintiff or plaintiffs may be awarded attorneys' fees out of the fund."[3] California Practice Guide: Civil Trials and Evidence (The Rutter Group) at § 17:172.3 explains the common fund doctrine as follows:

> Where the lawsuit results in the recovery of a fund or property benefiting others as well as plaintiff (e.g., a class action), the court has inherent equitable power to order plaintiffs attorney fees paid out of the common fund or property [citations]. Such fee spreading assures that all of those benefited by the litigation pay their fair share of obtaining the recovery.

The percentage-of-the-fund approach appears to be the preferred method of awarding fees in traditional common fund cases, such as this case. The percentage approach is preferable to the lodestar because: (1) it aligns the interests of class counsel and absent class members; (2) it encourages efficient resolution of the litigation by providing an incentive for early, yet reasonable, settlement; and (3) it reduces the demands on judicial resources. (*In re Activision Sec. Litig*., 723 F. Supp. at 1378-79).

Historically, courts have awarded percentage fees in the range of 20% to 50%, depending on the circumstances of the case. (*See In re Activision Sec. Litig*., 723 F. Supp. at 1378). According to Professor Newberg: "No general rule can be articulated on what is a reasonable percentage of a common fund…Usually 50 per cent of the fund is the upper limit on a reasonable fee award from a common fund, in order to assure that fees do not consume a disproportionate part of the recovery obtained for the class, though somewhat larger percentages are not unprecedented." (Newberg on Class Actions (4th Ed.), § 14.6). Class Counsel's requested fee of thirty-five percent (35%) of the Gross Settlement Amount (i.e., $378,000.00) is reasonable and falls well within the historical range of attorney's fee awards under the common fund theory. Based on Class Counsel's showing of reasonableness, the Court should approve the requested fees pursuant to the common fund approach.

B. The Circumstances of this Case Support a 35% Fee Award

Given the significant results achieved under the circumstances of this litigation, the requested fee award is reasonable. This Court should consider the contingent nature of this case, the uncertainty of the outcome, the quality of the counsel, and the preclusion from other employment.

[3] (*Serrano III, supra,* 20 Cal.3d at 34, quoting *D'Amico,* 11 Cal.3d 1; *see also Boeing, supra,* 444 U.S. at 478 ("[A] lawyer who recovers a common fund for the benefit of persons other than himself or his client is entitled to a reasonable attorney's fee from the fund as a whole."); *Mills, supra,* 396 U.S. at 391-392 (United States Supreme Court endorsing the common fund approach in class actions)).

C. The Contingent Nature of This Matter

Class Counsel undertook this matter solely on a contingent basis, with no guarantee of recovery. The risks were significant: class certification would likely have been a hard-fought issue, given the uncertainty regarding certification of cases such as this. Even if class certification were granted, there was no assurance that Plaintiff would succeed at trial. (Winn Decl., ¶¶ 22-24).

D. The Experience, Reputation, Ability of Counsel, and Skill in Litigation

Class Counsel has substantial experience in wage-and-hour and other class action litigation, including litigation involving the legal issues in this matter. (*Id*., ¶ 29). Class Counsel's skill in developing a factual record and legal theories was essential to achieving the Settlement. Through its skill and reputation, Class Counsel was able to obtain a settlement that provides an outstanding result for Class Members. (*See generally* Winn Decl.).

E. The Results Achieved

The excellent results achieved by the Settlement support Class Counsel's request for attorneys' fees. As of the date of this Motion, Settlement Class Members will be paid, on average, approximately $1,946.74 each, representing recovery from highly disputed claims. (*Id*., ¶ 14). Equally important is the fact that the State of California will receive $35,100.00 for enforcement of labor laws and education of employers. (*Id*., ¶ 36).

The efficiency with which this litigation was conducted and resolved should be rewarded. The Class Members will be receiving a significant award in a relatively short period of time, as opposed to waiting years to recover some undetermined amount if they succeeded at trial, which is an uncertainty in itself.

F. Preclusion of Other Employment

Class Counsel's commitment to this litigation required foregoing other available employment in order to devote the time necessary to pursue this litigation. (*Id*., ¶ 28).

G. The Requested Fees Are Also Justified Under the Lodestar Method

Under the lodestar method, a base fee amount is calculated from a compilation of time reasonably spent on the case and the reasonable hourly compensation of the attorney. The base amount is then adjusted by use of a multiplier in light of various factors. (*Serrano 111, supra,* 20 Cal.3d at

48). Class Counsel's hourly rates are summarized in the Winn Decl. at ¶¶ 29-30.

Class Counsel has spent approximately 255.80 total hours litigating these claims to date and expects to spend another 10 hours in connection with the final approval process (including preparing for and attending the Final Approval Hearing, and managing the Settlement through its conclusion, including anticipated communications with defense counsel, the Settlement Administrator, our client, and Class Members). (*Id*., ¶¶ 30 and 31). Based on the rates of Class Counsel, the total fees incurred to date are $226,368, and by the conclusion of this matter estimated to be approximately $231,868. (*Id*., ¶¶ 30 and 31).

In *Lealao v. Beneficial California, Inc.* (2000) 82 Cal.App.4th 19, 47-48*,* the court held that trial courts should award lodestar fees by examining the percentage-of-the-benefit and adjusting the lodestar calculation accordingly. (*Id.* at 49 and 53). The rationale of *Lealao* comports with the purpose of the multiplier. The *Lealao* court reasoned: "Given the unique reliance of our legal system on private litigants to enforce substantive provisions of law through class and derivative actions, attorneys providing the essential enforcement services must be provided incentives roughly comparable to those negotiated in the private bargaining that takes place in the legal marketplace, as it will otherwise be economic for defendants to increase injurious behavior." (*Lealao,* 82 Cal.App.4th at 47-48 (internal citations and quotations omitted)).

In looking at similar cases, including those set forth above, Class Counsel's requested fee comports to the market. Based on the reasonable hourly rates suggested by Class Counsel and the collective hours worked in this matter, the requested fee award would represent a modest multiplier of 1.67 over the current total fee lodestar. In this regard, Class Counsel's fee request is reasonable.

H. No Class Member Objected to the Requested Attorneys' Fee Award

As of the filing of this Motion, there has not been a single objection to the request for attorneys' fees. (Polites Decl., ¶ 11). It is fair to conclude that the Class approves of/does not take issue with the requested award of attorneys' fees. The Class Members' approval of the requested fee award supports its reasonableness.

I. Plaintiff's Cost Request is Reasonable

Class Counsel seeks reimbursement of a total amount of $28,511.59 in costs and expenses in

this matter. (Winn Decl., ¶ 32 and Exh. 4). All costs and expenses were reasonably incurred in prosecution of this matter.

VIII. THE REQUESTED ENHANCEMENT PAYMENT TO PLAINTIFF IS REASONABLE

Plaintiff should be awarded an Enhancement Payment in the amount of Seven Thousand Five Hundred Dollars and Zero Cents ($7,500.00) for her services as the Class Representative and the risks in connection with that role. (Winn Decl., ¶ 34). Enhancement awards in wage and hour cases typically range from $5,000.00 to $20,000.00, although some awards are higher, and often, multiple class representatives receive awards in the above range.[4] Here, the requested Enhancement Payment is modest, reasonable, and should be approved.

Plaintiff's actions establish that: (1) she sought to protect the interests of the Class above her own personal interests; (2) the Settlement Class Members will be benefitted from her actions by receiving a payment without having to do anything; and (3) Plaintiff has put forth a significant amount of time and effort pursuing the litigation and seeing it through to resolution. (*See*, generally, Valenzuela Decl.; *see also Clark v. American Residential Services LLC* (2009) 175 Cal.App.4th 785, 804).

The requested award for Plaintiff is also reasonable given the financial and personal risk she took in commencing the Action, including her reasonable fear of retaliation. (Valenzuela Decl., ¶ 7; *See also Van Vranken v. Atl. Richfield Co.* (N.D.Cal. 1995) 901 F.Supp. 294, 299-300; *Staton v. Boeing Co*. (9th Cir. 2003) 327 F.3d 938, 977). Also, it is easy to see that a potential future employer could expend little effort to discover Plaintiff brought the lawsuit – and based thereon, decline to offer Plaintiff employment. Class Counsel cannot understate the importance of the role of an employee who is willing to search out an attorney and step forward to assume the risk of litigation and retaliation and put the interests of the class before their own. Plaintiff understood her role as Class Representative and has actively protected the Class Members' interests during the pendency of this matter. (Valenzuela Decl., ¶ 10).

[4] (*See e.g.*, *Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles* (2010) 186 Cal.App.4th 399, 412 [approving an enhancement request of $10,000.00 per named plaintiff in a 188 member class]; *Cook v. Niedert*, 142 F.3d 1004, 1016 (7th Cir. 1998); *Thornton v. East Texas Motor Freight*, 497 F.2d 416, 420 (6th Cir. 1974).

Since receiving notice of the requested Enhancement Payment, no Class Member has objected to the request. Thus, the Enhancement Payment is warranted to compensate Plaintiff for her time, effort, stress, and the concrete risks she assumed as the Class Representative.

IX. THE REQUESTED SETTLEMENT ADMINISTRATION COSTS ARE REASONABLE

In Plaintiff's Motion for Preliminary Approval, Plaintiff requested, and the Court preliminarily approved, Settlement Administration Costs not to exceed Nine Thousand Dollars and Zero Cents ($9,000.00). (Winn Decl., ¶ 35). ILYM is an experienced class administrator and has adequately performed the administration tasks required by the Preliminary Approval Order. ILYM's *actual* costs to administer the Settlement are only Seven Thousand Eight Hundred Fifty Dollars and Zero Cents ($7,850.00). (Polites Decl., ¶ 18 and Exh. B). Based thereon, the requested costs should be approved.

X. THE PROPOSED LWDA ALLOCATION IS REASONABLE

Pursuant to California Labor Code Section 2699(s)(2), the Superior Court shall review and approve the settlement of penalties sought under that California Labor Code Section. (Cal. Lab. Code § 2699(s)(2)). For all of the reasons stated above, the Settlement is fair, reasonable, and adequate, and should be approved.

Defendant has agreed to pay Fifty-Four Thousand Dollars and Zero Cents ($54,000.00) to settle the claims of the PAGA Employees brought pursuant to PAGA, of which the payment of Thirty-Five Thousand One Hundred Dollars and Zero Cents ($35,100.00) (65% of the PAGA Amount) will be paid to the LWDA for education and enforcement purposes. (Winn Decl., ¶ 36). This allocation is consistent with approved wage and hour class action settlements, which commonly allocate only a small portion of the total settlement to PAGA penalties in order to maximize the payments to class members who actually suffered the California Labor Code violations. (Ibid).

XI. THE CLASS RECEIVED THE BEST PRACTICABLE NOTICE

California law vests the Court with broad discretion in fashioning an appropriate notice program. (*See* California Civil Code § 1781; *Cartt v. Superior Court* (1975) 50 Cal.App.3d 960, 973-74). To protect the rights of absent class members, the parties must provide class members with the best notice practicable of a potential class action settlement. (*Phillips Petroleum Co. v. Shutts* (1985)

472 U.S. 797, 811-12; *Eisen v. Carlisle & Jacquelin* (1974) 417 U.S. 156, 174-76; *Mullane v. Central Hanover Bank & Garretson Company* (1950) 339 U.S. 306, 314). The content and method of the notice should be designed to apprise the class members of the terms of the proposed settlement and of the class members' rights regarding the settlement. (*See Mullane*, *supra*, 339 U.S. at 314; *Philadelphia Housing Authority v. American Radiator & Standard Sanitary Corp.* (E.D. Pa. 1970) 323 F. Supp. 364, 378).

The Class Notice approved by the Court met these requirements: it identified the Parties and described the Action, the Class, the Gross Settlement Amount, the proposed method for distribution of the Gross Settlement Amount, the amounts proposed to be paid as the Enhancement Payment to Plaintiff, the Settlement Administration Costs to the Settlement Administrator, and the Attorneys' Fees and Costs to Class Counsel. (Winn Decl., ¶ 38; *see also* Polites Decl., Exh. A thereto). The Class Notice described the proposed Settlement with enough specificity to allow each Class Member to make an informed choice whether to accept and participate in it. (Ibid). It also explained how and when Class Members may object to or opt out of the Class Settlement. (Ibid). Finally, the Class Notice provided the date for the hearing on final approval of the Settlement and informed Class Members how to obtain additional information about the Settlement. (Ibid).

XII. CONCLUSION

For all of the foregoing reasons, Plaintiff respectfully requests that this Court grant Plaintiff's Motion for Final Approval of Class Action and PAGA Settlement, and approve: (1) the requested attorneys' fees to Class Counsel of $378,000.00; (2) the requested reimbursement of actual costs and expenses to Class Counsel of $28,511.59; (3) the requested Enhancement Payment to Plaintiff of $7,500.00; and (4) the requested Settlement Administration Costs to the Settlement Administrator of $7,850.00.

Respectfully submitted,

Dated: October 7, 2026

BLACKSTONE LAW, APC

By: James S. Winn Jr.
James S. Winn Jr.
Attorneys for Plaintiff Ana Valenzuela and the Class