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on behalf of herself and all others similarly situated

**SUPERIOR COURT OF THE STATE OF CALIFORNIA**

**FOR THE COUNTY OF BUTTE – NORTH COUNTY COURTHOUSE**

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| PATRICIA ANDERSON an individual on behalf of herself and all others similarly situated,<br><br>Plaintiff,<br><br>v.<br><br>ARBOR POST ACUTE LLC, a California limited liability company; PROVIDENCE GROUP, INC., a California corporation; and DOES 1 through 50, inclusive,<br><br>Defendants. | Case No. 24CV02070<br><br>Assigned for all purposes to:<br>Hon. Stephen. E. Benson<br>Dept.: 6<br><br>**NOTICE OF MOTION AND MOTION TO APPROVE THE PARTIES PAGA SETTLEMENT AGREEMENT; MEMORANDUM OF POINTS AND AUTHORITIES**<br><br>Hearing Date: December 2, 2026<br>Time: 9:00 a.m.<br>Dept.: 6<br><br>Action filed: June 20, 2024<br>First Amended Complaint: September 3, 2024<br>Trial: none set |

**TO THE COURT, DEFENDANT, AND THEIR ATTORNEYS OF RECORD:**

PLEASE TAKE NOTICE that on December 2, 2026, at 9:00 a.m., or as soon thereafter as the matter may be heard in Department 6 at Butte Courthouse of the Superior Court for the County of Butte located at 1775 Concord Avenue, Chico, California, 95928, Plaintiff Patricia Anderson ("Plaintiff") on behalf of herself and other similarly situated employees of Defendant Arbor Post Acute, LLC ("Defendant") (Plaintiff and Defendant are collectively referred to herein as "the Parties") will and hereby does move this Court for entry of an order: (1) approving the representative action settlement embodied in the Parties' PAGA Settlement Agreement ("Settlement Agreement"); (2) approving PAGA Counsel's application for attorney's fees and litigation costs and costs for the Administrator; and (3) entering judgment approving the Settlement Agreement (the "Motion").

The grounds for this Motion, as set forth in the attached Memorandum of Points and Authorities and supporting Declarations, are that the settlement is fair and reasonable, benefits the Aggrieved Employees and the State, and was the product of informed, non-collusive negotiations by the parties who were represented by experienced and able counsel. *See Wershba v. Apple Computer, Inc.*, 91 Cal. App 4th 224, 244-45 (1996); *Dunk v. Ford Motor Co.*, 48 Cal. App. 4th 1794, 1802 (1996); Manual for Complex Litigation, (Second), § 30.44 (1985).

Defendant does not oppose this Motion. Plaintiff bases this Motion on this Notice and the accompanying Memorandum of Points and Authorities, the Declaration of Marta Manus and exhibits thereto, the complete pleadings, records, and files in the case, and such other further oral and documentary evidence which may be submitted at or before the hearing on this Motion.

Date: November 2, 2026

**D.LAW, INC.**

By: _____
Enoch J. Kim
Marta Manus
Attorneys for Patrcia Anderson and
Aggrieved Employees

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## MEMORANDUM OF POINTS AND AUTHORITIES

## I. INTRODUCTION

Through this Motion, plaintiff Patricia Anderson ("Plaintiff") requests that the Court grant approval of the PAGA Settlement Agreement ("Settlement" or "Settlement Agreement") reached between Plaintiff and defendant Arbor Post Acute, LLC ("Defendant") (Plaintiff and Defendant collectively referred to herein as "the Parties") to resolve claims brought under the Private Attorneys General Act of 2004, Labor Code § 2698, *et seq*. ("PAGA") seeking civil penalties for various alleged violations of the California Labor Code and Industrial Wage Commission's Wage Orders. The PAGA Settlement Agreement is attached to the concurrently filed Declaration of Marta Manus ("Manus Decl."), as **Exhibit 1**.

Pursuant to the Settlement Agreement, Defendant will pay a Gross Settlement Amount of $194,000.00 ("Gross Settlement Amount"). (Manus Decl., Ex. 1, ¶ 1.12.). The Settlement applies to all "Aggrieved Employees," defined a person employed by Defendant Arbor Post Acute, LLC in California and classified as a non-exempt hourly employee who worked for Defendant Arbor Post Acute, LLC during the PAGA Period. (Manus Decl., ¶ 14, Ex. 1, ¶ 1.4.) The PAGA Period is defined as the period from November 10, 2023, through April 30, 2025. (Manus Decl., ¶ 14, Exhibit 1, ¶ 1.21.)

As further explained below, Plaintiff and his counsel ("PAGA Counsel") believe that the Settlement is fair, reasonable, and in the best interests of the State and the Aggrieved Employees. Accordingly, Plaintiff requests that the Court "review and approve" the Settlement pursuant to Labor Code § 2699(*l*)(2). If the Court deems the Settlement fair and acceptable, Plaintiff requests that the Court enter an order approving the Settlement in the form lodged herewith and ordering the Parties and Administrator to carry out the terms of the Settlement Agreement and enter a Final Judgment thereon.[1]

[1] Plaintiff has submitted the Settlement and this Motion to the LWDA by uploading it on the LWDA's website concurrently with the filing of this Motion as required by Labor Code § 2699(*l*)(2). (Manus Decl., ¶ 47, Exhibit 7.)

## II. RELEVANT BACKGROUND AND PROCEDURAL HISTORY

### A. Litigation Overview and Procedural History

On June 20, 2024, Plaintiff commenced this Action by filing a Complaint alleging causes of action for: (1) failing to pay minimum wages; (2) failing to pay wages and overtime wages; (3) failing to provide meal periods; (4) failing to provide rest periods; (5) violating Labor Code section 226(a); (6) violating Labor Code section 203; (7) violating Labor Code section 204; (8) failing to timely provide wages including wages due upon termination; (9) failing to maintain accurate payroll records; (10) failing to reimburse necessary business expenses; and (11) violating Business & Professions Code section 17200 et seq. ("the Action"). (Manus Decl., ¶ 4.)

On June 20, 2024, Plaintiff filed a claim online with the California Labor & Workforce Development Agency (the "LWDA") pursuant to Labor Code § 2699.3(a)(1) and gave notice to Defendant. ("PAGA Notice"). (*Id*. at ¶ 5.) The PAGA Notice sought civil penalties for the alleged violations of the Labor Code alleged in the Action. The PAGA Notice is attached to the Declaration of Marta Manus as **Exhibit 2.** The LWDA did not respond to the PAGA Notice and did not notify Plaintiff that it intended to investigate Plaintiff's allegations. (*Id*. at ¶ 5.)

On September 3, 2024, Plaintiff filed a First Amended alleging a twelfth cause of action for civil penalties under the PAGA, Labor Code § 2698, et seq. The First Amended Complaint is the operative complaint in the Action (the "Operative Complaint"). (*Id*. at ¶ 6.) On October 25, 2024, the Court ordered the class claims dismissed and Plaintiff's individual Labor Code and PAGA claims to arbitration while Plaintiff's non-individual PAGA representative claims remained stayed in Court. Therefore, the only remaining cause of action in the Operative Complaint is for civil penalties under the PAGA. (*Id*.)

### B. Mediation and Settlement

The Parties met and conferred about the claims and issues in this case, including the existence of an arbitration agreement between the Parties, and agreed to explore the resolution of the representative component of the case through mediation with a highly respected mediator. On April 30, 2025, the Parties mediated this matter before Brandon McKelvey, Esq., a well-respected employment law mediator, and reached a settlement. (Manus Decl., ¶ 7.)

Prior to mediation, Defendant provided pertinent payroll, timekeeping, and other data for Plaintiff and the Aggrieved Employees. (Manus Decl., ¶ 9.) The information and data exchanged by Plaintiff and Defendant prior to and during mediation and settlement negotiations were sufficient to reliably assess the merits of the Parties' respective positions, to compromise the issues on a fair and equitable basis, and to devise a formula for distribution of civil penalties among the Aggrieved Employees that took into consideration the strength of the PAGA claims. (*Id*. at ¶ 10.)

During mediation, the Parties exchanged further information and discussed all aspects of the case, including Plaintiff's claims, Defendant's defenses, procedural challenges in the case, and the prospects of further litigation. (*Id.* at ¶ 11.) The Parties recognized that the issues presented in the Action are likely only to be resolved with extensive and costly pretrial and trial proceedings and that further litigation would lead to inconvenience, distraction, disruption, delay, and expense disproportionate to the potential benefits of litigation. (*Id*.) The Parties took into account the risk and uncertainty of the outcome inherent in representative actions such as this one. (*Id*.) With the assistance of a highly respected wage and hour mediator, the Parties agreed to the general terms for settling this Action and negotiated and executed the long-form Settlement Agreement now before the Court for approval. (Manus Decl., ¶ 12.)

The Parties believe and agree that the Settlement provides for a fair, adequate, and reasonable resolution of the Action, and the Parties arrived at the Settlement after extensive, arm's-length negotiations. (Manus Decl., ¶ 13.) PAGA Counsel believes that the Settlement confers real benefits upon the State and the Aggrieved Employees and that an independent review of the Settlement by the Court in the approval process will confirm this conclusion. (*Id*.)

## III. PAGA ACTIONS AND THE REQUIREMENTS

### A. The PAGA Statutory Scheme

PAGA creates a means of "deputizing" citizens as private attorneys general to enforce the Labor Code on behalf of the LWDA. *Brown v. Ralphs Grocery Co*. (2011) 197 Cal. App. 4th 489, 501, *review den.* (Oct. 19, 2011, No. S195850), *cert. denied* 132 S.Ct. 1910 (Apr. 16, 2012). A plaintiff may not — and Plaintiff here does not — bring a PAGA claim simply on his or her own behalf as an individual claim, but "as the proxy or agent of the state's labor law enforcement

agencies." *Id*., at 986; *see also Reyes v. Macy's, Inc*. (2011) 202 Cal. App. 4th 1119, 1123-1124; *Iskanian v. CLS Transp. Los Angeles, LLC* (2014) 59 Cal.4th 348, 380. When an aggrieved employee brings a PAGA claim, "the government is always the real party in interest." *Securitas Sec. Servs. USA, Inc. v. Sup. Ct. of San Diego Cnty*. (2015) 234 Cal. App. 4th 1109, 1119; *Montano v. The Wet Seal Retail, Inc*. (2015) 232 Cal. App. 4th 1214, 1222 ("[A] PAGA action is a dispute between an employer and the State agency.") Accordingly, a plaintiff that brings a PAGA claim represents "the same legal right and interest as state labor law enforcement agencies," in that the plaintiff seeks to recover those civil penalties that the LWDA otherwise would assess and collect. *Arias v. Super. Ct*. (2009) 46 Cal.4th 969, 986; Labor Code § 2699(a) & (f); *Securitas, supra*, 234 Cal. App. 4th at 1119; *see also Medina v. Vander Poel* (E.D. Cal. 2015) 523 B.R. 820, 825 (holding "PAGA plaintiffs do not have property rights in their cases."), and *Amalgamated Transit Union, Local 1756, AFL-CIO v. Superior Court* (2009) 46 Cal.4th 993, 1003.

Therefore, when a plaintiff brings a PAGA claim, he or she is properly viewed as a private attorney general prosecuting violations of California's labor laws on behalf of the state. An employee may commence a PAGA action by fulfilling the requirements of California Labor Code § 2699.3(a)(1), which simply states: "The aggrieved employee or representative shall give written notice by certified mail to the Labor and Workforce Development Agency and the employer of the specific provisions of this code alleged to have been violated, including the facts and theories to support the alleged violation." Labor Code § 2699.3(a)(1). As explained above, Plaintiff complied with the notice requirements and properly pled a PAGA claim. (Manus Decl., ¶ 5.)

**B. The Court Has Discretion When Awarding the Amount of Penalties.**

PAGA provides for penalties in the amount of $100 for each violation per aggrieved employee per pay period for the initial violation and $200 for each violation per aggrieved employee per pay period for each subsequent violation. Labor Code § 2699(f)(2). "PAGA penalties...are mandatory, not discretionary" and must be awarded upon a showing that defendants violated the Labor Code. *Amaral v. Cintas Corp. No. 2* (2008) 163 Cal.App.4th 1157, 1213. However, PAGA provides the Court with discretion when it finds liability and awards these penalties as part of a judgment. Labor Code § 2699(e)(2) states that "a court may award a lesser amount than the maximum civil penalty

amount specified by this part if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory."

### C. PAGA Authorizes the Payment of PAGA Counsel's Fees and Costs

PAGA provides for the recovery of reasonable attorneys' fees and costs. Labor Code § 2699(g)(1) ("Any employee who prevails in any action shall be entitled to an award of reasonable attorney's fees and costs, including any filing fee paid…"). The monetary settlement and programmatic relief make Plaintiff a "prevailing party." *Folsom v. Butte County Ass'n of Gov'ts* (1982) 32 Cal. 3d 668,671; *Santisas v. Goodin* (1998) 17 Cal.4th 599, 621. Even if Labor Code § 2699(g)(1) did not authorize fees, Plaintiff would be entitled to fees as a Private Attorney General under Code of Civil Procedure § 1021.5 because Plaintiff brought this action to, and the action does, benefit the public. *Arias,* 46 Cal.4th at 985–986.

## IV. THE SETTLEMENT

Pursuant to the Settlement Agreement, Defendant will pay the Gross Settlement Amount of $194,000.00 on a non-reversionary basis. (Manus Decl., ¶ 16, Exhibit 1, ¶ 1.12.)

Pending Court approval, the Gross Settlement Amount will be allocated as follows: (1) attorneys' fees of one third of the Gross Settlement Amount, which is **$67,900.00** ("PAGA Counsel Fees Payment"); (2) actual litigation costs incurred in this matter in the amount of **$20,733.80** ("PAGA Counsel Litigation Expenses Payment"); and (3) settlement administration cost payment of up to **$6,490.00** to be paid to the Administrator, Apex Class Action, LLC ("Apex"), ("Administrator Expenses Payment"). (Manus Decl., ¶ 16.) The remaining settlement amount of **$98,876.20** ("Net Settlement Amount") is designated as the PAGA Settlement Payment under the Settlement Agreement, with 65% ($64,269.53) allocated to the LWDA ("LWDA Payment") and 35% ($34,606.67) allocated to the Aggrieved Employees on a pro-rata basis. ("Individual PAGA Payment(s)"). (*Id*.)

The Individual PAGA Payment for each Aggrieved Employee will be based on a pro rata share of the 35% of the PAGA Penalties ($34,606.67) calculated according to the number of Pay Periods each Aggrieved Employee worked during the PAGA Period. (Manus Decl., Exhibit 1, ¶ 3.2.3.1.) Based on its records to date, Defendant represents that there are 431 Aggrieved Employees

who worked approximately 9,700 PAGA Pay Periods during the PAGA Period. (Manus Decl., ¶ 8.) If the Pay Periods increases by more than 10%, then the GSA will be increased proportionally by the number of pay periods worked in excess of 10%. For example, if the Pay Periods increases by 15%, then the GSA will increase by 5%. (Manus Decl., ¶ 15, Exhibit 1, ¶ 8.)

The average Aggrieved Employee Payment Share to the Aggrieved Employees will be approximately $80.29 ($34,606.67) divided by 431 Aggrieved Employees, which is the approximate number of Aggrieved Employees based on the data given at the time of mediation). (*Id*. at ¶ 16.)

## V. ARGUMENT

### A. The Court Should Approve the Settlement Agreement.

Pursuant to Labor Code § 2699(*l*), the Parties must obtain Court approval of a settlement of a PAGA action on a representative basis. However, as explained in *Arias v. Superior Ct*. (2009) 46 Cal.4th 969, the Parties need not follow the class action procedural rules in PAGA cases, and therefore, need not obtain approval of the PAGA settlement through a motion for preliminary or final approval. Nonetheless, to comply with the requirements of Labor Code section 2699, Plaintiff submits this Motion and the Settlement Agreement for Court approval.

### B. The Risks of Moving Forward with Plaintiff's PAGA Claim

To help the Court evaluate the fairness of the Settlement, below is a discussion of the risk evaluation made by Plaintiff and PAGA Counsel. Plaintiff and PAGA Counsel considered the arguments and defenses asserted by Defendant at mediation and assessed the risks of moving forward to trial and what this Court could do in awarding penalties even if Plaintiff prevailed at trial.

Plaintiff estimated that the theoretical maximum exposure on the PAGA claim is $970,000 calculated by multiplying the total estimated number of PAGA Pay Periods of 9,700 by $100 per violation. (Manus Decl., ¶ 21.) Plaintiff's calculation of the total potential exposure on the PAGA claim was based on one PAGA penalty per PAGA Pay Period (i.e., Plaintiff did not stack the PAGA penalties in their damages calculation) and assumes liability could be established for each underlying alleged Labor Code violation. Although Plaintiff estimated maximum potential exposure of approximately $970,000, that figure does not represent the realistic settlement value of the case. Rather, it represents a theoretical maximum that assumes virtually every material fact and legal issue

will ultimately be resolved in Plaintiff's favor. For purposes of evaluating the reasonableness of the Settlement, Plaintiff reasonably applied a 50% risk adjustment of the maximum, resulting in a risk-adjusted PAGA valuation of approximately $485,000. (*Id*.)

**C. Trial of Plaintiff's PAGA Claim Would Have Presented Many Hurdles.**

Defendant denied and continues to deny all the claims made by Plaintiff in this Action and contends that it acted at all relevant times in conformance with the law. (*Id*. at ¶ 19.) Defendant contends that Plaintiff and Aggrieved Employees were paid for all hours worked and that Defendant did not require Plaintiff and Aggrieved Employees to work beyond their scheduled shifts; that Defendant provided Plaintiff and Aggrieved Employees with compliant meal periods and rest breaks and that any deviations were at the voluntary election of Plaintiff and/or Aggrieved Employees and not at the request of Defendant or due to work requirements; that Defendant paid all wages due on a timely basis; that Defendant paid all wages due on a timely basis and using Labor Code compliant instruments; that Defendant's wage statements complied with the law; that neither Plaintiff nor any Aggrieved Employees incurred reasonable business-related expenses for which they were not reimbursed; and that Defendant complied with the requirements of California Labor Code § 212. (*Id*.) Defendant further contends that their above defenses are supported by their written policies applicable to Plaintiff and Aggrieved Employees. (*Id*.) As a result, PAGA Counsel had to appropriately discount the amount recoverable from Defendant in a settlement. (*Id*.)

**D. The Court May Have Exercised Its Discretion to Reduce Civil Penalties.**

Labor Code § 2699(e)(2) states that "a court may award a lesser amount than the maximum civil penalty amount specified by this part if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory." (*See also Thurman v. Bayshore* (2012) 203 Cal. App. 4th 1112 (reducing PAGA penalties by 30% under this provision); *Carrington v. Starbucks Corp.*, 30 Cal. App. 5th 504, 529 (2018) (affirming penalty reduction of 90% for practice that resulted in meal periods occasionally starting minutes after the fifth hour of work); *Sanchez v. McDonald's Corp.* (2017), LASC Case No. No. BC 499888 (98% reduction from $41 million to $775,000); *Ghrdilyan v. RJ Financial* (2012), LASC Case No. BC430633 (94% reduction from $5.4 million to $325,000); *Fleming v. Covidien*,

Inc. (2011), USDC Case No. ED CV 10-01487-RGK (OPx) (87% reduction from $2.8 million to $375,000).). (*Id*. at ¶ 23.)

In departing from the $100/pay period calculation to arrive at the $194,000.00 Gross Settlement Amount in this case, Plaintiff considered what the realistic potential exposure could be and why the Court may reduce any eventual recovery at its discretion, including Defendant's defenses to the claims and the potential manageability issues with PAGA claims at trial. (Manus Decl., at ¶ 24.) Based on those considerations, Plaintiff concluded that a discount would have to be applied to the maximum potential exposure to arrive at the settlement amount. (*Id.* at ¶ 24.)

The Gross Settlement Amount of $194,000.00 is **40%** of the adjusted calculated exposure of $485,000. From PAGA Counsel's review of the facts, strengths, and weaknesses of the case and the risks and delays posed by further litigation, PAGA Counsel believes that the recovery for the State and the Aggrieved Employees is fair and reasonable. (*Id*. at ¶ 25.)

## VI. THE REQUEST FOR ATTORNEYS' FEES AND COSTS

### A. The Court Should Approve the Requested Attorneys' Fees and Costs

PAGA Counsel is requesting a PAGA Counsel Fees Payment in the amount of $67,900.00 for attorneys' fees and a PAGA Counsel Litigation Expenses Payment of approximately $20,733.80 for litigation costs incurred. (Manus Decl., ¶ 26.)

Prior to the enactment of PAGA, when the State had the resources to seek civil penalties on behalf of the public, it paid its employees (including their attorneys) their salaries and benefits for pursuing such penalties. The Legislature enacted PAGA because the Labor Commissioner and other agencies were hampered in their enforcement of civil penalties by inadequate funding and staffing constraints. *Iskanian*, *supra*, 59 Cal.4th at 379. To facilitate broader enforcement, the Legislature enacted PAGA, authorizing "aggrieved employees" to pursue civil penalties on the state's behalf. Labor Code § 2699(a). In creating PAGA, the Legislature expressly provided that the private counsel retained by the Plaintiff to represent the public's interest can recover fees if the Plaintiff is the prevailing party. Labor Code § 2699(g)(1).

#### 1) PAGA Counsel Are Entitled to Fees from the Civil Penalties Recovered

As previously indicated, this is *not* a class action. However, like a class action, it is a

representative action where, instead of a class, the Plaintiff represents the State and the public. As a matter of law and substance, counsel's client is the public at large and the State of California. The Plaintiff is simply a "proxy" for the State. On August 11, 2016, the California Supreme Court decided *Laffitte v. Robert Half International*, which addressed, in a class action context, the correct methodology for awarding fees in a representative action settlement. *Laffitte v. Robert Half Intern. Inc*. (2016) 205 Cal.Rptr.3d 555, 573. The *Laffitte* Court approved awarding fees as a percentage of the settlement fund.:

> We join the overwhelming majority of federal and state courts in holding that when class action litigation establishes a monetary fund for the benefit of the class members, and the trial court in its equitable powers awards Class Counsel a fee out of that fund, the court may determine the amount of a reasonable fee by choosing an appropriate percentage of the fund created.

*Id*. at p. 573. Here, the $194,000.00 common fund created for the benefit of the public is, with Plaintiff as a proxy for the State, not unlike the fund created in class action settlements, with the public the equivalent of the class referenced in *Laffitte*.

The Court, in *Laffitte,* pointed out several reasons why the percentage-of-the-fund method is preferred over the alternative lodestar multiplier approach in California courts:

> The recognized advantages of the percentage method—including relative ease of calculation, alignment of incentives between counsel and the class, a better approximation of market conditions in a contingency case, and the encouragement it provides counsel to seek an early settlement and avoid unnecessarily prolonging the litigation [citations]—convince us the percentage method is a valuable tool that should not be denied our trial courts.

*Id*. at 573.

An award of one-third of the civil penalties realized in the Settlement is appropriate here under the "substantial benefit" theory. *Dunk v. Ford Motor Co*. (1996) 48 Cal. App. 4th 1794, 1810; *Wershba v. Apple Computer, Inc.* (2001) 91 Cal. App. 4th 224, 254. That theory permits a litigant who has sued in a representative capacity to recover fees from the beneficiaries of that representation. Courts exercise their inherent equitable powers to assess attorneys' fees against the entire fund, thereby spreading the cost of those fees among the public who benefit from PAGA actions. *Serrano v. Priest* (1977) 20 Cal.3d 25, 35 (*Serrano III*). As this approach "better approximates the workings

of the marketplace than the lodestar approach," there is "a greater judicial willingness to evaluate a fee award as a percentage of the recovery." *Lealao v. Beneficial Calif., Inc*. (2000) 82 Cal. App. 4th 19, 31, 48.

2) The Attorneys' Fees Request Is Within the Range of Reasonable Fees

PAGA Counsel at D.Law, Inc. are experienced employment attorneys with expertise in wage and hour class and representative actions. (Manus Decl., ¶¶ 36-44.) Throughout this case, PAGA Counsel have borne, and continue to bear, the entire risk and cost of litigation associated with this Action on a purely contingency basis. (Manus Decl., ¶¶ 28-29.) As a result, PAGA Counsel have yet to receive any compensation for the time and money invested in the case to date. (*Id*.) Moreover, courts in this county and others have approved attorneys' fees awards in other PAGA settlements on a common fund basis at higher percentages than the 35% Plaintiff is requesting here. (*Id*.)

For these reasons, PAGA Counsel's requested fee of 35% of the Gross Settlement Amount is well within the range of reasonableness and is fair compensation for undertaking this complex and risky litigation on a contingent basis.

3) PAGA Counsel's Fee Request Is Reasonable Under the Lodestar Crosscheck.

PAGA Counsel's fee request is reasonable when calculated using 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. *Serrano v. Priest* (1977) 20 Cal.3d 25, 48. The court then may enhance this lodestar figure by a "multiplier" to account for a range of factors, such as the novelty and difficulty of the case, its contingent nature, and the degree of success achieved. *Id*. at 49; *see also Ketchum v. Moses* (2001) 24 Cal.4th 1122, 1132-36; *Thayer v. Wells Fargo Bank* (2001) 92 Cal. App. 4th 819, 834, ("[t]here is no…rule limiting the factors that may justify an exercise of judicial discretion to [adjust the] lodestar"). Here, the factors warranting a modest multiplier were apparent in this case.

Throughout this case, PAGA Counsel have borne, and continue to bear, the entire risk and cost of litigation associated with this Action on a purely contingency basis. (Manus Decl., ¶ 28.) As a result, PAGA Counsel have yet to receive any compensation for the time and money invested in the case to date. (*Id*.)

Contingent-fee cases present the very real risk of working hundreds if not thousands of hours that may never be entirely compensated. (Manus Decl., ¶ 29.) Moreover, while the case is being litigated, counsel must pay overhead (salaries, rent, etc.), provide for their own expenses, and in most cases pay the out-of-pocket expenses incurred on the plaintiff's behalf. (*Id*.) And the prospect of a court-awarded fee does not greatly reduce the risk posed by these cases. (*Id*.) In many cases, the prospect is nothing more than a potential that never materializes. (*Id*.) First, you must win the case to get a court-awarded fee; even those cases that seem strongest at the onset can be lost and sometimes are lost (*Id*.). Second, there are always pitfalls and unforeseen obstacles that arise along the way, such as settlement offers that the client may accept without ensuring that we receive a reasonable fee or changes in the law that substantially affect the merits of the case, or other uncertainties involving the client. (*Id*.) Finally, there is the great risk inherent in advancing tens if not hundreds of thousands of dollars in out-of-pocket expenses. (*Id*.) If that money were to be invested in some sort of financial investment, one would expect a reasonable rate of return on that investment. (*Id*.) Here, however, the best we can hope to recover is our money, and then only if we are substantially successful; if we are not, all or part of this "investment" can be lost. (*Id*.)

PAGA Counsel is well acquainted with the contingent fee market throughout California, particularly as it pertains to PAGA and class action litigation. (Manus Decl., ¶ 30.) PAGA Counsel has negotiated numerous contingency-fee agreements with plaintiffs, both as individuals and as representatives in class-action and PAGA suits. (*Id*.) Many of those agreements required that counsel receive a fee under certain scenarios that exceed one-third of the recovery. (*Id*.) Plaintiff here signed a retainer agreement indicating that PAGA Counsel could receive a fee under certain scenarios that exceed one-third of the recovery, as much as 40%. (*Id*.) PAGA Counsel's recent attorneys' fees awards in similar wage-and-hour class and PAGA actions have been 35% of the recovery. (*Id*.)

Moreover, PAGA Counsel spent substantial time on this matter. (Manus Decl., ¶ 32.) Aside from drafting the initial complaint, PAGA Counsel conducted informal discovery, reviewed and analyzed time and pay records, Plaintiff's personnel file, relevant policies, and other documentation, researched the applicable law and potential defenses, constructed damage models based on interpretations of California law, reviewed information provided by Defendant at the mediation,

engaged in meet and confer efforts with Defendant, drafted and revised the Memorandum of Understanding and the Settlement Agreement, and drafted this Motion. (*Id*.)

PAGA Counsel worked at least **97** hours on this matter and calculated the base lodestar at **$76,388.90** at rates reflecting those currently earned in the marketplace. (Manus Decl., ¶¶ 31-32.) Associate Attorney Jonas Agle's records indicate at least 55.8 hours on this matter with an hourly rate of $610. (*Id*.) Senior Attorney Natalie Haritoonian records indicate at least 34.9 hour on this matter with an hourly rate of $992. I have invested at least 6.3 hours on this matter with an hourly rate of $1,227. (Manus Decl., ¶¶ 31-32, Ex. 4.) Thus, consideration of the lodestar method as a cross-check to the percentage figure sought strongly supports the reasonableness of the requested fee award. (*Id*. at, ¶ 33.)

Multiplying the total hours billed by PAGA Counsel to the litigation by their reasonable hourly rates yields a lodestar of $76,388.90. (Manus Decl., ¶ 33.) PAGA Counsel respectfully request that the Court grant their request for $67,900.00 in fees, which is less than the total attorney lodestar to date. (*Id*. at, ¶ 35.)

The contingency factor is particularly significant. As the California Supreme Court explained in *Ketchum*, a contingency enhancement compensates counsel for undertaking representation at the risk of nonpayment and is intended to approximate the fair-market compensation that attorneys receive for assuming that risk. (*Ketchum*, supra, 24 Cal.4th at pp. 1132–1133, 1138.) An enhancement for contingency risk therefore constitutes earned compensation rather than an impermissible windfall. (*Id.* at p. 1138.)

The requested enhancement is particularly appropriate because Plaintiff's counsel prosecuted this action entirely on a contingency basis. Counsel received no guaranteed compensation for the time devoted to the litigation and bore the risk that, despite devoting substantial attorney time and resources to the action, the litigation could result in no recovery and therefore no fee.

California courts recognize contingency risk as one of the principal grounds supporting a positive multiplier. (*Ketchum, supra,* 24 Cal.4th at pp. 1132, 1138; *Graham v. DaimlerChrysler* Corp. (2004) 34 Cal.4th 553, 579–580; *Nishiki v. Danko Meredith, APC,* (2018) 25 Cal.App.5th

883, 899.) As *Graham* explains, an attorney working on contingency effectively provides both legal services and the financing of those services; compensation limited to an unenhanced lodestar does not necessarily reflect the market value of assuming the additional risk that the attorney will receive nothing if the case is unsuccessful.

That rationale applies with force here. PAGA Counsel bore the risk of nonpayment throughout the litigation, committed attorney time that otherwise could have been devoted to paying matters, and obtained a $194,000.00 settlement without any assurance at the outset that the action would produce a recovery.

The California Supreme Court's decision in Laffitte provides additional guidance concerning proportionality. There, the Court affirmed an award equal to one-third of a common fund where the lodestar cross-check generated a multiplier of approximately 2.03 to 2.13. (*Laffitte, supra*, 1 Cal.5th at pp. 485, 503–506.) The Court recognized the trial court's discretion to consider the percentage of the recovery in evaluating the reasonableness of counsel's fee. Although *Laffitte* involved a class-action common fund rather than a PAGA-only settlement, its lodestar cross-check analysis is instructive.

Here, the requested fee amount does not require a multiplier at all, since Class Counsel's lodestar exceeds the attorneys' fee award requested. As such, the Court should find that the requested attorneys' fee award of $67,900.00 is fair and reasonable.

4) The Court Should Approve the Reimbursement of PAGA Counsel's Costs.

The litigation expenses incurred by PAGA Counsel in this Action are also to be reimbursed under the Settlement Agreement. (Manus Decl., ¶ 16.a.) PAGA Counsel incurred $20,733.80 in expenses in litigating this case. The lion's share of these costs was incurred in connection with mediation, and the others listed were all reasonably incurred and necessary to the prosecution of this Action. (*Id*. at ¶ 26.) Thus, PAGA Counsel respectfully request that the Court approve their request for reimbursement in the amount of $20,733.80. (*Id.*)

## VII. THE COURT SHOULD APPROVE THE COSTS OF ADMINISTRATION AND NOTICE

The Parties agreed to use Apex Class Action, LLC as the third-party settlement administrator

in this case. (Manus Decl., ¶ 45.) Apex will be responsible for updating the addresses of Aggrieved Employees, mailing a notice of Settlement, and calculating and distributing the settlement checks, among other duties. (*Id*.) (Declaration of Kimberly Sutherland, filed herewith). Apex capped its fees at $6,490.00 for administering the Settlement and based on PAGA Counsel's experience in other class and PAGA settlements, Apex's costs for administering this Settlement are fair and reasonable. (*Id*.)

The Administrator will mail the Aggrieved Employee Payment Share along with a letter providing notice of the Settlement and release of claims to the Aggrieved Employees ("PAGA Notice of Settlement"). (*Id*. at ¶ 46.) The PAGA Notice of Settlement includes, among other things, an explanation of PAGA, a description of the allegations in the Action and the scope of released claims, and a statement of the Gross Settlement Amount and payment allocations from the Net Settlement Amount. (*Id*.)

## VIII. CONCLUSION

Plaintiff and PAGA Counsel submit that the proposed Settlement, as documented in the Settlement Agreement, is fair, adequate, reasonable, and in the best interest of the Aggrieved Employees and the State of California. Plaintiff respectfully requests that the Court approve the Settlement and order the Parties to carry out the Settlement according to the terms of the Settlement Agreement and the Amendments to the Settlement Agreement and enter the concurrently filed [Proposed] Order Granting Approval and Judgment to that end.

DATED: November 2, 2026

**D.LAW, INC**

By _____

Enoch J. Kim
Marta Manus
Attorney for Plaintiff