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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SACRAMENTO

BRANDON CASTON, on behalf of himself and all others similarly situated, Plaintiff, v. NORTH VALLEY, LLC, a California Limited Liability Company; and DOES 1-50, inclusive. Defendants.	CASE NO.: 24CV018816 *Assigned to the Hon. Laurie A. Damrell* **PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT** [*Declarations of Mehrdad Bokhour, Joshua Falakassa, Brandon Caston, and [Proposed] Order filed concurrently herewith*] **HEARING INFORMATION** Date: August 7, 2026 Time: 9:00 a.m. Dept.: 8B

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on August 7, 2026, at 9:00 a.m., or as soon thereafter as the matter may be heard, in Department 8B of the Sacramento County Superior Court, located at 500 G Street, Sacramento, California 95814, before the Honorable Laurie A. Damrell, Plaintiff Brandon Caston, individually and on behalf of all others similarly situated, will and hereby does move the Court for an order:

1. Certifying the proposed Settlement Class for settlement purposes only;

2. Preliminarily appointing Plaintiff Brandon Caston as the Class Representative for settlement purposes only;

3. Appointing Mehrdad Bokhour of Bokhour Law Group, P.C. and Joshua S. Falakassa of Falakassa Law, P.C. as Class Counsel for settlement purposes only;

4. Preliminarily approving the Class Action and PAGA Settlement Agreement as fair, reasonable, and adequate;

5. Approving the form and manner of the Class Notice and directing its dissemination to Class Members, including notice of their rights to request exclusion from or object to the Settlement;

6. Setting a date for the Final Approval Hearing to determine whether the Settlement should be granted final approval.

This Motion is based upon this Notice of Motion and Motion, the accompanying Memorandum of Points and Authorities, the Declarations of Mehrdad Bokhour, Joshua S. Falakassa, and Plaintiff Brandon Caston, the Class Action and PAGA Settlement Agreement and Release of Claims, the Proposed Order Granting Preliminary Approval, the pleadings and records on file in this action, and such other oral or documentary evidence as may be presented at the hearing.

Pursuant to Local Rule 1.06(A), the Court will issue a tentative ruling by 2:00 p.m. on the court day before the hearing. Tentative rulings may be accessed online via the Court's website. Parties without internet access may obtain the ruling by calling the department's dedicated telephone number, listed in the local telephone directory, between 2:00 p.m. and 4:00

p.m. on the court day before the hearing. If no party contacts the Court and opposing counsel by 4:00 p.m. the day before the hearing, the matter will be deemed submitted, and no oral argument will be heard.

Dated: July 14, 2026,

BOKHOUR LAW GROUP, P.C.
FALAKASSA LAW, P.C.

BY: ______________________
Mehrdad Bokhour, Esq.
Joshua Falakassa, Esq.
Attorneys for Plaintiff and the Putative Class

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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Through this Motion, Plaintiff Brandon Caston ("Plaintiff"), individually and on behalf of all others similarly situated, seeks preliminary approval of the Class Action Settlement Agreement. Subject to Court approval, Plaintiff and Defendant North Valley, LLC ("Defendant") (collectively the "Parties") have agreed to settle the claims asserted in this Action and the proposed Class Members' claims against Defendant for a Gross Settlement Amount of $325,000.

Plaintiff seeks to represent a settlement Class consisting of all individuals who are or were employed by Defendant as non-exempt hourly employees in California during the Class Period, defined as September 19, 2020, through April 26, 20265 (the "Class" or "Class Members"). Likewise, the PAGA Members include all individuals who are or were employed by Defendant as non-exempt hourly employees in California at any time during the PAGA Period, defined as September 19, 2023, through April 16, 2026 ("PAGA Members").[1]

Under the terms of the Settlement Agreement, Defendant will not oppose Class Counsel's application for an award of attorneys' fees not to exceed $108,333.33, representing one-third of the Gross Settlement Amount, reimbursement of Class Counsel's litigation expenses not to exceed $25,000, Settlement Administration Expenses not to exceed $6,000, PAGA penalties in the total amount of $20,000, of which $13,000 or 65 percent will be paid to the California Labor and Workforce Development Agency and $7,000 or 35 percent will be paid to the PAGA Members, and a Class Representative Service Payment not to exceed $15,000 to Plaintiff Brandon Caston. (Settlement Agreement ¶¶ 3.2 *et seq.*):

	Total Amount
Gross Settlement Amount	$325,000
Class Counsel Fees Payment	$108,333.33
Class Counsel Litigation Expenses Payment	$25,000.00
Administration Expenses Payment	$6,000.00

[1] The Class Action and PAGA Settlement Agreement and Release of Claims is attached as **Exhibit "A"** to the Declaration of Mehrdad Bokhour ("Bokhour Declaration") submitted herewith and is referred to herein as the Settlement Agreement or the Settlement. The proposed Class Notice is attached as **Exhibit "B"** to the Bokhour Declaration.

PAGA Penalties to LWDA (65% of $20 award)	$13,000.00
PAGA Penalties to PAGA Members	$7,000.00
Class Representative Service Payment	$15,000.00
Net Settlement Amount	**$150,666.67**

The Settlement Class consists of approximately 44 non-exempt hourly employees who worked for Defendant in California during the Class Period. Plaintiff alleges that, regardless of job title or position, all non-exempt hourly employees were subject to the same wage and hour policies and practices.

Individual Class Payments will be distributed on a pro rata basis based on the number of Workweeks each Participating Class Member worked during the Class Period, as reflected in Defendant's payroll records. Class Members who worked more Workweeks during the Class Period will receive proportionally larger Individual Class Payments.

Based on Defendant's records, Class Members collectively worked approximately 3,971 Workweeks during the Class Period. After deductions approved by the Court, the Net Settlement Amount will be distributed on a pro rata basis according to each Participating Class Member's number of Workweeks. Based on these figures, the average Individual Class Payment is conservatively estimated at **$3,500** to **$4,000**. A Class Member who worked the entire Class Period would receive the highest Individual Class Payment, estimated at **$11,000**. Class Members who worked fewer Workweeks will receive proportionally smaller payments.

The Settlement is non-reversionary, and Settlement Class Members are not required to submit claim forms to receive payment. Each Settlement Class Member will be mailed a Court-approved Class Notice containing information regarding the estimated Individual Class Payment, the opportunity to challenge the number of Workweeks credited during the Class Period, and instructions for submitting a Request for Exclusion or an Objection to the Settlement.

All Settlement Class Members who do not timely submit a valid Request for Exclusion will automatically receive their Individual Class Payment following the Court's grant of Final Approval. PAGA Members eligible for Individual PAGA Payments may not opt-out of the

PAGA portion of the Settlement and will receive their share of the PAGA Penalties regardless of whether they participate in the class settlement.

Because the Settlement is fair, reasonable, and adequate, and is the result of arm's-length negotiations between experienced counsel with the assistance of an experienced mediator, following a thorough exchange of relevant information and documents, it warrants preliminary approval. Plaintiff respectfully requests that the Court enter an order: (1) preliminarily approving the Settlement; (2) conditionally certifying the Settlement Class pursuant to California Code of Civil Procedure section 382 for settlement purposes only; (3) approving the form and manner of dissemination of the proposed Class Notice; (4) appointing Plaintiff Brandon Caston as Class Representative and appointing Mehrdad Bokhour of Bokhour Law Group, P.C. and Joshua S. Falakassa of Falakassa Law, P.C. as Class Counsel for settlement purposes only; (5) appointing ILYM Group as the Settlement Administrator; and (6) scheduling a Final Approval Hearing. (Bokhour Decl. ¶ 12.)

II. BACKGROUND

A. THE PARTIES AND THE PROPOSED CLASS

Defendant North Valley, LLC ("Defendant") provides residential solar energy installation and related services throughout the state of California. (Bokhour Decl. ¶ 14.)

Plaintiff was employed by Defendant as a non-exempt hourly employee with the title of "Solar Installation Technician" in Sacramento, California, from approximately June 3, 2024, until August 23, 2024. During his employment, Plaintiff, along with other non-exempt hourly employees—including Solar Construction Interns, Solar Installation Technicians, Solar Technicians, Maintenance Technicians, Handymen, Solar Foremen, Roofers, and other similar positions—performed the core labor necessary to support Defendant's business operations throughout California.

Plaintiff alleges that Defendant maintained uniform wage-and-hour policies and practices that failed to properly compensate non-exempt employees for all wages earned, failed to provide legally compliant meal and rest periods or premium compensation in lieu thereof, failed to provide accurate wage statements, failed to reimburse necessary business expenses, failed to timely pay all wages upon separation of employment, and otherwise violated the California Labor Code. (Bokhour Decl. ¶ 15.)

The proposed Settlement Class consists of all individuals who are or were employed by Defendant as non-exempt hourly employees in California at any time during the Class Period, defined as September 19, 2020, through April 26, 2026. The Settlement also resolves Plaintiff's representative claims under the Private Attorneys General Act ("PAGA") on behalf of all non-exempt hourly employees who worked for Defendant in California during the PAGA Period, defined as September 19, 2023, through April 16, 2026. (Settlement Agreement ¶¶ 1.8, 1.11, 1.13.)

B. Procedural History

On September 19, 2024, Plaintiff commenced this class action in the Sacramento County Superior Court alleging claims for: (1) failure to pay all overtime wages; (2) meal period violations; (3) rest period violations; (4) failure to pay all sick time; (5) wage statement violations; (6) waiting time penalties; (7) failure to reimburse necessary business expenses; and (8) unfair competition under Business and Professions Code section 17200, et seq.

Plaintiff also served a notice pursuant to the Private Attorneys General Act ("PAGA") on the California Labor and Workforce Development Agency ("LWDA") and Defendant based upon the same underlying Labor Code violations. Thereafter, pursuant to the Parties' stipulation, Plaintiff filed the operative First Amended Complaint adding a representative PAGA cause of action. (Settlement Agreement, § 2.1.)

Prior to mediation, the Parties engaged in substantial informal discovery and investigation. Defendant produced, among other things, Plaintiff's personnel and payroll records, representative time and payroll records for the putative class, wage statements, relevant policies and procedures, and information regarding the size of the proposed class, workweeks, and PAGA pay periods. Plaintiff retained Berger Consulting Group to analyze the payroll and timekeeping data, including a statistical review of payroll and time records; evaluation of regular-rate overtime and paid sick leave calculations; meal and rest period compliance; waiting time penalties; wage statement penalties; expense reimbursement claims; and potential PAGA exposure. Based on this investigation, Plaintiff and Class Counsel thoroughly evaluated the strengths and weaknesses of the claims, Defendant's anticipated defenses, and the potential value of the Action before participating in settlement negotiations. (Bokhour Decl., ¶¶ 17, 26.)

On February 27, 2026, the Parties participated in a full-day mediation before experienced wage-and-hour mediator Marc Feder, Esq. After extensive arm's-length negotiations conducted under Mr. Feder's supervision, the Parties accepted a mediator's proposal and reached the Settlement now before the Court. (Bokhour Decl., ¶ 18; Settlement Agreement, § 2.4.)

Defendant denies all material allegations in the Action, denies that it violated any provision of the California Labor Code, denies that Plaintiff or any putative class member suffered compensable damages, and further denies that class or representative treatment would be appropriate if the Action were litigated. Defendant contends that it possesses numerous factual and legal defenses to Plaintiff's claims and continues to deny any liability or wrongdoing. (Settlement Agreement, § 2.3.)

After conducting a thorough investigation, reviewing Defendant's records, consulting with Plaintiff, retaining an expert to evaluate the claims and damages, and carefully weighing the risks, expense, and delay associated with continued litigation against the benefits afforded by the Settlement, Plaintiff and Class Counsel concluded that the Settlement is fair, reasonable, adequate, and in the best interests of the Settlement Class and the PAGA Members. (Bokhour Decl., ¶¶ 45-46.)

C. <u>SUMMARY OF PLAINTIFF'S CLAIMS</u>

Plaintiff alleges that Defendant maintained uniform wage-and-hour policies and practices that violated the California Labor Code. Specifically, Plaintiff contends that Defendant failed to properly calculate and pay overtime wages and paid sick leave at the correct regular rate of pay, failed to provide legally compliant meal and rest periods or premium compensation in lieu thereof, failed to furnish accurate itemized wage statements, failed to timely pay all wages due upon separation of employment, and failed to reimburse employees for necessary business expenses. Based on these alleged violations, Plaintiff also seeks civil penalties under the PAGA.

D. SUMMARY OF DEFENDANT'S DEFENSES

Defendant denies all material allegations and contends that it complied with all applicable provisions of the California Labor Code. Defendant maintains that it properly compensated employees, provided compliant meal and rest periods, furnished accurate wage statements, timely paid all wages due, and maintained lawful reimbursement policies. Defendant further denies that class or representative treatment would be appropriate and contends that Plaintiff's claims present individualized factual and legal issues that would preclude class certification and representative relief.

III. SUMMARY OF THE PROPOSED SETTLEMENT

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

A. SETTLEMENT CONSIDERATION AND ALLOCATION

Defendant will pay a non-reversionary Gross Settlement Amount of $325,000 and will separately pay the employer's share of payroll taxes attributable to the wage portion of the Individual Class Payments. (Settlement Agreement §§ 1.20, 3.1, 3.2.1.5.)

Subject to Court approval, the Gross Settlement Amount will be allocated as follows: (1) attorneys' fees of up to $108,333.33 (one-third of the Gross Settlement Amount); (2) litigation costs of up to $25,000; (3) a Class Representative Service Award of up to $15,000; (4) settlement administration costs of up to $6,000; (5) $20,000 allocated to PAGA penalties, of which 65% ($13,000) will be paid to the LWDA and 35% ($7,000) will be distributed to PAGA Members; with the remaining balance constituting the Net Settlement Amount for distribution to Participating Class Members. (Settlement Agreement § 3.2.)

After the foregoing deductions, it is estimated that approximately $150,666.67 will remain as the Net Settlement Amount available for distribution to Participating Class Members. Based on Defendant's records, Settlement Class Members worked approximately 3,971 Workweeks during the Class Period. Accordingly, each Participating Class Member's Individual Class Payment will be calculated on a pro rata basis based on his or her number of Workweeks worked during the Class Period. In addition, each PAGA Member will receive a pro rata share of the Individual PAGA Payments based on the number of PAGA Pay Periods worked during the PAGA Period. (Settlement Agreement §§ 3.2.1.4, 3.2.3.1, 4.1.)

B. NOTICE PROCEDURES

Within 14 days after entry of the Preliminary Approval Order, Defendant will provide the Settlement Administrator with the Class Data, including each Settlement Class Member's name, last-known mailing address, Social Security number, and the number of Workweeks and PAGA Pay Periods worked during the applicable periods. (Settlement Agreement §§ 1.7, 4.2.)

Within 15 days after receiving the Class Data, the Settlement Administrator will update Settlement Class Members' addresses through the National Change of Address database and mail the Court-approved Class Notice via first-class U.S. Mail. The Class Notice will advise Settlement Class Members of the material terms of the Settlement, including each individual's estimated settlement payment, credited Workweeks and PAGA Pay Periods, the procedures for requesting exclusion, objecting to the Settlement, or challenging the credited Workweeks or PAGA Pay Periods, and the date of the Final Approval Hearing. (Settlement Agreement §§ 7.4.2-7.4.4.)

If a Class Notice is returned as undeliverable, the Settlement Administrator will promptly re-mail the Notice using any forwarding address provided by the U.S. Postal Service or, if necessary, after conducting a skip trace and Class Member Address Search. Settlement Class Members whose Notices are re-mailed will receive an additional 14 days to submit a Request for Exclusion, objection, or challenge to their credited Workweeks or PAGA Pay Periods. (Settlement Agreement §§ 1.9, 1.43, 7.4.3-7.4.4.))

C. EXCLUSION AND OBJECTION PROCEDURES

Settlement Class Members who wish to exclude themselves from the Settlement must submit a valid written Request for Exclusion to the Settlement Administrator no later than 45 days after the initial mailing of the Class Notice (the "Response Deadline"). Settlement Class Members who do not timely and validly request exclusion will automatically participate in the Settlement, receive their settlement payments without submitting a claim form, and be bound by the Settlement and the Judgment. (Settlement Agreement §§ 1.43, 7.5.1-7.5.3.)

Participating Class Members may object to the Settlement by submitting a written objection to the Settlement Administrator by the Response Deadline or by appearing at the Final Approval Hearing, either personally or through counsel retained at their own expense. Any Participating Class Member who objects to the Settlement will remain a member of the Settlement Class and, if the Settlement is approved, will be bound by its terms. Non-Participating Class Members have no right to object to the class action components of the Settlement. (Settlement Agreement §§ 7.5.4, 7.7.)

D. SETTLEMENT ALLOCATION FORMULA FOR SETTLEMENT SHARES

Each Participating Class Member's Individual Class Payment will be calculated on a pro rata basis according to the number of Workweeks he or she worked during the Class Period. Specifically, the Net Settlement Amount will be divided by the total number of Workweeks worked by all Participating Class Members, and each Participating Class Member will receive a proportionate share of the Net Settlement Amount based on his or her individual Workweeks. Any amounts attributable to Class Members who timely and validly request exclusion will remain in the Net Settlement Amount and be redistributed pro rata among the Participating Class Members. (Settlement Agreement §§ 3.2.1.4, 3.2.2.)

The Class Notice will identify each Settlement Class Member's credited Workweeks and estimated settlement payment. Settlement Class Members who dispute the number of credited Workweeks or PAGA Pay Periods may submit a timely challenge to the Settlement Administrator, whose determination will be final and binding. (Settlement Agreement § 7.6.)

E. TIMING OF SETTLEMENT DISBURSEMENTS

Defendant shall fund the Gross Settlement Amount by depositing the settlement proceeds into a Qualified Settlement Fund established by the Settlement Administrator. Specifically, Defendant shall deposit one-third of the Gross Settlement Amount within 30 days after the Court grants Preliminary Approval, with the remaining two-thirds to be deposited no later than June 30, 2027. Defendant shall separately pay the employer's share of payroll taxes attributable to the wage portion of the Individual Class Payments. (Settlement Agreement § 4.3.)

F. TAX TREATMENT

For tax purposes, 33 percent of each Individual Class Payment will be allocated as wages and will be reported on an IRS Form W-2, while the remaining 67 percent will be allocated as interest and penalties and will be reported on an IRS Form 1099. The Settlement Administrator will calculate and withhold all applicable payroll taxes from the wage portion of the Individual Class Payments and issue all required tax reporting forms. Defendant will separately pay the employer's share of payroll taxes attributable to the wage portion of the Individual Class Payments. Participating Class Members shall be solely responsible for any taxes owed on their Individual Class Payments. (Settlement Agreement §§ 3.2.1.5, 3.1.)

G. PARTICIPATING CLASS MEMBERS' RELEASE OF CLAIMS

Upon the Settlement becoming Final and Defendant fully funding the Gross Settlement Amount, Participating Class Members will release the Released Parties from all claims that were alleged, or reasonably could have been alleged based on the facts asserted in the operative First Amended Complaint ("FAC') and arising during the Class Period. The Released Class Claims include claims for unpaid minimum and overtime wages, meal and rest period violations, paid sick leave violations, wage statement violations, waiting time penalties, unreimbursed business expenses, unfair competition under Business and Professions Code section 17200, et seq., and all related claims for penalties, interest, attorneys' fees, and costs. (Settlement Agreement § 5.2.)

As of the Effective Date, Plaintiff, acting as the State's authorized proxy under PAGA, will release the Released Parties from all PAGA claims that were alleged, or reasonably could have been alleged, based on the facts and violations described in the PAGA Notice and arising during the PAGA Period. PAGA Members are bound by the PAGA release regardless of whether they request exclusion from the class settlement and therefore may not opt out of the PAGA portion of the Settlement. (Settlement Agreement §§ 5.3, 7.5.4.)

In exchange for the requested Class Representative Service Award, Plaintiff separately agrees to a general release of all known and unknown claims against the Released Parties, including a waiver of California Civil Code section 1542. (Settlement Agreement § 5.1.)

IV. PROVISIONAL CERTIFICATION OF THE CLASS UNDER THE LESSER STANDARD OF SCRUTINY FOR SETTLEMENT-ONLY CERTIFICATION IS APPROPRIATE FOR PURPOSES OF SETTLEMENT

California Rule of Court 3.769(d) authorizes the Court to provisionally certify a settlement class for purposes of settlement. Because settlement-only certification eliminates concerns regarding trial manageability, courts apply a more relaxed standard when evaluating whether provisional certification is appropriate. (*Dunk v. Ford Motor Co*. (1996) 48 Cal.App.4th 1794, 1807, fn. 19.) Plaintiff therefore requests that the Court provisionally certify the Settlement Class pursuant to Code of Civil Procedure section 382.

A. NUMEROSITY AND ASCERTAINABILITY

Defendant's records identify approximately 44 non-exempt employees who fall within the Settlement Class. The Class is readily ascertainable from Defendant's payroll and employment records, and joinder of all members would be impracticable. Accordingly, the numerosity and ascertainability requirements are satisfied.

B. WELL-DEFINED COMMUNITY OF INTEREST

1. Commonality

Plaintiff alleges that Settlement Class Members were subject to common wage-and-hour policies and practices governing the calculation of the regular rate of pay, meal and rest periods, wage statements, reimbursement practices, and final wage payments. These common issues are sufficient to support provisional certification for settlement purposes.

2. Typicality

Plaintiff's claims arise from the same alleged wage-and-hour policies and practices affecting the Settlement Class and are therefore sufficiently typical for settlement purposes..

3. Adequacy of Representation

Adequacy requires that the class representative's interests are aligned with those of the class and that class counsel are qualified and experienced. *Barboza v. West Coast Digital GSM, Inc.* (2009) 179 Cal.App.4th 540, 546.

Plaintiff was employed by Defendant during the Class Period, was subject to the same challenged policies as other Class Members, understands his responsibilities as Class Representative, and has no conflicts of interest with the Settlement Class. Plaintiff is represented by Class Counsel with extensive experience litigating wage and hour class actions and PAGA representative actions. (Bokhour Decl. ¶¶ 2–5; Falakassa Decl. ¶¶ 2–11.) Adequacy is therefore satisfied.

4. *Superiority*

Settlement-only certification promotes judicial economy, avoids duplicative litigation, and provides meaningful relief to Settlement Class Members whose individual claims would likely be impractical to pursue separately.

V. THE COURT SHOULD PRELIMINARILY APPROVE THE SETTLEMENT, WHICH IS FAIR, ADEQUATE, AND REASONABLE

A. CLASS ACTION SETTLEMENTS ARE SUBJECT TO JUDICIAL REVIEW AND APPROVAL UNDER THE CALIFORNIA RULES OF COURT

California law strongly favors settlement, particularly in class actions. (B*ush v. Superior Court* (1992) 10 Cal.App.4th 1374, 1385.) Under Rule 3.769, the Court's role at the preliminary approval stage is simply to determine whether the proposed settlement falls within the range of possible approval, appears to be the product of serious, informed, and non-collusive negotiations, and warrants notice to the class. (*Dunk v. Ford Motor Co*. (1996) 48 Cal.App.4th 1794, 1801-1802.)

B. THE SETTLEMENT IS THE RESULT OF SERIOUS, INFORMED, NON-COLLUSIVE NEGOTIATIONS

Prior to mediation, Plaintiff retained Berger Consulting Group to analyze Defendant's payroll and timekeeping data, evaluate damages, and assess Defendant's potential exposure. Armed with this information, the Parties participated in a full-day mediation before experienced wage-and-hour mediator Marc Feder, Esq., ultimately accepting a mediator's proposal following extensive arm's-length negotiations. The Settlement is therefore the product of serious, informed, and non-collusive negotiations. (Bokhour Decl. ¶¶ 17.)

C. The Extent of the Investigation was More than Sufficient to Permit Preliminary Approval of the Settlement

Prior to mediation, Plaintiff and Class Counsel conducted a thorough investigation into the factual and legal bases of the claims. The Parties exchanged substantial informal discovery, including payroll records, timekeeping records, wage statements, policies and procedures, and workforce data. Plaintiff also retained Berger Consulting Group to analyze approximately 45% of Defendant's payroll and timekeeping data and prepare detailed damages models addressing the regular-rate, meal period, rest period, waiting-time, wage statement, expense reimbursement, and PAGA claims. Armed with this information, Class Counsel evaluated the strengths and weaknesses of the Action before recommending settlement. (Bokhour Decl. ¶¶ 14, 26.)

This level of investigation was more than sufficient to permit Class Counsel and the Court to evaluate the strengths and weaknesses of the claims and to support preliminary approval of the Settlement.

D. The Settlement is a Reasonable Compromise of Claims

Based on Class Counsel's independent investigation and detailed data obtained through informal discovery and information exchanges, and factoring in claim and liability certification probabilities, Class Counsel formulated detailed damages models to evaluate the claims in preparation for mediation and to reach a realistic and reasonable resolution, as further detailed below. (Bokhour Decl. ¶ 19.)

1. Failure to Properly Calculate and Pay the Correct "Regular Rate of Pay"

First, Plaintiff alleged that Defendant failed to properly calculate the "regular rate of pay" by excluding certain non-discretionary bonuses, commissions, and incentive payments when calculating overtime and sick pay wages, resulting in alleged underpayment in violation of California law. Based on a review of payroll and paystub data produced during the investigation, Plaintiff estimated that the alleged exclusion of certain incentive payments may have resulted in underpayment of overtime and sick pay wages for some Class Members. (Bokhour Decl. ¶ 20.)

Defendant denied any regular-rate violation and maintained that the incentive payments at issue were discretionary, properly excluded from the regular rate, and, in any event, resulted in little or no underpayment. Defendant further disputed class certification and asserted individualized issues concerning compensation structures. (Bokhour Decl. ¶ 21.)

While Plaintiff maintains that certain bonuses and incentive payments were non-discretionary and should have been included in the regular rate of pay, Plaintiff also acknowledges the significant litigation risks associated with this claim. Those risks include the possibility that the Court could deny class certification due to individualized variations in compensation structures and incentive programs, as well as risks on the merits, including summary judgment or an unfavorable trial result. (Bokhour Decl. ¶ 22)

In light of these risks and uncertainties, Plaintiff completely discounted the minimal estimated unpiad wages associated with this claim in evaluating the Settlement, keeping in mind that the substantial damages result from the derivative waiting time penalties (Labor Code Section 203) and wage statement penalties (Labor Code Section 226(a)). (Bokhour Decl. ¶ 23.)

2. <u>Waiting Time Penalties</u>

Plaintiff alleged that Defendant failed to timely pay all wages due upon separation from employment, thereby entitling former employees to waiting-time penalties under Labor Code sections 201 through 203. Based on Defendant's records, approximately 23 Settlement Class Members were separated from employment during the applicable statutory period. Assuming the statutory maximum penalty of thirty (30) days, an 8-hour workday, and an average hourly rate of $28.59, Plaintiff estimated a maximum theoretical exposure of approximately $157,816.80 for waiting time penalties. (23 employees × 8 hours per day × $28.59 per hour × 30 days.) (Bokhour Decl. ¶ 24.)

Defendant disputed this claim and asserted that any alleged failure to pay wages in a timely manner at separation was not willful and therefore did not give rise to waiting-time penalties. Defendant further contended that it maintained compliant payroll practices and that any waiting-time penalty claim was derivative of underlying wage claims. Defendant contended that the claims lacked merit or were unsuitable for class treatment. (Bokhour Decl. ¶ 25.)

To account for these risks, including the risk of denial of class certification and the risk of an adverse ruling at summary judgment or trial, Plaintiff applied a combined 10% discount to the maximum theoretical exposure. Applying this discount, Plaintiff estimates a risk-adjusted value of approximately $142,035 for the waiting time penalties claim. (Bokhour Decl. ¶ 26.)

3. <u>Failure to Provide Meal and Rest Periods or Compensation in Lieu Thereof at the "Regular Rate of Pay"</u>

With respect to Plaintiff's meal and rest period claims, Settlement Class Members collectively worked approximately 12,617 shifts during the Class Period. Based on an analysis of a representative sample of Defendant's timekeeping and payroll records produced prior to mediation, Plaintiff applied an estimated 60 percent violation rate for meal periods and a 33 percent violation rate for rest periods. Using an applicable premium rate of $28.59 per missed break, Plaintiff estimated a maximum theoretical exposure of approximately $216,432 for the meal period claim (12,617 shifts × 60 percent × $28.59) and approximately $119,037 for the rest period claim (12,617 shifts × 33 percent × $28.59). (Bokhour Decl. ¶ 27.)

However, Defendant disputed liability on both claims and asserted that meal and rest-period compliance presented highly individualized issues that were inappropriate for class treatment. Defendant maintained that its written policies were facially compliant with California law, that employees were afforded flexibility to take breaks, and that compliance varied based on job duties, location, management practices, and individual employee choice. Defendant also argued that it had a *Donohue* attestation procedure in place that disproved Plaintiff's allegations and provided common proof of a lack of violations. Defendant further argued that these individualized issues created a substantial risk that the Court would deny class certification. (Bokhour Decl. ¶ 28.)

In light of these risks, Plaintiff applied a 50% discount to the maximum theoretical exposure for these claims. Applying this discount, Plaintiff estimates a risk-adjusted value of approximately $108,216 for the meal period claims and approximately $59,518 for the rest period claims. (Bokhour Decl. ¶ 29.)

4. <u>Failure to Provide Accurate Itemized Wage Statements</u>

Plaintiff further alleged that Defendant issued non-compliant itemized wage statements in violation of Labor Code section 226, based on the same alleged conduct underlying Plaintiff's claims for unpaid wages, meal and rest period premiums, and failure to include all required forms of compensation in the regular rate of pay. Based on Defendant's records, Plaintiff estimates that approximately 1,252 allegedly non-compliant wage statements were issued during the Class Period. (Bokhour Decl. ¶ 30.)

In calculating Defendant's maximum potential exposure, Plaintiff conservatively assumed that only the initial statutory penalty of fifty dollars per violation would apply, consistent with Labor Code section 226(e) and authority holding that higher penalties apply only after notice of a violation. (*Amaral v. Cintas Corp. No. 2* (2008) 163 Cal.App.4th 1157, 1207.) Using this conservative assumption, Plaintiff estimated a maximum theoretical exposure of approximately $62,600 (1,252 wage statements multiplied by $50). (Bokhour Decl. ¶ 31.)

Defendant disputed this claim and asserted that its wage statements fully complied with Labor Code section 226. Defendant further argued that, even if any technical deficiencies existed, they were not knowing and intentional and did not result in the injury required to recover penalties. Defendant also relied on its defenses to the underlying wage-and-hour claims and to class certification. (Bokhour Decl. ¶ 32.)

In light of these risks, including the risk of denial of class certification and an adverse ruling on the merits, Plaintiff applied a 50% discount to the maximum theoretical exposure. Applying this discount, Plaintiff estimates a risk-adjusted value of approximately $31,300 for the wage statement penalty claim. (Bokhour Decl. ¶ 33.)

5. <u>PAGA Penalties</u>

Plaintiff also sought civil penalties under the Private Attorneys General Act of 2004 ("PAGA") for alleged Labor Code violations for which PAGA penalties are available, and asserted that such penalties could be assessed on a cumulative basis. Assuming application of the default penalty of $100 per pay period under Labor Code section 2699(f)(2), and assuming no reduction or exercise of judicial discretion, Plaintiff estimated a maximum theoretical exposure of approximately $112,000, based on approximately 1,252 pay periods. (Bokhour Decl. ¶ 34.)

This theoretical maximum, however, does not account for significant legal and practical uncertainties. Courts are divided as to whether PAGA penalties may be stacked across multiple violations within a single pay period, particularly where the violations are derivative of one another. In addition, Labor Code section 2699(e)(2) grants courts broad discretion to reduce civil penalties where necessary to avoid awards that are unjust, arbitrary, oppressive, or confiscatory. Courts routinely exercise this discretion, particularly where an employer did not act willfully or where the legal obligations were unsettled. *See Cotter v. Lyft, Inc.* (2016) 193 F. Supp. 3d 1030, 1037. In addition, recent amendments to PAGA and the broad discretion afforded courts under Labor Code section 2699(e)(2) created significant uncertainty regarding the amount of recoverable penalties. (Bokhour Decl. ¶ 36.)

In light of these risks, the Parties agreed to allocate $20,000 of the Gross Settlement Amount to the resolution of the PAGA claim, which Plaintiff submits is fair, reasonable, and adequate under the circumstances. (Bokhour Decl. ¶ 37.)

In sum, when factoring in defenses and risks of ongoing litigation, Plaintiff estimates the risk-adjusted class recovery as follows:

- Regular Rate of Pay Claim: $0 (*discounted*)
- Labor Code §§ 201 – 203 Claims: $142,035
- Meal Period Claims: $108,216
- Rest Break Claims: $59,518
- Wage Statement Claims: $31,300
- PAGA Penalties $20,000
- **Total Risk-Adjusted Penalties and Damages**: $361,069

After accounting for the substantial litigation risks, including certification, liability, damages, derivative penalties, and PAGA reductions, Plaintiff estimated a risk-adjusted value of approximately $361,069. The $325,000 Gross Settlement Amount therefore represents approximately 90% of the estimated risk-adjusted value of the Action and provides immediate, meaningful relief while avoiding the delay, expense, and uncertainty of continued litigation. Under these circumstances, the Settlement falls well within the range of reasonableness and merits preliminary approval.

E. Class Counsel Is Experienced in Similar Wage-And-Hour Litigation

Class Counsel have extensive experience litigating wage-and-hour class actions and PAGA representative actions and have obtained court approval of numerous class and PAGA settlements throughout California, have been repeatedly recognized as Super Lawyers in employment litigation, an honor awarded to only a small percentage of attorneys statewide, and have achieved substantial class-action settlements on behalf of California employees. (Bokhour Decl. ¶¶ 2–5; Falakassa Decl. ¶¶ 2–10.)

F. The Class Notice Conforms to All Applicable Statutes and Rules

The proposed Class Notice fully and fairly informs Settlement Class Members of the nature of the Action, the material terms of the Settlement, and their rights and options under the Settlement Agreement and applicable law. The notice program is reasonably calculated to reach all or nearly all Settlement Class Members and therefore satisfies due process.

The content and dissemination of the Class Notice comply with California Rules of Court 3.766 and 3.769. The Class Notice describes the material settlement terms, the proposed attorneys' fees and costs and Settlement Administration Expenses, the Final Approval Hearing, and the procedures and deadlines for requesting exclusion or submitting an objection, and informs Class Members of their estimated Individual Class Payments. (Ex. B.)

The Class Notice will be mailed by the Settlement Administrator via first-class U.S. Mail to the last known addresses of Settlement Class Members, using Defendant's records, with address updating and re-mailing procedures for undeliverable notices. This method constitutes meaningful notice with a reasonable likelihood of reaching a substantial percentage of the Class. (*Archibald v. Cinerama Hotels* (1976) 15 Cal.3d 853, 861.)

The 45-day response period provides Class Members with a reasonable opportunity to evaluate the Settlement, seek advice if desired, and elect whether to participate, object, or request exclusion. Settlement Class Members who do not request exclusion will be bound by the Settlement and will automatically receive settlement payments upon Final Approval

G. The Non-Reversionary "Checks Cashed" Distribution Ensures Maximal Recovery for Class Members

Under the Settlement, all Settlement Class Members who do not request exclusion will automatically receive an Individual Settlement Payment without submitting a claim form. This structure maximizes participation and ensures that Class Members receive payment unless they affirmatively opt out.

The Settlement is non-reversionary, meaning that no portion of the Settlement Amount will revert to Defendant. Any settlement checks that are not negotiated within the applicable check-cashing period will be sent to the California Controller's Unclaimed Property Fund, subject to Court approval. These terms are favored by courts because they promote class recovery and prevent collusion.

H. The Attorneys' Fees Allocation Under the Settlement Agreement is Fair

Under the terms of the Settlement Agreement, Class Counsel requests an amount not to exceed one-third of the Settlement Amount for attorneys' fees. (S*ee, e.g., Laffite v. Robert Half Int'l Inc.* (2016) 1 Cal.5th. 480 (approving 1/3 fee in the amount of $6.33 million at a 2.13 lodestar multiplier, when class action litigation establishes a monetary fund for the benefit of the Class Members, the trial court may determine the amount of a reasonable fee by choosing an appropriate percentage of the fund created); *Singer v. Becton Dickinson and Co*. (S.D. Cal. June 1, 2010) No. 08-cv-1501-IEG (BLM), 2010 WL 2196104, at *8 (approving fee award of 33.33% of the common fund); *Romero v. Producers Dairy Foods, Inc.* (E.D. Cal. Nov. 14, 2007) No. 1:05cv0484 DLB, 2007 WL 3492841, at *4 (awarding fees of 1/3 of common fund in a wage and hour class action, noting: "[f]ee awards in class actions average around one-third of the recovery.") Once the Court grants preliminary approval of the Settlement Agreement and the Class Notice is disseminated, Class Counsel will submit a request for attorneys' fees and costs with its final approval motion.

I. <u>The Class Representative Service Payments Are Fair and Appropriate</u>

The Settlement Agreement provides for a Service Award to Plaintiff Brandon Caston in an amount not to exceed $15,000. The requested Service Award is reasonable in light of Plaintiff's substantial time, effort, and personal risk undertaken on behalf of the Class and PAGA Members.

Plaintiff actively assisted Class Counsel throughout the litigation, including by providing detailed factual information supporting the class and PAGA claims; producing documents; participating in strategy discussions and mediation preparation; remaining available throughout the litigation to analyze claims and defenses; attending and assisting during mediation; and reviewing the Settlement documents. Plaintiff also assumed the risk associated with serving as Class Representative, including potential exposure to costs and workplace retaliation. (See Declaration of Plaintiff in Support of Preliminary Approval.)

The requested Service Award is within the range approved by courts in comparable cases. See, e.g., *Bond v. Ferguson Enterprises, Inc.* (E.D. Cal. 2011) No. 1:09 cv 1662 OWW MJS, 2011 WL 2648879 (approving $11,250 service award); *Ross v. U.S. Bank National Association* (N.D. Cal. 2010) No. C 07 02951 SI, 2010 WL 3833922, at *2 (approving $20,000 service award); *Vasquez v. Coast Valley Roofing, Inc.* (E.D. Cal. 2010) 266 F.R.D. 415, 493 (approving $15,000 service awards).

Accordingly, the requested Service Award is fair, reasonable, and appropriate under the circumstances.

VI. <u>THE COURT SHOULD APPOINT ILYM GROUP, INC. AS THE SETTLEMENT ADMINISTRATOR</u>

Subject to Court approval, the Parties have stipulated that ILYM Group, Inc. be appointed as the Settlement Administrator. ILYM will disseminate notice, perform skip tracing, calculate settlement shares, administer the Qualified Settlement Fund, issue payments, and prepare tax forms, and its costs will not exceed $6,000, subject to Court approval. (Bokhour Decl. ¶ 46.)

VII. TIMELINE AND SCHEDULING A FINAL APPROVAL HEARING

The final step in the approval process is a hearing at which the Court considers the terms of the Settlement and hears any timely objections and arguments from the Parties in support of final approval.

VIII. CONCLUSION

For all of the foregoing reasons, Plaintiff respectfully requests that the Court grant his Motion for Preliminary Approval of Class Action Settlement.

Dated: July 14, 2026

BOKHOUR LAW GROUP, P.C.
FALAKASSA LAW, P.C.

BY: ______________________

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