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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF ALAMADA

RONETT MCNARY, on behalf of aggrieved employees pursuant to the Private Attorneys General Act ("PAGA");

Plaintiff,

v.

BUTTERFLY EFFECTS, LLC, a Florida limited liability company; and DOES 1 through 100, inclusive;

Defendants.

Case No.: 24CV100510

Assigned for All Purposes to:
Honorable Karin Schwartz
Department 20

NOTICE OF MOTION AND MOTION FOR APPROVAL OF PRIVATE ATTORNEYS GENERAL ACT (LABOR CODE § 2698, *ET SEQ.*) SETTLEMENT AGREEMENT; MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT THEREOF

[Reservation ID: 513841222521]

[*Declaration of Counsel (Douglas Han); Declaration of Plaintiff (Ronett McNary); Declaration of Jodey Lawrence; Declaration of Annie Ellis; Declaration of Joan Goash; and [Proposed] Order filed concurrently herewith*]

Hearing Date: April 9, 2026
Hearing Time: 3:00 p.m.
Hearing Place: Department 20

Complaint Filed: November 21, 2024
Trial Date: None Set

PLEASE TAKE NOTICE that on April 9, 2026 at 3:00 p.m., or as soon as thereafter as the matter may be heard, before the Honorable Karin Schwartz in Department 20 of the Alameda County Superior Court located at 1225 Fallon Street Oakland, California 94612, Plaintiff Ronett McNary ("Plaintiff") will and hereby does move for entry of an order and judgment approving the Settlement Agreement ("Settlement Agreement," "Settlement," or "Agreement"), attached as **Exhibit 2** to the Declaration of Douglas Han.

This motion is based upon this notice of motion and motion; Declaration of Plaintiff's Counsel (Douglas Han), Declaration of Plaintiff (Ronett McNary), Declaration of Jodey Lawrence, Declaration of Annie Ellis, and Declaration of Joan Goash in support thereof; Proposed Order approving the Settlement Agreement; pleadings and other records on file with the Court in this matter; and such evidence and oral argument as may be presented at the hearing.

Dated: November 26, 2025

JUSTICE LAW CORPORATION

By: ______________________
Douglas Han
Attorneys for Plaintiff

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MEMORANDUM OF POINTS AND AUTHORITIES

I. SUMMARY OF MOTION

Under Labor Code section 2699(s)(2), Plaintiff seeks approval of the Settlement Agreement entered between Plaintiff and Defendant Butterfly Effects, LLC ("Defendant"). Plaintiff entered the Settlement Agreement on behalf of herself and all current and former hourly-paid or non-exempt employees who worked for Defendant within the State of California at any time during the period from September 16, 2023, through August 21, 2025.

II. PROCEDURAL HISTORY

On September 16, 2024, Plaintiff provided a written notice to the California Labor and Workforce Development Agency ("LWDA") and Defendant. On November 21, 2024, Plaintiff filed a representative Private Attorneys General Act of 2004 ("PAGA") action against Defendant.[1]

On August 21, 2025, the Parties participated in private mediation that ultimately resulted in the settlement of this matter via a mediator's proposal.[2]

III. SUMMARY OF THE SETTLEMENT TERMS

A. Allocation of the Gross Settlement Amount

The Settlement provides that Defendant will pay a non-reversionary Gross Settlement Amount of $623,000. The PAGA Penalties Fund will be the Gross Settlement Amount less: (1) Attorneys' Fees Award of $218,050; (2) Litigation Costs Award of $26,148.58; (3) Enhancement Payments of $5,000; and (4) Administration Costs of $15,000.[3]

The current amount of the PAGA Penalties Fund is estimated to be $358,801.42. Sixty-five percent (65%) of the PAGA Penalties Fund will be transmitted to the LWDA as the LWDA Payment pursuant to Labor Code section 2699(m). The remaining thirty-five percent (35%) of the PAGA Penalties Fund will be distributed to the Settlement Group Members.[4]

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[1] (Declaration of Douglas Han ("Han Decl."), ¶ 10; Exhibits 8-10.)

[2] (*Id.* at ¶¶ 11-15.)

[3] (Settlement Agreement attached as **Exhibit 2** to the Declaration of Douglas Han ("Settlement Agreement"), §§ 7(a), 7(b).)

[4] (Settlement Agreement, *supra*, at § 7(b)(v).)

B. Distribution of the PAGA Penalties Fund

No later than thirty (30) calendar days after the Effective Date, Defendant shall provide the Settlement Administrator a list of the Settlement Group Members. The Gross Settlement Amount will be deposited into a qualified settlement fund created by the Settlement Administrator and will be disbursed to the appropriate entities and persons in the manner and timeline set forth in the Agreement. The uncashed settlement checks will be directed to the *cy pres* recipient Legal Aid At Work.[5]

C. The Scope of the Release

Effective on the date when Defendant fully funds the Gross Settlement Amount, Plaintiff, as an agent and proxy of the State of California, and State of California itself (including the LWDA) are deemed to release the Released Parties from all PAGA Claims that were alleged, or could have been alleged, based on facts contained in the PAGA Notice, that were ascertained or alleged in the course of the Lawsuit, and that occurred during the Settlement Period.[6] (*Arias v. Sup. Ct.* (2009) 46 Cal.4th 969, 980, 986 [a plaintiff suing under PAGA "does so as the proxy or agent of the state's labor law enforcement agencies," and, as such, "represents the same legal right and interest as state labor law enforcement agencies … ."].) A judgment in a PAGA action "binds not only that [plaintiff] employee but also the state labor law enforcement agencies." (*Ibid.*) Furthermore, "[b]ecause an aggrieved employee's action under [PAGA] functions as a substitute for an action brought by the government itself, a judgment in that action binds all those, including nonparty aggrieved employees, who would be bound by a judgment in an action brought by the government." (*Arias v. Sup. Ct.*, *supra*, 46 Cal.4th at p. 986) "Accordingly, with respect to the recovery of civil penalties, nonparty employees as well as the government are bound by the judgment in an action brought under [PAGA] … ." (*Ibid.*)

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[5] (*Id.* at § 8.)

[6] (*Id.* at § 9.)

D. No Right to Object to or Opt Out of the Settlement

"[A] PAGA action is a statutory action for penalties brought as a proxy for the state … there is no need to protect absent employees' due process rights[.]" (*Williams v. Sup. Ct.* (2017) 3 Cal.5th 531, 546.) "Unnamed employees need not be given notice of the PAGA claim, nor do they have the ability to opt-out of the representative PAGA claim." (*Ochoa-Hernandez v. CJADERS Foods, Inc.* (N.D. Cal. Apr. 2, 2010), 2010 WL 3570777, at *5.) "PAGA does not make other potentially aggrieved employees parties" and no "due process concerns arise under PAGA because absent employees do not own a personal claim for PAGA civil penalties and whatever personal claims the absent employees might have for relief are not at stake." (*Williams*, at pp. 546-547 (internal references omitted, citing *Amalgamated Transit Union, Local 1756, AFL-CIO v. Sup. Ct.* (2009) 46th Cal.4th 993, 1003 and *Iskanian v. CLS Trans. Los Angeles, LLC*, (2014) 58 Cal.4th 348, 381.)) "[A]bsent fellow employees will be bound by the outcome of any PAGA action[.]" (*Williams*, at p. 548 (internal references omitted, citing *Arias v. Sup. Ct.*, *supra*, 46 Cal.4th at pp. 980-981; *Fireside Bank v. Sup. Ct.* (2007) 40 Cal.4th 1069, 1074 and *Richmond v. Dart Indus.*, *Inc.* (1981) 29 Cal, 3d 462, 474.)

Consistent with this law, the Settlement Agreement does not have a procedure for the Settlement Group Members to object to or exclude themselves from the Settlement Agreement.

IV. STANDARD FOR APPROVAL OF PAGA SETTLEMENT

The PAGA allows an "aggrieved employee" to bring a civil action on behalf of themself, other aggrieved employees, and State of California to recover civil penalties with respect to provisions of the Labor Code that do not provide for civil penalties. Before bringing a civil action under PAGA, an employee must comply with Labor Code section 2699.3. (Lab. Code, § 2699(a).) A court "may award a lesser amount than the maximum civil penalty amount … 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." (Lab. Code, § 2699(e)(2).)

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The settlement of a PAGA claim requires court approval. (Lab. Code, § 2699(s)(2).) "A PAGA claim asserted on a non-class representative basis . . . is not considered a class action but a law enforcement action" and does not have to meet the requirements of a class action. (*Casida v. Sears Holdings Corp.* (E.D. Cal. Jan. 26, 2012) 2012 WL 253217, at *3; *Thomas v. Aetna Health of Cal., Inc.* (E.D. Cal. June 2, 2011) 2011 WL 2173715, at *11; *Arias v. Sup. Ct.*, *supra*, 46 Cal.4th at pp. 980-988 (affirming lower court's holding that "plaintiff need not satisfy class action requirements" to assert a PAGA claim); *Pedroza v PetSmart, Inc.* (C.D. Cal. Jan. 28, 2013) 2013 WL 1490667, at *15.) A court's review of a PAGA settlement involves analysis of several unique features that render the approval process distinct from approval of a class action settlement. A court reviewing a PAGA settlement only needs to "ensur[e] that a negotiated resolution is fair to those affected." (*Williams v. Sup. Ct.*, *supra*, 3 Cal.5th at p. 549 (citing Lab. Code, § 2699(s)(2)).) The Court of Appeal has held that "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." (*Moniz v. Adecco USA, Inc.* (2021) 72 Cal.App.5th 56, 77.)

The court's focus is on whether the total settlement amount achieves PAGA's objectives. PAGA's purpose "to incentivize private parties to recover civil penalties for the government that otherwise may not have been assessed and collected by overburdened state enforcement agencies." (*Ochoa-Hernandez*, *supra*, 2010 WL 3570777, at *4 (citing *Arias v. Sup. Ct.*, *supra*, 46 Cal.4th at p. 986).) Penalties recovered under the PAGA are, in part, to "be distributed to the [LWDA] for enforcement of labor laws . . . and for education of employers and employees about their rights and responsibilities under this code, to be continuously appropriated to supplement and not supplant the funding to the agency for those purposes." (Lab. Code, § 2699(n).)

V. <u>THE SETTLEMENT IS FAIR AND SHOULD BE APPROVED.</u>

A. <u>The Factors Giving Rise to a Presumption of Fairness Exist.</u>

A settlement agreement that is "the product of extensive and hard-fought adversarial negotiations between the parties" is entitled to a presumption of fairness. (*Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 245.)

The Court should give considerable weight to the competency, experience, and opinion of counsel and the involvement of a neutral mediator in assuring that the Settlement is a product of hard-fought negotiations that was entered without collusion. (*Kirkorian v. Borelli* (N.D. Cal. 1988) 695 F.Supp. 446, 451 (opinion of experienced counsel is entitled to considerable weight); *Boyd v. Bechtel Corp.* (N.D. Cal. 1979) 485 F.Supp. 610, 616-617, 622 (recommendations of Plaintiff's Counsel should be given a presumption of reasonableness); see also *Satchell v. Fed. Express Corp.* (N.D. Cal. Apr. 13, 2007) 2007 WL 1114010, at *4 (stating the "assistance of an experienced mediator in the settlement process confirms that the settlement is non-collusive").) The Settlement Agreement is presumptively fair. This is because the Settlement Agreement: (1) is the product of non-collusive, arm's-length negotiations; (2) was negotiated by counsel with experience in similar wage-and-hour litigation; and (3) occurred after the Parties' counsel engaged in investigation of the strengths of this case and risks of continued litigation.

B. <u>The Relative Strength of the PAGA Claim and Range of Possible Outcomes.</u>

Defendant maintained that it had compliant employment policies and practices throughout the statutory period. If this case had not been settled, Defendant would have challenged Plaintiff's standing as a Settlement Group Member and denied that the other employees were aggrieved. Defendant also argued that the Court was unlikely to assess cumulative penalties for the maximum number of possible separate Labor Code violations because the "subsequent violation" theory of PAGA recovery would not be triggered in this case, and it would be unjust, arbitrary, oppressive, and/or confiscatory. (See e.g. *Bernstein v. Virgin Am., Inc.* (9th Cir. 2021) 3 F.4th 1127, 1144.) Defendant asserted that PAGA penalties are not mandatory but permissive and discretionary and maintained that it had a strong argument that it would be unjust to award maximum PAGA penalties. (*Thurman v. Bayshore Transit Mgmt., Inc.* (2012) 203 Cal.App.4th 1112 [reducing penalties by 30% under this authority].)[7]

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[7] (Han Decl., *supra*, at ¶¶ 19-22.)

The provisions of the Labor Code triggering PAGA penalties include, but are not limited to, Labor Code sections 201, 202, 203, 204, 210, 218.5, 221, 226(a), 226.3, 226.7, 246, 432.5, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802. For Plaintiff to recover civil penalties, Plaintiff must prove the underlying Labor Code violations with respect to the Settlement Group Members and show that Defendant's conduct gave rise to penalties. (See e.g. *Elliot v. Spherion Pac. Work, LLC* (C.D. Cal. 2008) 572 F.Supp.2d 1169, 1181-1182.)[8]

Plaintiff alleges that PAGA penalties would be about **$260,200** (2,602 employees x $100 penalty for initial violation) on the low end and **$1,561,200** (2,602 employees x $100 penalty for initial violation x 6 theories of recovery) on the high end. But Plaintiff recognized the risk that any PAGA award could be reduced, meaning the Gross Settlement Amount for PAGA penalties was reasonable and significant. When PAGA penalties are negotiated in good faith and "there is no indication that [the] amount was the result of self-interest at the expense of other Class Members," such amounts are generally considered reasonable. (*Hopson v. Hanesbrands Inc.* (N.D. Cal. Apr. 3, 2009) No. 08-00844, 2009 U.S. Dist. LEXIS 33900 at *24; see e.g. *Nordstrom Com. Cases* (2010) 186 Cal.App.4th 576, 579 ("[T]rial court did not abuse its discretion in approving a settlement which does not allocate any damages to the PAGA claims.").)[9]

C. <u>The Settlement Avoids Risky, Complex, and Lengthy Litigation.</u>

The courts favor voluntary conciliation and settlement of complex litigation. (*Class Plaintiffs v. City of Seattle* (9th Cir. 1992) 955 F.2d 1268, 1276.) Generally, "unless the settlement is clearly inadequate, its acceptance and approval are preferable to lengthy and expensive litigation with uncertain results." (*Nat'l Rural Telecomms. Coop. v. DIRECTV, Inc.* (C.D. Cal. Jan. 5, 2004) 221 F.R.D. 523, 526 (citation omitted).)

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8 (*Id.* at ¶ 23.)

9 (*Id.* at ¶ 24-27.)

Both sides used the pre-mediation time to investigate the veracity, strength, and scope of the PAGA claim. The Parties engaged in discovery and exchanged documents and data to mediate the claims relevant to the Labor Code violations and applicable defenses thereto and to determine the potential value and strength of the PAGA claim. Plaintiff's Counsel believed that it would be best to pursue a settlement rather than take the risky and uncertain trial route. Even if the Parties had managed to negotiate a similar settlement later, it would have been severely undercut but the additional costs and expenses incurred. In other words, the Settlement offers immediate recovery rather than only the possibility of recovery at some indeterminate later date.[10]

D. <u>The Settlement Is Fair, Adequate, and Reasonable.</u>

"[T]he very essence of a settlement is compromise, 'a yielding of absolutes and an abandoning of highest hopes.'" (*Officers for Justice v. Civil Serv. Comm'n* (9th Cir. 1981) 688 F.2d 615, 624.) "The proposed settlement is not to be judged against a hypothetical or speculative measure of what might have been achieved by the negotiators." (*Id*. at p. 625.)

The Settlement Agreement provides a significant monetary benefit to the LWDA and Settlement Group Members. The proposed plan of allocation of the PAGA Penalties Fund to the LWDA and Settlement Group Members also fully complies with Labor Code section 2699(m). Plaintiff and Plaintiff's Counsel recognize the expense, length, risk, and uncertainty of continued proceedings necessary to litigate this dispute. To recover civil penalties, Plaintiff would have to prove that the Settlement Group Members suffered from the underlying Labor Code violations and that Defendant's conduct gave rise to penalties, which could take several months, or even years, to prove. Plaintiff and Plaintiff's Counsel also considered Defendant's agreement to enter a settlement that confers significant relief. Plaintiff and Plaintiff's Counsel determined that the Settlement Agreement represents a fair, adequate, and reasonable resolution.[11]

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[10] (Han Decl., *supra*, at ¶¶ 11-15.)

[11] (*Id.* at ¶¶ 19-22, 38.)

E. Experience and Views of Plaintiff's Counsel Favor Settlement Approval.

Plaintiff's Counsel are experienced in complex representative and class action wage-and-hour litigation. Plaintiff's Counsel believe that the benefit offered by the Settlement is fair and reasonable and in the best interests of the LWDA and Settlement Group Members.[12]

VI. APPROVAL OF THE ATTORNEYS' FEES AWARD.

A. A Fee Award of Percentage of the Entire Fund is Appropriate.

The Settlement Agreement provides for the payment of Attorneys' Fees Award of $218,050 (35% of the Gross Settlement Amount). The Attorneys' Fees Award is commensurate with the: (1) risks taken by Plaintiff's Counsel; (2) time, effort, and expense dedicated by Plaintiff's Counsel; (3) skills and determination shown by Plaintiff's Counsel; (4) value achieved by Plaintiff's Counsel; and (5) other cases turned down by Plaintiff's Counsel. Moreover, Plaintiff's Counsel have been routinely awarded at least thirty-five percent (35%) fee requests or more in similar class action and representative matters throughout California.[13]

The propriety of calculating and awarding attorneys' fees as a percentage of a monetary fund preserved or recovered for the benefit of others has been confirmed by the California Supreme Court. (*Laffitte v. Robert Half Int'l, Inc.* (2016) 1 Cal.5th 480, 486, 506.) While trial courts have discretion to apply either a lodestar method or percentage of-the-fund method, the California Supreme Court has taken the position trial courts "retain the discretion to forgo a lodestar cross-check and use other means to evaluate the reasonableness of a requested percentage fee[,]" and "[t]he percentage of fund method survives in California." (*Ibid.* (internal quotes omitted); see also *Wershba v. Apple Computer, Inc.*, *supra*, 91 Cal.App.4th at p. 253.)

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[12] (Han Decl., *supra*, at ¶¶ 2-7; Exhibit 1.)

[13] (*Id.* at ¶ 34.)

The percentage fee method is preferred in representative actions because "it better approximates the workings of the marketplace than the lodestar approach." (*Lealao v. Beneficial Cal., Inc.* (2000) 82 Cal.App.4th 19, 49.) California law provides that the award for attorneys' fees should be equivalent to fees freely negotiated in the legal marketplace and paid in comparable litigation based on the result achieved and risk incurred. (*Lealao v. Beneficial Cal., Inc.*, *supra*, 82 Cal.App.4th at pp. 47, 50; *Laffitte v. Robert Half Int'l, Inc.*, *supra*, 1 Cal.5th at p. 503.) In cases where the agreement provides the defendant agrees to pay the attorneys a percentage of the fund created by the agreement, use of that percentage method is appropriate. (*Lealao*, at p. 32.) The fees in class and representative actions should approximate the probable terms of a contingent fee contract negotiated by a sophisticated attorney and client in similar litigation. (*Id.* at p. 48.) "The ultimate goal … is the award of a 'reasonable' fee to compensate counsel for their efforts, irrespective of the method of calculation." (*Consumer Privacy Cases* (2009) 175 Cal.App.4th 545, 557-558 (quotation omitted).)

Plaintiff's Counsel are entitled to recover reasonable attorneys' fees and costs as a matter of right. (Lab. Code, § 2699(k)(1).) Plaintiff's Counsel are entitled to fees and costs under Code of Civil Procedure section 1021.5 as this case is by definition "for the benefit" of others and has secured monetary awards for the Settlement Group.[14] The payment to the LWDA will also benefit the agency in enforcing labor laws and educating "employers and employees about their rights and responsibilities under [the Labor Code]." (*Id.* at § 2699(m).)

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[14] (*Estrada v. FedEx Ground Package Sys. Inc.* (2007) 154 Cal.App.4th 1, 16-17 (recognizing that recovery obtained on behalf of 209 individual satisfies the "significant benefit," "public interest," and "large class of persons" requirements of Code of Civil Procedure section 1021.5, regardless of plaintiff's personal motivation).)

B. <u>The Attorneys' Fees Award is Reasonable Based on the Factors Considered.</u>

The factors courts consider in determining whether fee awards are reasonable are: (1) time and labor required; (2) novelty and difficulty of the questions; (3) requisite skills to perform the legal services; (4) preclusion of other employment by the attorney; (5) customary fee; (6) whether the fee is fixed or contingent; (7) time limitation imposed; (8) amount involved and results obtained; (9) experience, reputation and ability of the attorney; (10) undesirability of the case; (11) nature and length of the professional relationship; and (12) awards in similar cases. (*Camden I Condo. Ass'n, Inc. v. Dunkel* (11th Cir. 1991) 946 F.2d 768, 772.) It should be highlighted that the percentage award sought is commensurate with the: (1) results obtained; (2) risks taken; (3) difficulty of this case; and (4) skills displayed and the quality of work, which are addressed below.

1. The Results Obtained

The results attorneys obtain for their clients is an important factor when determining the reasonability of a percentage-based fee. (*Laffitte v. Robert Half Int'l, Inc.*, *supra*, 1 Cal.5th at p. 489.) Law firms that obtain exceptional results expect those results to be reflected in their fees.

The results obtained herein are reasonable as Plaintiff's Counsel obtained a settlement of $623,000 without the need for extended litigation. If this case went to trial, there was no guarantee that the trial would have been short or that either party would have prevailed. Even if the Parties reached a similar settlement, it would have been undercut by additional expenses incurred. The resolution of this dispute at this stage is preferred as the Parties were moving to a phase where significant time and money would inevitably have to be spent to prepare for trial.

By avoiding the uncertainties associated with conducting trial and Defendant's responses to the allegations, Plaintiff's Counsel obtained those results more quickly and surely than if the matter had been litigated to final resolution. Under the law, this factor supports the Attorneys' Fees Award. (*Lealao v. Beneficial Cal., Inc.*, *supra*, 82 Cal.App.4th at p. 51.)

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2. *The Risks Taken*

Whether or not representation is provided on a contingency basis is an important factor:

> A contingent fee must be higher than a fee for the same legal services paid as they are performed [and] […] compensates the lawyer not only for the legal services he renders but for the loan of those services. A lawyer who both bears the risk of not being paid and provides legal services is not receiving the fair market value of his work if he is paid only for the second of these functions. If he is paid no more, competent counsel will be reluctant to accept fee award cases.

(*Cates v. Chiang* (2013) 213 Cal.App.4th 791, 823.)

Plaintiff executed a contingent fee agreement. This meant that no recovery would have equated to no compensation for 292.3 hours of work and $26,148.58 litigation costs incurred. Several factors also made this case difficult, thereby contributing to the risks taken. These factors included: (1) locating and interviewing putative aggrieved employees to corroborate the allegations; (2) difficulties in pinning down job responsibilities, wages paid, breaks taken; (3) number of documents that had to be reviewed and analyzed; (4) shifting wage-and-hour laws; (5) Defendant conducting its business in different locations; and (6) Defendant's initial firm resistance to the relief.[15]

Attorneys being paid on an hourly basis as opposed to being paid on a contingent basis are assuming less risks. (See e.g. *Ketchum v. Moses* (2001) 24 Cal.4th 1122, 1132-1133.) The contingent risks are a major factor when determining attorneys' fees. (See e.g. *Laffitte v. Robert Half Int'l, Inc.*, *supra*, 1 Cal.5th at p. 504 (noting that trial court had carefully considered risks and contingency involved in awarding 33 and 1/3% fee).)

3. *The Difficulty of the Litigation*

The unsettled nature of the law, factual complexities underlying the policies and practices in place, and other issues made this case complex and difficult. Plaintiff's Counsel overcame these obstacles by obtaining a settlement that is fair, adequate, and reasonable. Plaintiff's Counsel obtaining a fair settlement despite these roadblocks speaks volumes of their skill and experience. (*Lealao v. Beneficial Cal., Inc.*, *supra*, 82 Cal.App.4th at p. 42 (the "special skill and experience of counsel" is a relevant factor when determining fee award).)

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[15] (Han Decl., *supra*, at ¶¶ 28, 30, 31, 35.)

Due to the difficulty of this case, Plaintiff's Counsel devoted several hours to this matter. The Task & Time Chart sets forth the hours, allocating the total time to the tasks required to conclude this lawsuit. As stated in the previous section, this was not a clear-cut case. Plaintiff's Counsel had to overcome roadblocks and obstacles before they could reach the settlement, which further illustrates the difficulty of this case.[16]

4. The Skill Displayed and Quality of Work

The level of skill displayed and quality of work it produced justify the Attorneys' Fees Award. Plaintiff's Counsel are skilled and experienced representatives and class action wage-and-hour litigators, and the Task & Time Chart further illustrates this assertion.

Plaintiff's Counsel used the pre-mediation time period to investigate the veracity, strength, and scope of the PAGA claim and to prepare for representative adjudication. This included: (1) engaging case strategy and analysis; (2) requesting and gathering relevant documents; (3) drafting, reviewing, and revising pleadings, formal discovery requests, and mediation brief; (4) preparing for and appearing at court proceedings; (5) calculating potential damages for mediation purposes; (6) preparing for and attending mediation and settlement negotiations; and (7) working with Defendant's counsel to draft and finalize the Agreement (and exhibit). Plaintiff's Counsel also undertook the arduous task of locating and interviewing putative aggrieved employees to verify if the PAGA claim raised individualized issues.[17]

Plaintiff's Counsel's accumulated skill and expertise contributed to the Settlement in this case. Under California law, this factor (skills displayed and quality of work) supports the Attorneys' Fees Award. (*Lealao v. Beneficial Cal., Inc.*, *supra*, 82 Cal.App.4th at p. 51.)

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[16] (*Id.* at ¶ 30; Exhibit 3.)

[17] (Han Decl., *supra*, at ¶ 13.)

C. The Lodestar Methodology Justifies the Attorneys' Fees Award.

When a common fund is involved, courts may use the lodestar method. A court tasked with cross-checking a percentage-based fee considers the reasonableness of the lodestar figure, which is the time reasonably spent multiplied by the reasonable hourly compensation of the attorneys. (*Serrano v. Priest* (1977) 20 Cal.3d 25, 48.) The court may then adjust, increase, or decrease that figure after considering factors like the novelty and complexity of the issues, skill and expertise, extent the litigation precluded other employment, and risk involved. (*Id.* at p. 49.)

Based on the 292.3 hours worked, the base lodestar fees calculation is $220,670, resulting in a negative multiplier of 0.99 when cross-checked to the Attorneys' Fees Award.[18]

1. Work Performed for a Reasonable Number of Hours.

Counsel is entitled to compensation for every hour reasonably spent. (*Ketchum v. Moses*, *supra*, 24 Cal.4th at p. 1133.) The reasonableness is assessed by "the entire course of the litigation, including pretrial matters, settlement negotiations, discovery, litigation tactics, and the trial itself[.]" (*Vo v. Las Virgenes Municipal Water Dist.* (2000) 79 Cal.App.4th 440, 447.)

This matter required a significant amount of time and labor. The Task & Time Chart evidenced the numerous tasks that were performed to seek all necessary information. The Task & Time Chart further illustrates that Plaintiff's Counsel spent a reasonable number of hours working on this case, thereby demonstrating the application for the attorneys' fees is reasonable.[19]

The case involved, among other things, gathering and analyzing data from Defendant and other sources. Plaintiff's Counsel undertook intense preparation to resolve the entire matter through mediation. These preparations ranged from locating and interviewing putative aggrieved employees, drafting and propounding formal discovery requests, gathering and reviewing a myriad of documents, determining the scope of the Settlement Group, verifying the strengths of the PAGA claim, etc.

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[18] (*Id.* at ¶¶ 31, 33.)

[19] (Han Decl., *supra*, at ¶ 30; Exhibit 3.)

2. The Hourly Rates are Reasonable.

Plaintiff's Counsel's hourly rates are supported by the 2022 Real Rate Report that was compiled by Wolters Kluwer, which surveyed the hourly rates charged in 2022 by hundreds of attorneys in California. By extension, Plaintiff's Counsel's hourly rates are in line with the Laffey Matrix. Plaintiff's Counsel's hourly rates are also reasonable for the following reasons: (1) several courts in California have awarded Plaintiff's Counsel fees at similar rates; (2) comparable hourly rates for similar services have been deemed reasonable in several cases in California; and (3) surveys of legal rates have supported Plaintiff's Counsel's hourly rates. This shows that Plaintiff's Counsel's hourly rates used for the lodestar calculation are well within the range of non-contingent rates charged by comparable attorneys performing similar work in California.[20]

VII. <u>THE LITIGATION COSTS AWARD SHOULD BE APPROVED</u>

The Settlement Agreement allows for the payment of the Litigation Costs Award of up to $25,000. Plaintiff's Counsel incurred $26,148.58 litigation in costs and expenses. Plaintiff's Counsel request that the Court order the reimbursement of $26,148.58 of costs and expenses.[21]

VIII. <u>THE ENHANCEMENT PAYMENT SHOULD BE APPROVED</u>

The purpose of such an award is to incentivize plaintiffs to step into the shoes of the state labor agency and undertake the risks associated with initiating a lawsuit and serving in a representative capacity. (*Bell v. Farmers Ins. Exch.* (2004) 115 Cal.App.4th 715, 726 ("service payments" compensate named plaintiff "for [her] efforts in bringing the action"); *Clark v. Am. Residential Servs., LLC* (2009) 175 Cal.App.4th 785, 804 ("an incentive award is appropriate 'if it is necessary to induce an individual to participate in the suit'"); accord *Ingram v. The Coca-Cola Co.* (N.D. Ga. 2001) 200 F.R.D. 685, 694 (internal quotation marks omitted) ("Courts routinely approve incentive awards to compensate named plaintiffs for the services they provided and the risks they incurred during the course of the [...] litigation.").)

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[20] (*Id.* at ¶¶ 31-33; Exhibits 4, 5.)

[21] (Han Decl., *supra*, at ¶ 35; Exhibit 6.)

The Settlement Agreement provides for the payment of the Enhancement Payment of $5,000 to Plaintiff for the services and contributions on behalf of the Settlement Group. Plaintiff spent time and effort in locating and producing relevant documents and past employment records, reviewing relevant documents, and providing the facts and evidence supporting the allegations. Plaintiff was available whenever needed by Plaintiff's Counsel and actively tried to obtain and provide as much information as possible. Plaintiff spent hours speaking with Plaintiff's Counsel about the alleged violations, discussing the work experience and work environment, helping Plaintiff's Counsel develop a strategy to obtain additional documents, aiding Plaintiff's Counsel to determine the importance of the documents produced, and reviewing the operative complaint, answer, and Settlement Agreement (and exhibit). Plaintiff also made herself available all day to participate in and assist with mediation.[22]

Plaintiff was advised of and accepted the risks and sacrifices associated with serving as the named plaintiff. Plaintiff is also not related to anyone associated with Plaintiff's Counsel. This is further proof that Plaintiff's interests are not adverse to the Settlement Group Members.[23]

IX. THE ADMINISTRATION COSTS SHOULD BE APPROVED

The Settlement Agreement provides for the payment of the Administration Costs of up to $15,000 The Administration Costs are intended to cover the costs incurred by the Settlement Administrator for performing its duties outlined in the Settlement Agreement. Plaintiff's Counsel have previously worked with the Settlement Administrator and are familiar with its superior reputation and work.[24]

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[22] (Han Decl., *supra*, at ¶ 36; Declaration of Ronett McNary ("McNary Decl."), ¶¶ 6-10.)

[23] (Han Decl., *supra*, at ¶ 36; McNary Decl., *supra*, at ¶¶ 11-14.)

[24] (Han Decl., *supra*, at ¶ 37.)

X. **CONCLUSION**

Plaintiff requests that the Court grant approval of the Settlement Agreement. Plaintiff further requests that the Court retain continuing jurisdiction over the enforcement and administration of the Settlement Agreement.

Dated: November 26, 2025

JUSTICE LAW CORPORATION

By: ______________________
Douglas Han
Attorneys for Plaintiff

Make a Reservation

MCNARY vs BUTTERFLY EFFECTS, LLC

Case Number: 24CV100510 Case Type: Civil Unlimited Category: Other Employment Complaint Case
Date Filed: 2024-11-21 Location: Rene C. Davidson Courthouse - Department 20

Reservation

Case Name: MCNARY vs BUTTERFLY EFFECTS, LLC	Case Number: 24CV100510
Type: Motion re: (Approval of Private Attorneys General Act (Labor Code § 2698, et seq.) Settlement Agreement)	Status: RESERVED
Filing Party: Ronett McNary (Plaintiff)	Location: Rene C. Davidson Courthouse - Department 20
Date/Time: 04/09/2026 3:00 PM	Number of Motions: 1
Reservation ID: 513841222521	Confirmation Code: CR-DDRAGZYJQ7JTX9T98

Fees

Description	Fee	Qty	Amount
Motion re: (name extension)	0.00	1	0.00
Court Technology Fee	1.00	1	1.00
TOTAL			**$1.00**

Payment

Amount: $1.00	Type: Visa
Account Number: XXXX7914	Authorization: 09567G
Payment Date: n/a	

Print Receipt | Reserve Another Hearing | View My Reservations

PROOF OF SERVICE
1013A(3) CCP

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 751 N. Fair Oaks Avenue, Suite 101, Pasadena, CA 91103 and my electronic service address is ccastro@justicelawcorp.com

On November 26, 2025, I served the foregoing document described as

NOTICE OF MOTION AND MOTION FOR APPROVAL OF PRIVATE ATTORNEYS GENERAL ACT (LABOR CODE § 2698, *ET SEQ.*) SETTLEMENT AGREEMENT; MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT THEREOF

for the following case: **McNary v. Butterfly Effects, LLC**
LWDA/Court Case No.: **LWDA Case No.: CM-1050789-24**
Court Case No.: 24CV100510
Alameda County Superior Court

on interested parties in this action by electronically submitting as follows:

State of California
Labor & Workforce Development Agency
800 Capitol Mall, MIC-55
Sacramento, California 95814

[X] BY ELECTRONIC SUBMISSION
Pursuant to California Senate Bill No. 836, I caused the documents described above to be electronically submitted by and through the procedure stated on the website of the State of California Labor and Workforce Development Agency.

[X] STATE
I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on November 26, 2025, at Pasadena, California.

Christina Castro