Larry W. Lee (State Bar No. 228175)
lwlee@diversitylaw.com
Max W. Gavron (State Bar No. 291697)
mgavron@diversitylaw.com
**DIVERSITY LAW GROUP, P.C.**
515 S. Figueroa Street, Suite 1250
Los Angeles, CA 90071
(213) 488-6555
(213) 488-6554 facsimile

William L. Marder (SBN 170131)
bill@polarislawgroup.com
**POLARIS LAW GROUP**
501 San Benito Street, Suite 200
Hollister, CA 95023
Telephone: (831) 531-4214
Facsimile: (831) 634-0333

Attorneys for Plaintiffs and the Class

[Additional Counsel Information on Next Page]

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF STANISLAUS

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| CHELSEY RICHARDSON, BETHANY JEANNE REINKER, and CHARMAINE HUFF as individuals and on behalf of all others similarly situated and aggrieved employees,<br><br>Plaintiffs,<br><br>vs.<br><br>TELECARE CORPORATION, a California corporation; and DOES 1 through 50, inclusive,<br><br>Defendants. | Case No. CV-24-006292<br><br>[Assigned for All Purposes to: Hon. John R. Mayne, Dept. 21]<br><br>**PLAINTIFFS' NOTICE OF MOTION AND MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT; MEMORANDUM OF POINTS AND AUTHORITIES**<br><br>(Filed concurrently with Supporting Declarations and [Proposed] Order)<br><br>Date: January 30, 2026<br>Time: 8:30 a.m.<br>Dept.: 21<br><br>Action Filed: August 9, 2024<br>Trial Date: None Set |

**JUSTICE FOR WORKERS, P.C.**
William C. Sung, SB# 280792
E-Mail: william@justiceforworkers.com
Tiffany L. Luu, SB# 335127
E-Mail: tluu@justiceforworkers.com
Joseph C. Ramli, SB# 339491
E-Mail: jramli@justiceforworkers.com
9575 Bolsa Avenue
Westminster, CA 92683
Tel: 323-922-2000
Fax: 323-922-2000

Blake R. Jones (SBN 211221)
blake@blakejones.law
**BLAKE JONES LAW, PC**
355 South Grand Avenue
Suite 2450 - #2052
Los Angeles, CA 90071
Tel: (323) 576-3221

Attorneys for Plaintiffs and the Class

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

**PLEASE TAKE NOTICE** that on January 30, 2026, at 8:30 a.m., or as soon thereafter as the matter may be heard, before the Honorable John R. Mayne, judge presiding, in Department 21 of the above referenced Court, located at City Towers Courthouse, 801 10th Street, Modesto, California 95354, Plaintiffs Chelsey Richardson, Bethany Jeanne Reinker, and Charmaine Huff (collectively, "Plaintiffs") will and hereby moves this Court for the following relief with respect to the Class and Representative Action Settlement Agreement ("Agreement" or "Settlement") entered into by Plaintiffs and Defendant Telecare Corporation ("Defendant"):

1. That the Court approve the Agreement referenced above;

2. That the Court certify the following Class for settlement purposes: All current and former non-exempt employees of Defendant in the State of California during the Class Period of March 16, 2023 through September 1, 2025 (the "Class");

3. That Plaintiffs Chelsey Richardson, Bethany Jeanne Reinker, and Charmaine Huff be appointed as Class Representatives;

4. That Larry W. Lee and Max W. Gavron of Diversity Law Group, P.C.; William L. Marder of Polaris Law Group; William C. Sung, Tiffany L. Luu, and Joseph C. Ramli of Justice for Workers, P.C.; and Blake R. Jones of Blake Jones Law, PC, be appointed as Class Counsel;

5. That the Court preliminarily approve the Agreement and the Gross Settlement Amount in the amount of Two Million and Twenty-Five Thousand Dollars ($2,025,000.00);

6. That the Court finds on a preliminary basis that the Agreement appears to be within the range of reasonableness of a settlement, including the amount of the PAGA penalties, Class Representative Service Payments, attorneys' fees and costs, settlement administration costs, and the allocation of payments to Class Members, that could ultimately be given final approval by this Court;

7. That the Court approve the mailing of the proposed Notice of Class Action Settlement and Hearing Date for Final Court Approval ("Class Notice") to be sent to Class Members;

8. That the Court appoint Phoenix Settlement Administrators as the Settlement Administrator; and

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9. That the Court schedule the matter for a Final Fairness and Final Approval hearing.

This Motion is made pursuant to Rule 3.769 of the California Rules of Court, which provides for court approval of the settlement of a purported class action and allows the Court to preliminarily certify a class for settlement purposes.

The basis for this Motion, filed without any opposition from Defendant, is that the proposed settlement is fair, adequate, and reasonable, and the procedures proposed by the Parties are adequate to ensure the opportunity of Class Members to participate in, opt-out of, or object to the settlement.

This Motion will be based on the attached Memorandum of Points and Authorities, the Settlement Agreement and the proposed Notice, and the supporting Declarations of Class Counsel Larry W. Lee, Max W. Gavron, William Marder, William C. Sung, and Blake R. Jones; Plaintiffs Chelsey Richardson, Bethany Jeanne Reinker, and Charmaine Huff; and Jodey Lawrence of Phoenix Settlement Administrators, upon the oral arguments of counsel (should there be any), and on the complete records and file herein.

DATED: December 19, 2025

DIVERSITY LAW GROUP, P.C.

By: ______________________

Larry W. Lee
Christine S. Lee
Attorneys for Plaintiffs and the Class

DATED: December 19, 2025

**JUSTICE FOR WORKERS, P.C.**

By: ______________________

William C. Sung
Tiffany L. Luu
Joseph C. Ramli
Attorneys for Plaintiffs and the Class

Dated: December 19, 2025

**BLAKE JONES LAW, PC.**

By: Blake R. Jones

Blake R. Jones

Attorneys for Plaintiffs and the Class

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## MEMORANDUM OF POINTS AND AUTHORITIES

## I. INTRODUCTION

This is a wage and hour class and representative PAGA action arising from Defendant Telecare Corporation's ("Defendant") alleged violations of the California Labor Code. Prior to the settlement of this Action, Plaintiffs Chelsey Richardson, Bethany Jeanne Reinker, and Charmaine Huff ("Plaintiffs") and Defendant (collectively, "Parties") thoroughly investigated the facts relating to the claims alleged in the operative First Amended Class and Representative Action Complaint ("Operative Complaint") against Defendant. The Parties engaged in pre-mediation informal discovery, including time and payroll records for a 20% sampling of Class Members (i.e., 1,282 out of 6,359 Class Members).

Thereafter, the Parties participated in a full day of private mediation and were ultimately able to reach the current settlement. Significantly, the entire Gross Settlement Amount is non-reversionary, such that no monies will revert to Defendant. The Parties believe that this amount is fair, adequate, and reasonable, especially given the risks and uncertainty of class certification and the merits of this case.

While Plaintiffs and their counsel believe that they could prevail on class certification and on the merits of the claims at trial, they recognize the inherent risks in drawn-out litigation and the specific risk that Plaintiffs could fail to establish liability or that certification is appropriate. Based on their own independent investigation and evaluation, the Parties and their respective counsel are of the opinion that the settlement for the consideration and on the terms set forth the Class and Representative Action Settlement Agreement ("Agreement" or "Settlement")[1] is fair, reasonable, and adequate and is in the best interests of the Class and Defendant in light of all known circumstances and the expenses and risks inherent in litigation. Therefore, the Parties respectfully request that the Court grant this Motion for Preliminary Approval of Class Action Settlement.

## II. PROCEDURAL HISTORY

### A. The PAGA Notices and Initial Complaints.

On August 6, 2024, Plaintiff Richardson filed a written PAGA Notice with the California Labor & Workforce Development Agency ("LWDA") pursuant to Labor Code § 2699. Declaration of Larry W.

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[1] The Agreement is attached to the Declaration of William C. Sung as Exhibit 1, and the proposed Class Notice is attached to the Agreement as Exhibit A. Sung Decl., ¶ 2, Exh. 1. All defined terms in this motion have the same definition as that in the Agreement.

Lee ("Lee Decl."), ¶ 2, Exh. 1 (*Richardson* PAGA Notice). On August 9, 2024, Plaintiff Huff initiated this Action by filing Class Action Complaint against Defendant, alleging causes of action for (1) Violation of Labor Code §§ 201-23; and (2) Violation of Labor Code § 226. Lee Decl., ¶ 3, Exh. 2 (*Richardson* Class Complaint). Then on November 21, 2024, Plaintiff Huff filed a Representative Action Complaint Under the Private Attorneys General Act of 2004 in Stanislaus County Superior Court, Case No. CV-24-009496. Lee Decl., ¶ 4, Exh. 3 (*Richardson* PAGA Complaint).

On October 9, 2023, Plaintiff Reinker filed a written PAGA Notice with the LWDA pursuant to Labor Code § 2699. Sung Decl., ¶ 3, Exh. 2 (*Reinker* PAGA Notice). On December 21, 2023, Plaintiff Reinker filed a Class and Representative Action Complaint against Defendant in Orange County Superior Court, Case No. 30-2023-01369277-CU-OE-CXC, alleging causes of action for (1) Wage Statement Penalties, (2) Waiting Time Penalties, and (3) Civil Penalties under the PAGA. Sung Decl., ¶ 4, Exh. 3 (*Reinker* Complaint).

On March 4, 2024, Plaintiff Huff filed a written PAGA Notice with the LWDA pursuant to Labor Code § 2699. Declaration of Blake R. Jones ("Jones Decl."), ¶ 2, Exh. 1 (*Huff* PAGA Notice). On May 10, 2024, Plaintiff Huff filed a Class Action Complaint against Defendant in Alameda County Superior Court, Case No. 24CV075069, alleging causes of action for (1) Failure To Pay Minimum Wages; (2) Failure To Pay Overtime; (3) Failure To Provide Meal Periods; (4) Failure To Provide Rest Periods; (5) Failure To Reimburse Business Expenses; (6) Failure To Pay Accrued Vacation/PTO Upon Separation of Employment; (7) Failure To Provide Accurate Itemized Wage Statements; (8) Failure To Timely Pay Wages Upon Separation of Employment (9) Unfair Competition; and (10) Violations of California Private Attorneys General Act. Jones Decl., ¶ 3, Exh. 2 (*Huff* Complaint).

**B. The Parties Engaged in Meaningful Discovery and Investigation.**

In connection with mediation, the Parties engaged in informal discovery. Sung Decl., ¶ 5. Defendants produced (1) class and PAGA statistics including the number of Class Members and Aggrieved Employees, former employees, and workweeks worked during the Class Period and pay periods worked during the PAGA Period through mediation; (2) a random 20% sampling of employee time and payroll records exported on Excel (i.e., 1,282 out of 6,359 Class Members); (3) Defendant's relevant policies and procedures; and (4) Plaintiffs' personnel files and wage statements. *Ibid.*

In preparation for mediation, Class Counsel conducted a comprehensive analysis and extrapolation of the payroll and timekeeping data produced by Defendants to create a detailed exposure analysis for all claims at issue. Sung Decl., ¶ 6; Jones Decl., ¶¶ 6-7. This discovery and analysis allowed the Parties to assess the merits and value of Plaintiffs' claims, the chances of certification of Plaintiffs' claims, and Defendants' potential defenses. Sung Decl., ¶ 6.

### C. The Parties Participated in Private Mediation.

On May 8, 2025, the Parties participated in a full-day mediation with Daniel J. Turner, Esq. a well-respected employment law mediator. Sung Decl., ¶ 7. During mediation, the Parties vigorously debated their opposing legal positions, the likelihood of certification of Plaintiffs' claims, and the legal basis for the claims and defenses. *Ibid.* The Parties ultimately reached a tentative class and PAGA settlement with the assistance of a mediator's proposal and then finalized the terms of the Settlement and executed Agreement now before the Court. *Ibid*; *see* Sung Decl., ¶ 2, Exh. 1 (Agreement).

As a condition of the global settlement, the Parties agreed to add Plaintiffs Reinker and Huff and their claims, as well as Plaintiff Richardson's PAGA claims, to this Action. Sung Decl., ¶ 8. On November 13, 2025, Plaintiffs filed the operative amended PAGA Notice with the LWDA, which added Plaintiffs Reinker and Huff and their PAGA claims. *Ibid.*, Exh. 4 (Amended PAGA Notice). Then on November 18, 2025, following the Court's granting leave to amend, Plaintiff Richardson filed the operative First Amended Class and Representative Action Complaint ("Operative Complaint") adding Plaintiffs Reinker and Huff and their claims as well as Plaintiff Richardson's PAGA claims to this Action. Sung Decl., ¶ 9, Exh. 5 (Operative Complaint).

## III. THE PROPOSED TERMS OF THE SETTLEMENT.

### A. Class and Aggrieved Employee Definitions.

The proposed Class consists of the following group of employees: "All current and former non-exempt employees of Defendant in the State of California during the Class Period." Agreement, § 1.5. The Class Period means the period from March 16, 2023 until September 1, 2025. Agreement, § 1.6. Defendant has represented that there are approximately 6,359 Class Members. Sung Decl. ¶ 10.

The Settlement also resolves the PAGA claims of "Aggrieved Employees," which is defined to mean "all current and former non-exempt employees of Defendant in the State of California during the

PAGA Period." Agreement, § 1.4. The PAGA Period means the period from March 16, 2023 until September 1, 2025. Agreement, § 1.30.

**B. The Gross Settlement Amount and Allocation to PAGA Penalties.**

The Settlement Agreement requires the payment of Two Million and Twenty-Five Thousand Dollars ($2,025,000.00) as the Gross Settlement Amount. Agreement, § 3.1.[2] None of the Gross Settlement Amount will revert to Defendant. *Ibid*. The Settlement allocates One Hundred Thousand Dollars ($100,000.00) of the Gross Settlement Amount to PAGA Penalties. Agreement, § 3.2.5. Seventy-Five percent (75%) of the PAGA Penalties (i.e., $75,000.00) will be paid to the LWDA and the remaining twenty-five percent (25%) (i.e., $25,000.00) will be distributed to Aggrieved Employees. *Ibid*.

**C. Individual Class and PAGA Payments.**

The balance of the Gross Settlement Amount remaining after deduction of approved attorneys' fees and costs, the Class Representative Service Payment, payment of PAGA penalties to the LWDA and Aggrieved Employees, and Settlement Administration Costs, is the "Net Settlement Amount." Agreement, §§ 1.21, 1.27, 3.1, 3.2.1-3.2.5. Class Counsel estimates that the Net Settlement Amount will be approximately $1,111,300.00.[3] Sung Decl., ¶ 11.

The Net Settlement Amount will be available for distribution to Participating Class Members (*e.g.* Class Members who do not opt-out of the Settlement). Agreement, § 1.34.[4] Participating Class Members will be entitled to receive a portion of the Net Settlement Amount on a *pro rata* basis, based upon the total number of workweeks each Participating Class Member worked during the Class Period. *Id*. at § 3.2.4.

[2] The Gross Settlement Amount was calculated with, and is premised on, Defendant's representation that Class Members worked 290,741 workweeks from March 16, 2023 to May 8, 2025. Agreement, § 8. In the event the actual number of workweeks worked by Class Members during the Class Period exceeds 305,278 workweeks (i.e. increases by more than five percent (5%)), the Gross Settlement Amount shall increase proportionately for the percentage increase over five percent (5%). *Ibid.*

[3] This amount does not account for the deduction of the employer's share of payroll taxes, which will also be deducted from the Gross Settlement Amount to arrive at the Net Settlement Amount. The Parties do not presently have sufficient information to estimate this deduction with certainty, but the employer's share of payroll taxes is at maximum 14.35% of the amount allocated to wages. Assuming the Court approves the settlement as submitted, this would result in an approximate employer's share of payroll taxes around $30,000 (estimated Net Settlement Amount of $1,111,300.00 x 20% wage allocation = $222,260.00; wage allocation x 14.35% = ~$31,894.31). Sung Decl., ¶ 11.

[4] Class Members do not need to do anything to receive their share of the settlement funds. This substantially decreases the amount of burden each Class Member must bear in order to receive his/her settlement share. If a Class Member does not wish to take part in this settlement and be bound by the release of the class claims, he/she must submit an exclusion request. Such obligations are thoroughly identified in the Notice Packet. Agreement, Exh. A.

This is fair, as it directly allocates greater recovery to individual Participating Class Members who have allegedly suffered greater harm. On raw average and assuming the Net Settlement Amount is $1,111,300.00, each Participating Class Member may potentially recover approximately $174.76. Sung Decl., ¶ 12. The amount actually paid to each Participating Class Member may increase or decrease depending on the actual number of workweeks and pay periods worked during the Class Period, the amount deducted for the employer's share of payroll taxes, and/or the number of timely Requests for Exclusion received. *Ibid*.

Further, 20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims and the remining 80% of each payment will be allocated in equal portions to settlement of claims for interest and penalties. Agreement, § 3.2.4.1. The employer and employee's share of payroll taxes will paid out of the Gross Settlement Amount. Agreement, § 1.21.

Separately, Aggrieved Employees will be entitled to receive twenty-five percent (25%) of the PAGA Penalties on a *pro rata* basis, based upon the total number of pay periods each Aggrieved Employee worked during the PAGA Period, regardless of whether the employee submits a timely and valid Request for Exclusion from the Settlement Agreement. Agreement, § 3.2.5.1.[5] The Individual PAGA Payments shall be allocated as 100% penalties. Agreement, § 3.2.5.3.

For any Class Member whose Individual Class Payment check is uncashed after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384. Agreement, § 4.3.3.

**D. Attorneys' Fees and Costs, Class Representative Service Payments, and Settlement Administration Costs.**

California state and federal courts have recognized that an appropriate method for determining award of attorneys' fees is based on a percentage of the total value of benefits to class members by the settlement. *Wershba v. Apple Computer, Inc*., 91 Cal. App. 4th 224, 254 (2001). The purpose of this

[5] There is no right to opt-out of or object to the PAGA settlement under the Settlement Agreement. Agreement, § 7.5.4. Any Aggrieved Employee who opts out for purpose of the proposed class action settlement will still be bound by the release of the PAGA claims and receive a portion of the PAGA penalties. *Ibid.*

equitable doctrine is to avoid unjust enrichment of counsel and to "spread litigation costs proportionally among all the beneficiaries so that the active beneficiary does not bear the entire burden alone." *Vincent*, 557 F.2d at 769. Under California law, the award of attorneys' fees in common fund wage and hour class action settlements should start with the percentage method. *See Laffitte v. Robert Half Int'l*, 1 Cal. 5th 480, 503 (2016). Under the percentage of the fund method, the Court's objective remains to "mimic the market" in fixing a reasonable fee. *See Gaskill v. Gordon*, 160 F.3d 361, 363 (7th Cir. 1998) (J. Posner).

Here, Class Counsel's request for attorneys' fees in the amount of 35% of the Gross Settlement Amount, which is currently estimated to $708,750.00, and litigation costs up to $35,000.00, subject to the Court finally approving this Settlement. Agreement, § 3.2.2. Any portion of the requested attorneys' fees and/or costs not approved by the Court shall be added to the Net Settlement Amount. *Ibid*. At the time of final approval, Class Counsel will provide the Court with declarations supporting their fee request, as well as itemized cost lists. Sung Decl., ¶ 13.

Plaintiffs request the payment of Class Representative Service Payments in the amount of $10,000.00 to each Plaintiff, totaling $30,000.00. Agreement, § 3.2.1. The Service Payments are intended to recognize the time and effort Plaintiffs expended on behalf of the Class, including providing substantial information and documents to Class Counsel, discussing the claims at issue in the litigation, actively participating in the prosecution of Plaintiffs' claims, as well as the risks Plaintiffs undertook by agreeing to serve as the named plaintiffs in this case. *See* Declarations of Chelsey Richardson ("Richardson Decl."), ¶¶ 4-9; Bethany Jeanne Reinker ("Reinker Decl."), ¶¶ 4-6; and Charmaine Huff ("Huff Decl."), ¶¶ 3-5. Notably, courts have routinely granted approval of representative enhancements for far greater amounts than the $10,000.00 sought by Plaintiffs in this case. *See*, *e.g.*, *Van Vranken v. Atlantic Richfield Co.*, 901 F. Supp. 294, 299-300 (N.D. Cal. 1995) (incentive award of $50,000); *Glass v. UBS Fin. Servs.*, No. C-06-4068, 2007 U.S. Dist. LEXIS 8476, at *51-52 (N.D. Cal. Jan. 27, 2007) (awarding $25,000 incentive award in FLSA overtime wages class action).

Finally, the Settlement provides for the payment of the fees and expenses reasonably incurred by the Administrator in the amount of $39,950.00 to be paid out of the Gross Settlement Amount. Agreement, § 3.2.3. The Parties have agreed to utilize Phoenix Settlement Administrators to administer the Settlement. Agreement, § 1.2; Declaration of Jodey Lawrence ("Admin. Decl.") ¶ 16, Exh. B. Phoenix Settlement

Administrators is a well-recognized class action settlement administrator. Admin. Decl. ¶ 5, Exh. A.

### E. Scope of the Class and PAGA Release.

Upon the final approval of the Settlement, Plaintiffs and all Participating Class Members will provide a release to the Released Parties. Participating Class Members will release any and all claims, rights, demands, damages, liabilities, penalties, and causes of action, in law or in equity, raised in the Action, as amended, that were pled or could have been pled, based on, or which arise out of the facts alleged in the complaints in the action, the same statutes, or based on the same primary rights, that arose during the Class Period. Agreement, § 5.1. Additionally, upon the final approval of the Settlement, Plaintiffs and all Aggrieved Employees will release any and all claims under the PAGA premised on the facts and/or allegations in the Operative Complaint or PAGA Notices that arose during the PAGA Period. Agreement, § 5.2. Participating Class Members who cash their checks shall be deemed to waive all Released Claims inclusive of claims under the Fair Labor Standards Act. However, Participating Class Members who do not cash their checks shall be deemed to waive all Released Class Claims except for claims under the Fair Labor Standards Act. Agreement § 5.1.

## IV. THE COURT SHOULD GRANT PRELIMINARY APPROVAL OF THE SETTLMENT

To prevent fraud, collusion, or unfairness to the class, the settlement of a class action requires court approval. *Dunk v. Ford Motor Co.*, 48 Cal. App. 4th 1794, 1800-01 (1996). In considering whether a settlement is reasonable, the trial court should consider relevant factors, which may include the strength of plaintiff's case, the risk, expense, complexity and likely duration of further litigation, the risk of maintaining class action status through trial, the amount offered in settlement, the extent of discovery completed and the stage of the proceedings, the experience and views of counsel, the presence of a governmental participant, and the reaction of the class members to the proposed settlement. *Kullar v. Foot Locker Retail, Inc*., 168 Cal. App. 4th 116, 128 (2008). In order to approve a class action settlement, the court must satisfy itself that the class settlement is within the "ballpark" of reasonableness. *Kullar*, 168 Cal. App. 4th. at 133. The record need not contain an explicit statement of the maximum theoretical recovery. *Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles*, 186 Cal. App. 4th 399, 408-409 (2010). As stated above, the settlement was reached through arm's length negotiations between experienced wage and hour attorneys. Sung Decl., ¶¶ 5-7.

### A. Potential Estimated Value of the Class and Representative PAGA Claims.

The Settlement provides a positive recovery for the Class in the face of disputed claims. Class Counsel conducted a detailed damages analysis. A summary of the results of Class Counsel's exposure analysis are discussed below:

**Paid Sick Leave Regular Rate Violations.** Labor Code § 246(l) provides the following methods for calculating paid sick leave: "For the purposes of this section, an employer shall calculate paid sick leave using any of the following calculations: (1) Paid sick time for nonexempt employees shall be calculated in the *same manner as the regular rate of pay for the workweek in which the employee uses paid sick time*, whether or not the employee actually works overtime in that workweek." (Emphasis added). If an employer elects to comply with its sick pay obligations by authorizing employees to use paid time off ("PTO") for paid sick time, sick pay wages still must be paid at the regular rate of pay. *See* Lab. Code § 246(l) (permitting use of PTO for paid sick time, so long as the PTO policy "makes available an amount of leave applicable to employees that may be used for the same purposes [i.e., for paid sick time] and under the same conditions [i.e., paid at the same rate]").

Here, Plaintiffs allege that Defendant has a PTO policy (coded as PDL) for which Class Members used for paid sick leave and vacation purposes. Sung Decl., ¶ 14. However, Defendant underpaid paid sick leave wages to Class Members by failing to factor in incentive compensation, including shift differentials, into the sick leave pay rate. *Ibid.* In response, Defendant argues that there is no binding case law requiring PTO that may be used for paid sick leave to be paid at the regular rate; that a class cannot be certified because it will take numerous individualized inquiries to determine whether a Class Member's use of PDL was for paid sick leave purposes or for vacation purposes; and that Plaintiffs' damages projection was grossly inflated because the analysis assumed all PDL usage was for sick leave purposes when in fact the majority of usage was for vacation purposes. *Ibid.*

Plaintiffs note that there is no private right of action for recovery of unpaid or underpaid sick leave wages, but paid sick leave violations create derivative violations for which statutory and PAGA penalties may be recovered, and the valuation of said penalties are discussed in more detail below in the subsections on Waiting Time Penalties, Wage Statement Penalties, and PAGA Penalties. *Ibid*; *see also* Lab. Code § 248.5; *Flores v. Dart Container Corp.*, 2020 WL 2770073 (E.D. Cal. May 28, 2020) (rejecting argument to dismiss claim for section 203 penalties because "sick leave is different from wages"; "The HWHFA entitles plaintiff to a 'regular rate of pay' for sick leave taken … ."); *Wood v. Kaiser Found. Hosps.* (2023) 88 Cal.App.5th 742, 764, as modified (Mar. 23, 2023) (holding that an aggrieved employee may bring a PAGA action for paid sick leave violations),

**Meal Period Violations.** Plaintiff Huff contends that during the Class Period, Defendant occasionally failed to provide her and the Class Members with compliant meal periods primarily due to the nature of the work and the lack of coverage. Based on the sampling, Plaintiff Huff's expert opined that Defendant owed approximately $2,251,716 in unpaid meal period premiums after accounting for the Class Members' meal period waiver agreements and the meal period premiums paid by Defendant during the Class Period. Jones Decl., ¶ 12.

Defendant argues that any decision to forego or take a late/shortened meal period was voluntarily made by Plaintiff Huff and the Class Members. In support of its position, Defendant relies on its meal period policy during the Class Period, which is complaint with California law. *Ibid.* The policy further expressly requires employees to record their meal periods and direct them to submit a "Time and Attendance Edit Request" form any time that they are unable to take a compliant meal period. *Ibid.* Defendant's sampling also showed that Defendant paid approximately $815,000 in meal period premiums for the sampled employees. Jones Decl., ¶ 13.

Under these circumstances, there will be significant obstacles to certifying a meal period Class. Defendants will argue that, given its meal period policy and practice of paying meal period premiums, the determination of whether Class members voluntarily elected to waive their meal periods from time to time will be subject to a determination of individual issues that are not suitable for class wide adjudication. *Ibid.* Plaintiff Huff therefore discounts the estimated exposure by 60% to account to for the risk of non-certification and Defendant's merit based defenses; and estimates the total realistic recovery on her meal period claim is approximately **$900,686.40**. Jones Decl., ¶ 14.

**Rest Period Violations.** Plaintiff Huff similarly contends that during the Class Period, Defendant occasionally failed to provide Plaintiff and the Class Members with compliant rest periods primarily due to the nature of the work and the lack of coverage. Plaintiff Huff contends that she frequently was not able to take rest periods. Jones Decl., ¶ 15.

In response, Defendant argues that Plaintiff Huff and the Class Members always received an opportunity to take rest periods, and that it never did anything to discourage them. In support of its position, Defendant relies on its rest period policy utilized during the Class Period which is compliant with California law. *Ibid.* The policy provides employees with an opportunity to take a 15 minute uninterrupted paid meal period every 3.5 hours or major fraction thereof, 50% longer than 10 minute rest periods required by California law. It also requires employees to submit a "Time and Attendance Edit Request" form any time that they are unable to take a compliant rest period. Defendant's sampling further showed the payment of rest period premiums on occasions where employees had submitted these forms. Jones Decl., ¶ 16.

Under these circumstances, it would be difficult to certify the rest period claim Class. Unlike meal periods, there is no obligation for employers to record rest periods and no documentation that would support Plaintiff's rest period claim. *Ibid.* Plaintiff would be forced to rely on survey and other evidence to demonstrate any unlawful practice. *Ibid.* Given the numerous facilities in which the Class members worked, Defendant's compliant rest period policy, and the evidence that some rest period premiums were being paid, Plaintiff Huff believes that any recovery of damages on her rest period claim in unlikely. Jones Decl., ¶ 17.

**Failure to Pay Minium Wags/Overtime for All Hours Worked.** Plaintiff Huff asserts that Defendant failed to pay minimum wages/overtime for all hours worked. In particular, Plaintiff worked at Gladman Mental Health and Rehabilitation Center ("Gladman"), a small 40 bed facility. *Ibid.* She was required to walk through two sets of locked doors each day before reaching the time clock and clocking in. Jones Decl., ¶ 18.

In response, Defendant argues that these security measures were limited to the facility where Plaintiff worked. Defendant further contends that the process of unlocking the doors to enter the facility only took a few seconds more than having to pass through unlocked doors. *Ibid.* Consequently, Defendant argues that this is not compensable work time and no different than any worker entering his or her worksite. Jones Decl., ¶ 19.

Plaintiff roughly estimates that Class Members worked approximately 50,000 shifts at Gladman. Accordingly, assuming one minute of unpaid time each shift, the maximum exposure to Plaintiff Huff's claim for failure to pay minimum wages/overtime for all hours worked is approximately $18,725 (50,000 shifts x $22.47 x .3475 (one minute).) Plaintiff Huff discounts the estimated exposure by 50% to account to for the risk of non-certification and Defendant's merit based defenses for a total of **$9,362.50** for the realistic recovery on this claim. Jones Decl., ¶ 20.

**Failure to Reimburse Expenses.** Plaintiff Huff asserts that Defendant failed to reimburse her and the Class Members for use of their personal cellular phones for work. Specifically, Plaintiff Huff contends that she was required to use her cellular phone to send/receive messages regarding scheduling and to access an application, UKG Pro Classic, to obtain information on performance reviews, pay records, and other human resources related information. Jones Decl., ¶ 21.

In contrast, Defendant argues that Plaintiff and the Class Members were not required to use their personal cellular phones for work. Defendant contends that work schedules were physically posted at Plaintiff's facility and any texting with supervisors or coworkers regarding scheduling changes was voluntarily done by Plaintiff for her own convenience. Similarly, Defendant argues that employees were not required to download and use the UKG Pro Class application, and that employees could access the information from a work computer. Defendant contends that any employee's decision to download the app on to their cellular phones was voluntarily done for the employees for their own convenience. Under these circumstances, Plaintiff Huff believes it will be difficult to certify the Class for failure to reimburse business expenses. Consequently, Plaintiff Huff estimates that any potential recovery for this claim is unlikely. Jones Decl., ¶¶ 22-23.

**Waiting Time Penalties.** As a result of the unpaid sick leave wages described above, Plaintiffs contend that Defendant failed to comply with its final pay obligations set forth in Labor Code §§ 201 to 203 to former employees. Sung Decl., ¶ 15. Based on Class Counsel's analysis of the sampling payroll data, 767 out of 1,282 employees in the sampling (59.83%) experienced a paid sick leave regular rate violation. *Ibid.* Extrapolating the percentage to 2,579 former employees, Class Counsel estimate 1,543 former employees experienced paid sick leave violations. *Ibid.* Utilizing an average hourly rate of $27.47 and 8 hours of work per day, maximum exposure for waiting time penalties are $10,172,690.40, calculated as 1,543 employees X 8 hours/day X $27.47 X 30 days.

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However, as discussed above, Defendant argues that there is no binding case law requiring PTO that may be used for paid sick leave to be paid at the regular rate; that a class cannot be certified because it will take numerous individualized inquiries to determine whether a Class Member's use of PDL was for paid sick leave purposes or for vacation purposes; and that Plaintiffs' damages projection was grossly inflated because the analysis assumed all PDL usage was for sick leave purposes when in fact the majority of usage was for vacation purposes. Sung Decl., ¶ 16. Defendant further argues it possesses strong, good faith defenses to Plaintiffs' claim and Plaintiffs cannot meet the willfulness standard in Labor Code § 203 or the knowing and intentional standard in Labor Code § 226(e). *Ibid.* Notably, Defendant relied on the California Supreme Court decision in *Naranjo v. Spectrum Security Services, Inc.* (2024) 15 Cal.5th 1056, 1065, which held that an employer's good-faith defenses precludes a "willfulness" finding under Labor Code § 203 and a "knowing and intentional" finding under Labor Code § 226(e) for the imposition of statutory penalties. *Ibid.* Thus, Plaintiffs discounted Defendant's maximum exposure by 75% to account for the risk of non-certification and Defendant's defenses on the merits or failing to recover the full amount sought, to arrive at an estimated realistic recovery of approximately **$2,543,172.60**. *Ibid.*

Separately, Plaintiff Huff contends that Defendant failed to timely pay all wages to Class Members who are former employees at Gladman upon separation of employment. In particular, Plaintiff Huff contends that Defendant failed to pay them for their time going through two sets of locked doors to enter the facility before reaching the time clock. As previously discussed, Defendant contends that this activity took no more than a few seconds longer than entering through unlocked doors and is not compensable. Defendant argues that even assuming *arguendo* that this time was compensable, it did not "willfully" fail to pay Plaintiff and the former employee Gladman Class Members for such time based on these arguments. Accordingly, Plaintiff Huff does not estimate further exposure to waiting time penalties due to Defendant's failure to pay former employee Gladman Class Members for their time going through the two sets of locked doors. Jones Decl., ¶¶ 24-25.

**Wage Statement Penalties.** Plaintiffs allege that Defendant is liable for wage statement penalties as a result of the unpaid wages and meal and rest period premiums. Sung Decl., ¶ 17. Those penalties are calculated as $50 for each "initial" violation and $100 for each "subsequent" violation, with a maximum of $4,000 per employee. Lab. Code § 226(e). Based on Class Counsel's analysis of the sampling payroll records, approximately 5,406 out of 32,341 pay periods (16.72%) had a paid sick leave regular rate violation. Sung Decl., ¶ 17. Extrapolating this percentage to 154,982 pay periods, an estimated 25,907 pay periods had a wage statement violation. *Ibid.* At $50 for the first pay period and $100 for each subsequent pay period, maximum exposure for wage statement penalties are estimated at $2,272,750. *Ibid.* This estimate does not account for the $4,000 cap which likely would have reduced the exposure. *Ibid.*

As discussed above, Defendant argues that this claim is uncertifiable, this damages analysis is grossly inflated, and Plaintiffs cannot meet the knowing and intentional standard under Labor Code § 226(e) and therefore cannot recover penalties under *Naranjo*. Sung Decl., ¶ 18. Thus, Plaintiffs discounted Defendant's maximum exposure by 75% to account for the risk of non-certification and Defendant's defenses on the merits or failing to recover the full amount sought, to arrive at an estimated realistic recovery of approximately **$568,187.50**. *Ibid.*

Plaintiff Huff contends that Defendant failed to provide her and the Class Members who worked at Gladman with accurate wage statements. Specially, she alleges that Defendant failed to accurate list the total hours worked because it did not include the time that these employees spent going through two sets of locked doors to enter the facility before reaching the time clock. As previously discussed, Defendant contends that this activity took no more than a few seconds longer than entering through unlocked doors and is not compensable. Defendant argues that even assuming *arguendo* that this time was compensable, it did not inaccurately list the total hours worked because adding a few seconds of time is unlikely to change to the total hours worked. Because Plaintiff Huff anticipates difficulties in evidencing such violations, she does not assess additional recoverable wage statement penalties beyond those triggered by the sick pay/regular rate issues. Jones Decl., ¶¶ 26-28.

**PAGA Penalties.** Plaintiffs estimate a maximum total PAGA exposure of approximately $15,498,200.00 (154,982 pay periods during the PAGA Period x $100 "initial" penalty). Sung Decl., ¶ 19; *Amaral v. Cintas Corp. No. 2* (2008) 163 Cal.App.4th 1157, 1207 (finding "initial" violation rate applies until employer is notified that it is violating a Labor Code provision). However, these penalties derive from the underlying wage and hour violations discussed above, which Defendant disputes vigorously. Sung Decl., ¶ 19*; see e.g., Green v. Lawrence Service Co.* (C.D. Cal. 2013) 2013 WL 3907506, *5, n.5 (explaining that a PAGA claim's success was determined by the merits of its underlying claims).

Defendant also assert that the Court would drastically reduce any award of PAGA penalties as "confiscatory." Sung Decl., ¶ 19; *see Carrington v. Starbucks Corp.*, 30 Cal. App. 5th 504, 517 (2018) (while the plaintiff prevailed on his PAGA claim upon trial, the trial court reduced the maximum PAGA penalty amount by 90%, citing the employer's good faith attempt at complying with the law.") Therefore, applying the *Carrington* standard, Plaintiffs discounted the maximum figure by 90% for the risk of losing on the merits and/or not recovering a PAGA penalty for each and every pay period and to account for the possibility of this Court reducing penalties, to arrive at an estimated exposure of approximately **$1,549,820.00**. Sung Decl., ¶ 19.

**Conclusion.** Using these estimated figures for each of the claims described above, Plaintiffs predicted that the potential realistic recovery for the Class would be approximately **$5,571,229.00**. Sung Decl., ¶ 20. The proposed Settlement of $2,025,000.00 represents approximately **36.35%** of the reasonably forecasted recovery for the Class. *Ibid*. Preliminary approval is appropriate since the Settlement will provide significant monetary relief to the Class, which is consistent with what Class Counsel believe could have been recovered had the case proceeded through trial. *Ibid.*

**B. The Settlement is Fair and Reasonable as it Recognizes the Inherent Risk of Litigation.**

Although Plaintiffs and Class Counsel believe in the merits of the Action, they also believe the Settlement is fair, reasonable, and adequate, given the inherent risks of litigation, including the substantial risks relative to class certification, the costs of pursuing such litigation, and the risks associated with the Court's discretion to reduce PAGA penalties. *See* Sung Decl., ¶¶ 14-20; Jones Decl., ¶¶ 12-29. Defendant presented multiple defenses to Plaintiffs' claims, both on the merits and with respect to class certification, and while Plaintiffs are prepared to litigate these claims through class certification and ultimately trial, success was far from certain. Sung Decl., ¶ 21.

Although the Parties engaged in significant informal discovery prior to mediation, the Parties still had significant formal discovery to complete if the Action did not resolve. Sung Decl., ¶ 22. This would have required the expenditure of substantial time and resources by both Parties that would have very likely spanned several years. *Ibid*. Even if Plaintiffs were to certify the class, the Parties would incur considerably more attorneys' fees and costs through a possible decertification motion, trial, and possible appeal. *Ibid*. This settlement avoids those risks and the accompanying expense, and ensures a fair and reasonable monetary recovery is obtained for the Class. *Ibid*.

### C. The Settlement Effectuates PAGA's Objectives.

With respect to evaluating the reasonableness of the settlement of the PAGA claim, the Court's focus is not the amount that aggrieved employees will ultimately receive as a result of a settlement. Instead, "a trial court should evaluate a PAGA settlement to determine whether it is fair, reasonable, and adequate in view of PAGA's purposes to remediate present labor law violations, deter future ones, and to maximize enforcement of state labor laws." *See Moniz v. Adecco USA, Inc*., 72 Cal.App.5th 56, 77 (2021). Here, the Settlement vindicates the rights of Aggrieved Employees who have experienced alleged violations of the Labor Code. *See O'Connor v. Uber Technologies, Inc*., 201 F.Supp.3d 1110, 1134 (N.D. Cal. 2016).

## V. THE PROPOSED CLASS MEETS ALL CERTIFICATION REQUIREMENTS

### A. The Class is Ascertainable and Sufficiently Numerous.

The Class that Plaintiffs seek to conditionally certify is ascertainable. "Class members are 'ascertainable' where they may be readily identified without unreasonable expense or time by reference to official records." *Lee v. Dynamex, Inc.*, 166 Cal. App. 4th 1325, 1334 (2008). Defendant has determined that there are approximately 6,359 employees that comprise the Class. Sung Decl. ¶ 23. Thus, the Class is sufficiently numerous. *See Preston v. Porch.com, Inc*., 2022 WL 1214710, at *3 (S.D. Cal., 2022) (a "presumption of numerosity created by twenty-five to thirty members").

### B. There are Common Questions of Law and Plaintiffs' Claims are Typical of the Class.

The commonality requirement is met when there are questions of law and fact common to the class. *See Hanlon v. Chrysler Corp*., 150 F.3d 1011, 1019 (1998) ("The existence of shared legal issues with divergent legal factual predicates is sufficient, as is a common core of salient facts couple with disparate legal remedies within the class"). Commonality requires only that some common legal or factual questions exist; the plaintiffs need not show that all issues in the litigation are identical. *See Richmond v. Dart Industries, Inc*., 29 Cal. 3d 462, 473 (1981). Here, Plaintiffs allege that Defendant, as a matter of its corporate policy, practice, or procedure, violated the Labor Code by failing to include non-discretionary incentive compensation into the paid sick leave rate of pay and failed to pay all wages, meal period premiums, rest period premiums, and reimbursements due. *See* Richardson Decl., ¶ 3; Reinker Decl., ¶¶ 2-3; and Huff Decl., ¶ 2. Thus, Plaintiffs' claims are typical to those of Class Members.

### C. Plaintiffs and Class Counsel Have Adequately Represented the Class.

The adequacy requirement is also met. "Adequacy of representation depends on whether the plaintiff's attorney is qualified to conduct the proposed litigation and the plaintiff's interests are not antagonistic to the interests of the class." *McGhee v. Bank of Am.*, 60 Cal. App. 3d 442, 450 (1976). Here, Plaintiffs do not have any interests adverse to the Class, nor have any such issues been raised or presented, and Plaintiffs have taken all necessary steps to represent the interests of the Class, by providing information and documents. *See* Richardson Decl., ¶¶ 3-9; Reinker Decl., ¶¶ 4-6; and Huff Decl., ¶¶ 2-6. For such reasons, Plaintiffs have adequately represented the Class Members and will continue to do so.

Further, as detailed in their declarations, Class Counsel are experienced and well-qualified class action litigators who have litigated many wage and hour class actions and have each been certified as class counsel in numerous other wage and hour class actions. Sung Decl., ¶¶ 24-29; Lee Decl., ¶¶ 5-7; Gavron Decl. ¶¶ 3-9; Marder Decl. ¶¶ 4-11; Jones Decl., ¶¶ 30-31. From the inception of the case, Class Counsel have solely represented the interest of the Class and achieved a great result for the Class via this Settlement.

## VI. NOTICE TO THE LWDA

Concurrently with the filing of this motion, Plaintiffs submitted the Settlement Agreement and supporting documents to the LWDA. Sung Decl. ¶ 30, Exh. 6 (LWDA Upload Confirmation).

## VII. CONCLUSION

For the foregoing reasons, Plaintiffs respectfully request that the Court grant preliminary approval of the proposed Settlement, sign the proposed Order, approve and authorize mailing of the proposed Class Notice, and set a date for a final approval hearing.

DATED: December 19, 2025

DIVERSITY LAW GROUP, P.C.

By: ______________________________

Larry W. Lee
Max W. Gavron
Attorneys for Plaintiffs and the Class

DATED: December 19, 2025

**JUSTICE FOR WORKERS, P.C.**

By: ______________________

William C. Sung
Tiffany L. Luu
Joseph C. Ramli
Attorneys for Plaintiffs and the Class

Dated: December 19, 2025

**BLAKE JONES LAW, PC.**

By: ______________________

Blake R. Jones
Attorneys for Plaintiffs and the Class