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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES – SPRING STREET COURTHOUSE**

SYLVIA ZAMORA, individually, and on
behalf of all others similarly situated,

Plaintiff,

vs.

CAPC, INC., a California corporation; and
DOES 1 through 10, inclusive,

Defendants

Case No.: 24STCV24050

REPRESENTATIVE ACTION

**PLAINTIFF’S NOTICE OF MOTION AND
MOTION FOR APPROVAL OF PAGA
SETTLEMENT**

[Filed with (1) the Declaration of Kane Moon, (2) the Declaration of Plaintiff, (3) the Declaration of Jodey Lawrence re: Qualifications and Costs for Settlement Administration, (4) [Proposed] PAGA Approval Order, and (5) [Proposed] Judgment]

PAGA APPROVAL HEARING:

Date: June 24, 2026

Time: 10:00 a.m.

Dept.: 9

Judge: Honorable Elaine Lu

Action filed: September 17, 2024

FAC filed: December 23, 2024

Trial date: Not set

TO THIS HONORABLE COURT, TO ALL PARTIES, AND TO COUNSEL OF RECORD:

PLEASE TAKE NOTICE that on [X], at [X] in Department 9 of the Los Angeles County Superior Court, Spring Street Courthouse, 312 North Spring Street, Los Angeles, California 90012, Plaintiff Sylvia Zamora (“Plaintiff”) will, and hereby does, move the Court for an Order and Judgment, pursuant to California Labor Code sections 2698, *et seq.*, as follows:

1. Approving the PAGA Settlement Agreement (“Settlement”) between Plaintiff and Defendant CAPC, Inc.;
2. Appointing Kane Moon, Lilit Ter-Astvatsatryan, and Michael Citrin of Moon Law Group, PC as PAGA Counsel;
3. Approving the requested PAGA Counsel Fees Payment of \$45,500.00, subject to potential increase under an escalator clause;
4. Approving the requested PAGA Counsel Litigation Expenses Payment of \$21,490.60;
5. Appointing Plaintiff as the PAGA Representative and approving a \$2,500.00 PAGA Representative Payment to her;
6. Appointing Phoenix Class Action Administration Solutions as the Administrator and approving a \$3,750.00 as the Administration Costs;
7. Approving the scope of the Released PAGA Claims and Released Parties;
8. Approving a non-reversionary Gross Settlement Amount of at least \$130,000.00, subject to potential increase under an escalator clause;
9. Approving at least \$56,759.40 for PAGA Penalties as settlement of the Released PAGA Claims, subject to potential increase pursuant to the escalator clause, to be distributed as 65% (at least \$36,893.61 to the LWDA) and 35% (at least \$19,865.79 to Aggrieved Employees);
10. Directing consummation of the Settlement pursuant to its terms and provisions;
11. Entering Judgment and dismissing the above-captioned action with prejudice; and
12. Retaining jurisdiction over the Parties, this action, and this Settlement, including following any entry of Judgment for purposes of enforcement, interpretation, settlement administration, and any post-Judgment issues that arise.

This Motion is based upon this notice, the attached Memorandum of Points and Authorities, the

1 declarations and exhibits filed concurrently herewith, the records and files in this action, and any other
2 further records or argument that the Court may properly receive at or before the hearing.

3 Respectfully submitted,

4 DATED: March 25, 2026

MOON LAW GROUP, PC

5 By: _____

6 Kane Moon
7 Lilit Ter-Astvatsatryan
8 Michael Citrin
9 *Attorneys for Plaintiff*

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1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 Plaintiff Sylvia Zamora (“Plaintiff”) seeks approval of a non-reversionary \$130,000.00 gross
4 settlement of claims for civil penalties alleged pursuant to the California Private Attorneys General Act,
5 Labor Code sections 2698, *et seq.* (“PAGA”). After a full day of mediation with experienced and neutral
6 mediator Marc Feder, and months of extended settlement negotiations, Plaintiff reached a resolution with
7 Defendant CAPC, Inc. (“Defendant”) (collectively, Plaintiff and Defendant are the “Parties”). The Parties
8 have executed a Joint Stipulation and Settlement Agreement (the “Settlement”), a true and correct copy
9 of which is attached as **Exhibit 1** to the Declaration of Kane Moon in Support of Motion for Approval of
10 PAGA Settlement (“Moon Decl.”) submitted concurrently herewith. Pursuant to Labor Code section
11 2699(s)(2), Plaintiff now files this motion seeking an order approving the proposed Settlement.

12 The Settlement resolves all claims for civil penalties under PAGA that arose during the PAGA
13 Period and that were alleged in the above-captioned matter (“Action”). (Settlement, ¶ I.A.) For purposes
14 of settlement, the “PAGA Period” is September 15, 2023, to March 11, 2026.¹ (*Id.* at ¶ I.T.) This
15 Settlement is on behalf of the California Labor and Workforce Development Agency (the “LWDA”),
16 Plaintiff, and all non-exempt, hourly employees who worked for Defendant in California during the
17 PAGA Period (“Aggrieved Employees”). (*Id.* at ¶ I.C.) Plaintiff is unaware of any other pending litigation
18 involving similar claims against Defendant that may be impacted by approval of the Settlement, nor has
19 Defendant pointed to any. (Moon Decl., ¶ 24.) Plaintiff came to this conclusion after a reasonable
20 inquiry and review of the LWDA’s PAGA Case Search website, this Court’s case search website,
21 and other information reasonably available online. (*Id.*)

22 Settlement of a PAGA claim requires court approval. Pursuant to the operative PAGA statute, the
23 “court shall review and approve any penalties sought as part of a proposed settlement agreement pursuant
24 to this part.” (Lab. Code § 2699(s)(2).) In deciding whether to grant approval of a proposed settlement,
25

26 ¹ The PAGA Period is defined as September 15, 2023, to whichever date is earlier: (1) the date of
27 preliminary approval; or (2) March 11, 2026. (Settlement, ¶ I.T.). March 11, 2026 is earlier than the
28 date of preliminary approval. (Moon Decl., ¶ 3, n.1.) Accordingly, the PAGA Period is September 15,
2023 to March 11, 2026. (*Id.*)

1 the primary issue to be decided is whether the settlement is fair, adequate, and reasonable. Specifically,
2 the issue is whether the PAGA penalties to which the parties have agreed provide “genuine and
3 meaningful” relief that is “consistent with the underlying purpose of the statute to benefit the public,” and
4 whether the penalties are reasonable in light of the potential verdict value in this case. (*Villalobos v.*
5 *Calandri Sunrise Farm LP* (C.D. Cal. July 22, 2015) No. CV 12-2615 PSG (JEMx), 2015 WL 12732709,
6 at *5; *see also O’Connor v. Uber Techn., Inc.* (N.D. Cal. 2016) 201 F.Supp.3d 1110, 1135.)

7 As set forth herein, the proposed Settlement embodies all the features of a settlement that is fair,
8 adequate, and reasonable, as (1) it is the product of an arm’s-length negotiation, (2) negotiated by
9 attorneys experienced in wage and hour litigation, (3) following sufficient investigation necessary to
10 evaluate the relative strength and value of the PAGA claims, and (4) reflects a reasoned compromise
11 based directly on the relative strength and value of the PAGA claims, as well as the risks, expense,
12 complexity, and likely duration of further litigation.

13 The meaningful value achieved by the Settlement at issue may be gleaned from the fact that the
14 LWDA and the estimated **122** Aggrieved Employees will, cumulatively, receive no less than **\$56,759.40**
15 as PAGA Penalties. (Moon Decl., ¶ 21.) This is a significant recovery, not only because further litigation
16 may have resulted in a net-zero recovery based on the facts of the case and defenses asserted by
17 Defendant, but also because an investigation by experienced PAGA counsel and analysis of discovery
18 revealed minimal identifiable violations, the discretionary nature of awarding PAGA penalties, and the
19 risk of not being able to proceed on a representative basis at all due to the potential manageability issues
20 and current state of the law. For these reasons, as set forth more fully below, Plaintiff respectfully requests
21 the Court enter the proposed order and proposed judgment submitted concurrently herewith.

22 **II. SUMMARY OF THE LITIGATION AND SETTLEMENT**

23 **A. Plaintiff’s Claims and Procedural Background**

24 Defendant is an organization responsible for providing services to physically and
25 intellectually disabled adults. (Moon Decl., ¶ 4.) Plaintiff worked for Defendant from approximately
26 October 2022 to May 2024 as a direct service provider. (*Id.*) Throughout her employment, Plaintiff
27 was classified as non-exempt and paid on an hourly basis. (*Id.*) Plaintiff contends she and her former
28 coworkers were subjected to the same or similar unlawful labor practices during their employment by

1 Defendant, including failure to pay all wages. (*Id.*)

2 Plaintiff's claims for unpaid wages stems from allegations of Defendant's failure to pay
3 employees all minimum, overtime, and sick pay owed, including due to Defendant's failure to
4 compensate employees for off-the-clock work, and Defendant's failure to incorporate all
5 remunerations into the regular rate of pay. (*Id.* at ¶ 5.) Plaintiff's meal and rest period claims are based
6 on allegations that due to the nature of their work and Defendant's employment practices, employees
7 regularly experienced missed, untimely, or interrupted breaks, and that Defendant failed to provide any
8 premiums for non-compliant rest breaks or all premiums for non-compliant meals. (*Id.*) Plaintiff also
9 alleges that Defendant failed to reimburse employees for all reasonable and necessary business expenses
10 incurred, including expenses incurred for the use of employees' personal cellphone for work purposes.
11 (*Id.*) Plaintiff further alleges she and other employees did not receive all wages owed at the time of
12 termination nor accurate itemized wage statements due to Defendant's failure to pay all wages and
13 premiums. (*Id.*) Accordingly, Plaintiff alleges Defendant is liable for civil penalties under PAGA. (*Id.*)

14 Because of the foregoing alleged violations of the Labor Code, Plaintiff filed a Class Action
15 Complaint on September 17, 2024, alleging Defendant systematically: (1) failed to pay minimum wages,
16 (2) failed to pay overtime compensation, (3) failed to provide meal periods, (4) failed to authorize and
17 permit rest breaks, (5) failure to indemnify necessary business expenses, (6) failed to timely pay final
18 wages at termination, (7) failed to provide accurate itemized wage statements, and (8) engaged in unfair
19 business practices. (*Id.* at ¶ 6.)

20 Pursuant to PAGA, on September 7, 2024, Plaintiff submitted notice of the alleged Labor Code
21 violations to the LWDA, with certified mail service on Defendant, and paid the required filing fee. (*Id.* at
22 ¶ 7, Ex. 2.) The administrative exhaustion period under PAGA expired without the LWDA indicating any
23 intent to investigate the allegations. (*Id.* at ¶ 7.) On December 23, 2024, Plaintiff filed a First Amended
24 Class and Representative Action Complaint to allege a ninth cause of action for civil penalties under
25 PAGA. (*Id.*) Accordingly, Plaintiff is duly authorized to act as a private attorney general with respect
26 to the PAGA claims involved in this action. (*Id.*) In compliance with Labor Code section 2699(s)(1),
27 Plaintiff subsequently submitted to the LWDA a file-stamped copy of the First Amended Complaint
28 containing the Court-assigned case number. (*Id.* at ¶ 8.) To date, the LWDA has not sought to intervene

1 in this action. (*Id.*)

2 After this action was filed, Defendant produced an arbitration agreement between Defendant
3 and Plaintiff containing a class action waiver. (*Id.* at ¶ 9.) Therefore, on January 31, 2025, the Parties
4 filed a Stipulation and Proposed Order to arbitrate Plaintiff’s individual claims, dismiss class claims,
5 and stay the Action pending arbitration, which the Court granted on February 5, 2025. Thereafter, the
6 Parties agreed to attend a private mediation to resolve Plaintiff’s representative PAGA claims. (*Id.*)

7 Defendant ardently opposes the merits of this case and denies Plaintiff’s factual allegations. (*Id.*
8 at ¶ 10.) Defendant argues all employees were properly paid for all hours worked and that it did not require
9 or permit employees to work off-the-clock. (*Id.*) As for the regular rate claim, Defendant argues there was
10 no issue with paying employees the proper regular rate of pay because any additional remuneration was
11 discretionary and thus, not required to be incorporated into the regular rate of pay. (*Id.*) Defendant
12 maintains all employees were provided with the opportunity to take all their code-compliant meal and
13 rest breaks and that missed breaks, if any, were solely the result of employees’ voluntary choice. (*Id.*) As
14 for the unreimbursed business expenses, Defendant maintains it did not require employees to incur any
15 business-related expenses. (*Id.*) To the extent employees received wage statements that were allegedly
16 inaccurate, Defendant argues penalties are not warranted because employees suffered no actual damage
17 or harm as a result. (*Id.*; *see, e.g., Angeles v. U.S. Airways, Inc.* (N.D. Cal. Feb. 19, 2013) No. C 12–05860
18 CRB, 2013 WL 622032, at *10 [“A plaintiff must adequately plead an injury arising from an employer’s
19 failure to provide full and accurate wage statements, and the omission of the required information alone
20 is not sufficient.”].) Additionally, Defendant alleges its good-faith belief that it paid all wages precludes
21 the imposition of waiting time penalties because Plaintiff would be unable to show Defendant’s alleged
22 conduct was done willfully or knowingly. (Moon Decl., ¶ 10; *see, e.g., Pedroza v. PetSmart, Inc.* (C.D.
23 Cal. June 14, 2012) No. ED CV 11–298 GHK (DTBx), 2012 WL 9506073, *5.) For these reasons,
24 Defendant claims it did not engage in any unfair business practices and denies liability under PAGA.
25 (Moon Decl., ¶ 10.) Defendant also maintains the claims are not susceptible to proof on a representative
26 basis because of the individualized and varying nature of each employee’s experience, making this matter
27 unmanageable. (*Id.*)
28

1 **B. Discovery and Investigation**

2 Before initiating arbitrating regarding Plaintiff's individual claims, the Parties agreed to
3 mediate the representative PAGA claims. (*Id.* at ¶ 11.) The Parties engaged in informal discovery
4 exchange prior to mediation. (*Id.*) Defendant provided information and documents, which enabled
5 Plaintiff's Counsel to meaningfully investigate Plaintiff's allegations and assess the value of the
6 PAGA claims. (*Id.*) Specifically, Defendant produced Plaintiff's personnel file and her time and
7 payroll records, documents regarding Defendant's written policies and practices in effect during the
8 relevant period, and time and corresponding payroll records for approximately 24.6% of all Aggrieved
9 Employees. (*Id.*)

10 Prior to mediation, Plaintiff's Counsel reviewed and analyzed all the information that Defendant
11 produced, including the time/pay records and Defendant's written policies, in conjunction with
12 information provided by Plaintiff. (*Id.* at ¶ 12.) Plaintiff's Counsel retained an expert to analyze the
13 time/pay records and prepare a damage analysis prior to mediation. (*Id.*) The time/pay records contained
14 6,888 shifts actually worked (roughly 21% of all shifts), which allowed the expert to prepare an analysis
15 with a high degree of certainty. (*Id.*) Further, Plaintiff's Counsel investigated the applicable law regarding
16 the claims and defenses asserted in this action. (*Id.*) Accordingly, Plaintiff's Counsel were able to evaluate
17 the probability of success on the merits and Defendant's monetary exposure. (*Id.*) In sum, Plaintiff and
18 her Counsel's familiarity with the facts of the case and the legal issues involved allowed them to act
19 intelligently in negotiating the Settlement. (*Id.*)

20 **C. Settlement Negotiations**

21 On December 11, 2025, the Parties participated in a full day of private mediation facilitated
22 by Marc Feder, an experienced PAGA action mediator. (*Id.* at ¶ 13.) The negotiations were at arm's
23 length and although conducted in a professional matter, were adversarial. (*Id.*) Both sides went into
24 the mediation willing to explore the potential for a settlement of the dispute, but they were also
25 prepared to litigate their position through trial and appeal if a settlement had not been reached. (*Id.*)
26 Negotiations were protracted, with extended discussions and instances in which it appeared the
27 Parties would not reach a resolution. (*Id.*) Following a full discussion of the strengths and weaknesses
28

1 of the claims and defenses, the Parties ultimately reached a resolution, the material terms of which
2 are encompassed within the Settlement at issue. (*Id.*)

3 In reaching a resolution, the Parties recognized that the issues presented in this action are
4 likely only to be resolved with extensive and costly pretrial and trial proceedings, and that further
5 litigation will lead to inconvenience, distraction, disruption, delay, and expense disproportionate to
6 the potential benefits of litigation. (*Id.* at ¶ 14.) Plaintiff and her Counsel also considered the risk and
7 uncertainty of the outcome inherent in any litigation when determining whether this Settlement was
8 the correct option. (*Id.*) In sum, Plaintiff and her Counsel believe the proposed Settlement is in the
9 best interests of Aggrieved Employees and the LWDA. (*Id.*) In compliance with Labor Code
10 section 2699(s)(2), notice of settlement and a copy of the proposed Settlement has been
11 submitted to the LWDA along with a copy of Plaintiff’s motion and the hearing date. (*Id.* at ¶
12 15, Ex. 3.) To date, the LWDA has not indicated any objection to the Settlement. (*Id.* at ¶ 15.)

13 **D. Key Terms of the Proposed Settlement**

14 The Settlement’s key financial and other terms include:

15 1. Gross Settlement Amount, Funding, Disbursement, and Uncashed Checks. The Gross
16 Settlement Amount (“GSA”) is a non-reversionary \$130,000.00, subject to potential increase under an
17 Escalator Clause and entry of the Court’s Approval Order. (Settlement, ¶¶ I.M, III.A.) Defendant’s
18 settlement funding contribution will be wired by Defendant to the settlement administrator within thirty
19 (30) days of the Effective Date. (*Id.* at ¶ III.E.2.b.) Disbursement will occur within 15 days after Defendant
20 fully funds the GSA. (*Id.* at ¶ III.E.2.b.) Any funds remaining uncashed after 200 days from issuance will
21 be transmitted to the California State Controller’s Office, to be held pursuant to the Unclaimed Property
22 Law in the name of each individual who failed to cash his or her check prior to the void date. (*Id.* at ¶¶
23 III.E.6., III.E.6.b.)

24 2. Escalator Clause: The GSA was negotiated based on an estimate that as of the date of the
25 Parties’ mediation, there are 4,372 aggregate PAGA Pay Periods worked by approximately 122
26 Aggrieved Employees. (*Id.* at ¶ III.A.1.) The Settlement includes an Escalator Clause whereby should the
27 actual number of PAGA Pay Periods increases by more than ten percent (10%) of the estimated count,
28

Defendant agrees to increase proportionately by the number of pay periods worked in excess of 10%.
(*Id.*)

3. PAGA Representative Payment. The Settlement includes a Representative Payment to Plaintiff in an amount up to \$2,500.00, payable from the GSA. (*Id.* at ¶ III.C.2.) This payment is in consideration for Plaintiff's efforts in litigating the Action and risks of incurring financial obligations to Defendant in the event Plaintiff was not successful in the Action and held to pay for Defendant's costs and/or attorney's fees. (*Id.* at ¶ I.V.) If the Court awards less than the amount requested, any amount not awarded will become part of the Net Settlement Amount for distribution to Aggrieved Employees. (*Id.*)

4. Attorneys' Fees and Costs. The Settlement includes attorneys' fees in an amount not to exceed 35% of the GSA (i.e., at least \$45,500.00), plus reimbursement for out-of-pocket litigation costs not to exceed \$25,000.00, payable to Plaintiff's Counsel from the GSA. (*Id.* at ¶ III.C.1.) In the event actual costs are less and/or the amount of fees and costs approved by the Court are less than the amounts requested, the difference will be allocated to the Net Settlement Amount. (*Id.*) My firm has incurred \$21,490.60 in litigation costs. (*Id.*, Ex. 4)

5. Administration Costs. The Settlement provides an Administration Expenses Payment to the Administrator, payable from the GSA, in an amount up to \$6,000.00, for its fees and expenses in administering this Settlement. (*Id.* at ¶ III.C.3.) In the event the amount of actual administration costs is less and/or the amount approved by the Court is less than requested, the difference will be allocated to the Net Settlement Amount. (*Id.*) The Parties jointly selected Phoenix Class Action Administration Solutions ("Phoenix") as the neutral entity to administer this Settlement with a bid for \$3,750.00. (*Id.* at ¶ I.BB; Moon Decl., ¶ 20, Ex. 5; Declaration of Jodey Lawrence on Behalf of Phoenix: Qualifications and Costs for Settlement Administration, ¶ 22, Ex. B.)

6. Net Settlement Amount. After deducting the PAGA Representative Payment, PAGA Counsel Fees and Litigation Expenses Payments, and Administration Expenses Payment from the GSA, in the amounts specifically approved by the Court, any difference in the amounts requested and the amounts awarded will be allocated to the Net Settlement Amount as PAGA Penalties. (*Id.* at ¶ I.Q.)

1 Accordingly, the Net Settlement Amount is estimated to be no less than **\$56,759.40**,² which will be
2 distributed 65% (i.e., no less than 65% * \$56,759.40= **\$36,893.61**) to the LWDA and 35% (i.e., no less
3 than 35% * \$56,759.40= **\$19,865.79**) to Aggrieved Employees pursuant to PAGA law governing
4 Plaintiff's claims. (Moon Decl., ¶ 21.)

5 7. Individual PAGA Payments. Each Aggrieved Employee will be entitled to his or her pro rata
6 amount from the 35% share of PAGA Penalties that is directly proportional to the number of pay periods
7 worked in the PAGA Period without having to submit any claim form. (*Id.* at ¶¶ III.B.1, III.B.1.a.1.) This
8 results in an average Individual PAGA Payment of roughly **\$162.83** for each of the estimated 122
9 Aggrieved Employees (\$19,865.79 / 122), and a PAGA Pay Period value of **\$4.54** for each of the 4,372
10 estimated PAGA Pay Periods (\$19,865.79 / 4,372). Individual PAGA Payments will be allocated to
11 100% penalties for tax purposes. (*See id.* at ¶ III.B.2.)

12 8. Releases of Claims. Upon full funding of the GSA, Plaintiff and the LWDA shall fully
13 release and discharge Defendant and the Released Parties from any and all claims that were alleged or
14 could have been alleged based on the claims, facts, and/or allegations contained in First Amended
15 Complaint and in the PAGA Notice submitted by Plaintiff to the LDWA. (*Id.* at ¶ I.Y.) The release shall
16 be for the PAGA Period. (*Id.*) The "Released Parties" are "Defendant including its past, present, and
17 future divisions, affiliates, parents, subsidiaries, predecessors, successors, assigns, members,
18 shareholders, owners, officers, directors, employees, agents, trustees, attorneys, representatives,
19 administrators, fiduciaries, beneficiaries, subrogees, executors, partners, and privies." (*Id.* at ¶ I.Z.)

20 9. No Related Cases. To the best of the Plaintiff's knowledge, there is no other pending
21 litigation involving similar claims against Defendant that may be impacted by approval of the Settlement
22 at issue, nor has Defendant pointed to any. (Moon Decl., ¶ 24.) Plaintiff's Counsel came to this
23 conclusion after a reasonable inquiry and review of the LWDA's PAGA Case Search website, this
24 Court's case search website, and other information reasonably available online. (*Id.*)

25
26
27 ² The estimated Net Settlement Amount was calculated by deducting the following amounts from the
28 GSA (\$130,000.00): \$2,500.00 for the PAGA Representative Payment, \$21,490.60 for the PAGA Cost
Award, \$45,500.00 for the PAGA Attorney Fees Award, and \$3,750.00 for the Administration Costs. (*See*
Settlement, ¶ I.Q.)

1 **III. DISCUSSION**

2 **A. Availability of Civil Penalties**

3 The LWDA and its constituent departments and divisions are authorized to assess and collect civil
4 penalties for specified violations of the Labor Code committed by an employer. With a stated goal of
5 improving enforcement of existing Labor Code obligations, the California Legislature adopted the Private
6 Attorneys General Act of 2004, permitting, as an alternative, an aggrieved employee to initiate a private
7 civil action on behalf of him- or herself and other current or former employees.” (Lab. Code § 2699(a).)
8 Before an employee may file an action seeking to recover civil penalties for violations of any of the Labor
9 Code provisions enumerated in Labor Code section 2699.5, he or she must comply with the Act’s
10 administrative procedures as set forth in Labor Code section 2699.3, subdivision (a), which include
11 providing notice to the LWDA and the employer of the alleged Labor Code violations, and then waiting
12 a prescribed period of time to permit the LWDA to investigate and to decide whether to cite the employer
13 for the alleged violations. (*Id.* at §§ 2699.3, 2699.5; *Caliber Bodyworks, Inc. v. Superior*
14 *Court* (2005) 134 Cal.App.4th 365, 370; *see also Dunlap v. Superior Court* (2006) 142
15 Cal.App.4th 330.)

16 Here, in compliance with Labor Code section 2699.3, Plaintiff submitted notice of the
17 Labor Code violations at issue to the LWDA, and she exhausted administrative remedies without
18 the LWDA noticing any intent to investigate the claims. (Moon Decl., ¶ 7, Ex. 2.) Accordingly,
19 Plaintiff is duly authorized to act as a private attorney general pursuant to PAGA. (*Id.* at ¶ 7.)

20 **B. The Settlement Merits Approval**

21 Settlement of PAGA claims must be approved by a Court. (Lab. Code § 2699(s)(2).) Here, the
22 circumstances weigh heavily in favor of approval, as explained below.

23 **1. The Relief Is Genuine, Meaningful, and Consistent with the Dual Statutory Purposes**
24 **of Deterrence and Punishment under PAGA**

25 The \$130,000.00 GSA amounts to “genuine and meaningful” relief “consistent with the
26 underlying purpose of the statute to benefit the public.” (Moon Decl., ¶ 34; *see O’Connor*, 201
27 F.Supp.3d at 1133–35 [denying settlement approval where allocation for PAGA claims was 0.1% of
28 the estimated full worth].) This is an excellent result, particularly because, under the Settlement,

1 Aggrieved Employees and the LWDA will receive timely, guaranteed relief and will avoid the risk of
2 not being able to recover anything at all. (*Moon Decl.*, ¶ 34.)

3 The Settlement is a fair and reasonable resolution that satisfies PAGA’s dual statutory
4 purposes of deterrence and punishment, on the one hand, and providing Aggrieved Employees
5 with genuine and meaningful relief, on the other. (Lab. Code §§ 2698, *et seq.*) As a result of this
6 litigation, Defendant has had to hire legal counsel, engage in employee-wide discovery, and
7 participate in mediation. (*Moon Decl.*, ¶ 35.) Assuming approval is granted, Defendant will also have
8 to pay civil penalties pursuant to PAGA. (*Id.*) Not including its own attorneys’ fees and costs,
9 Defendant will pay at least \$130,000.00 to resolve this matter—of which at least \$56,759.40 is
10 allocated toward PAGA Penalties and will be distributed as 65% to the LWDA and 35% to Aggrieved
11 Employees, in compliance with PAGA law governing the claims in this action. (*See Settlement*, ¶¶
12 III.B.4., III.B.5.) This amount represents roughly **39%** of the realistic exposure for the claims
13 (\$56,759.40 / \$145,733.33), as discussed below. (*Moon Decl.*, ¶ 35.) Additionally, the release
14 obtained under the Settlement does not preclude Aggrieved Employees from pursuing any individual
15 (non-PAGA) claims they may have against Defendant or the other Released Parties. (*See id.* at ¶ I.Y.)

16 **2. The Settlement Amount Provides a Realistic Value for the Claims that is within the**
17 **“Ballpark” of Reasonableness**

18 There can be no doubt that this Settlement is the result of vigorous, adversarial, non-collusive, and
19 arm’s-length negotiations between the Parties. (*Moon Decl.*, ¶ 13.) Plaintiff’s Counsel performed an
20 extensive investigation into the facts, claims, and defenses at issue and Defendant’s potential liability,
21 including a review of governing law and analysis of informal discovery, including Defendant’s written
22 policies and time/pay data for a majority of Aggrieved Employees. (*Id.* at ¶¶ 11–12.) Plaintiff’s Counsel
23 used the foregoing discovery and investigation to prepare for mediation and, with the assistance of a
24 statistics expert, assessed the probability of success on the merits and Defendant’s monetary exposure,
25 discussed the strengths and weaknesses of the claims and defenses in depth at mediation and months of
26 continued negotiations, and ultimately negotiated the resulting Settlement. (*Id.* at ¶¶ 11–14.)

27 Based on Plaintiff’s Counsel’s analysis of the arguments and information provided by Defendant,
28 on an expert analysis of the time/pay records, and on information from Plaintiff, Plaintiff’s Counsel

1 evaluated Defendant's both maximum (*optimistic*) and risk-adjusted (*realistic*) potential exposure in
2 preparation for mediation. (*Id.* at ¶ 25.) Although the expert's analysis revealed that the time and pay
3 records supported several violations by Defendant, those identifiable violations were primary limited to
4 the regular rate and meal period claims. (*Id.*) The records themselves did not provide strong support for
5 the off-the-clock work, rest period, and expense reimbursement claims, and derivative penalties for those
6 claims, as these claims are predominantly testimony based. (*Id.*) In other words, Plaintiff's analysis
7 revealed that certain claims were not as strong as originally believed. (*Id.*)

8 Because Defendant did not require employees to record rest periods, there are no records to
9 establish the rest period claim on the merits. (*Id.* at ¶ 26.) Additionally, there are no records to establish
10 the off-the-clock work claim on the merits. (*Id.*) Rather, proof of these claims would need to be supported
11 by declarations from Aggrieved Employees regarding missed rest periods and off-the-clock work as the
12 records themselves cannot demonstrate what breaks were missed, when, and why and they cannot
13 demonstrate the time, if any, Aggrieved Employees spent working off the clock. (*Id.*)

14 Indeed, the maximum exposure figures that were calculated for mediation were based on assumed
15 high violation rates that would not likely be demonstrated at trial, as they assume either the participation
16 of all Aggrieved Employees (which would be difficult given the size of this group), or alternatively, the
17 use of surveys or statistical data as a surrogate (which would still require the participation of a majority
18 of Aggrieved Employees to establish a sound representation of all non-exempt employees). (*Id.* at ¶ 27.)
19 The reality is that many, if not all, employees would be unwilling to participate due to fear of retaliation.
20 (*Id.*) However, even assuming those employees would be willing to participate, obtaining such
21 declarations would potentially reveal that each Aggrieved Employee had a different experience. (*Id.*)
22 The individualized nature of their employment experience and the numerosity of employees affected
23 present significant risk with manageability and proof on the merits. (*Id.*)

24 Even as to the regular rate and meal period claims, our analysis found that Defendant's exposure
25 is less than initially believed. (*Id.* at ¶ 28.) While a review of the time and pay records shows a 98.7%
26 violation rate for meal periods, the records also show that nearly each violation was accompanied by a
27 meal waiver. (*Id.*) The records also show that Defendant made some meal premium payments. (*Id.*)
28 Defendant argues that its payment of meal premiums and use of meal waivers indicate that it did not

1 intentionally fail to provide PAGA Employees with meal breaks. (*Id.*) Defendant also argues that many
2 meal breaks were taken and, where a violation appears, it was a result of the Class Member voluntarily
3 choosing to forego a meal period, to take it after the end of the fifth hour, or to stop his or her break early
4 to return to work. (*Id.*) As to the regular rate issue, Plaintiff's expert found that only 4.5% of pay periods
5 included overtime and additional compensation and that only 0.6% of pay periods included sick pay and
6 additional compensation. (*Id.*) Accordingly, to the extent Defendant failed to incorporate any additional
7 remunerations into the regular rate of pay for purposes of paying overtime and sick pay, which Defendant
8 denies, such failure resulted in minimal underpayment to the Aggrieved Employees. (*Id.*) Additionally,
9 the violation rates assume that the bonuses were non-discretionary, which Defendant disputes. (*Id.*)

10 The likelihood that Defendant could assert viable legal defenses would likely further reduce its
11 overall exposure. (*Id.* at ¶ 29.) For example, the individualized and testimony-intensive nature of the
12 claims could bar manageability of this representative action or otherwise significantly reduce Defendant's
13 overall liability. (*Id.*) Further, the maximum exposure analysis involved a claim-by-claim penalty
14 calculation, which is overly optimistic as it presumes Plaintiff would be able to stack the penalties,
15 although penalty stacking is not expressly permitted by PAGA. (*Id.* at ¶ 30.) Rather, without either (i) a
16 prior finding by the LWDA or a court within the past five years that the employer violated PAGA or (ii)
17 evidence that the employer's conduct was malicious, fraudulent, or oppressive, PAGA only provides for
18 a maximum \$100 penalty for each pay period. (Lab. Code § 2699(f)(2)(A)–(B).) Moreover, Plaintiff's
19 Counsel believe it would be unrealistic to expect the Court would award the full (penalty-stacked)
20 exposure given the discretionary nature of awarding penalties and given Defendant's defenses, including
21 that any failure to pay premiums, regular rate wages, or for off-the-clock work was not knowingly or
22 willfully done, and additionally, to the extent employees received wage statements that were allegedly
23 inaccurate, employees suffered no actual resulting damage or harm. (Moon Decl., ¶ 30.) Moreover,
24 awarding the full penalties amount would likely raise Due Process concerns. (*Id.*) For the foregoing
25 reasons, the *realistic* exposure is thus far below the *optimistic* maximum estimate. (*Id.* at ¶ 31.)

26 Based on the foregoing, Plaintiff's Counsel believe it is more reasonable to assess penalties on a
27 \$100.00 civil penalty per pay period basis pursuant to Labor Code § 2699(f)(2)(A) for each of the
28 estimated 4,372 pay periods at issue, as opposed to a claim-by-claim approach. (*Id.* at ¶ 32.)

1 Accordingly, Plaintiff's Counsel estimate Defendant's maximum PAGA exposure to be **\$437,200.00**
2 (\$100.00 x 4,372). (*Id.*) However, based on the discovery, Defendant's arguments at mediation and
3 continued settlement discussions, an understanding that the claims are heavily dependent on the
4 unlikely participation by Aggrieved Employees and their varying employment experience, and other
5 important considerations discussed above, it is reasonable to assume a violation occurred only in at
6 most one-third of all pay periods, which results in a realistic (*risk-adjusted*) exposure of **\$145,733.33**
7 (\$437,200.00 / 3). (*Id.*) As a result, the GSA of \$130,000.00 represents approximately **89%** of the
8 realistic exposure (\$130,000.00 / \$145,733.33). (*Id.*)

9 The proposed Settlement therefore represents a substantial recovery when compared to the
10 reasonably forecasted recovery. (*Id.* at ¶ 33.) When considering the risks of litigation, the uncertainties
11 involved in continued litigation, the burdens of proof necessary to establish liability, and the probability
12 of appeal, it is clear the GSA of \$130,000.00 is within the "ballpark" of reasonableness, and that settlement
13 approval is appropriate. (*Id.*; *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 133; *see*
14 *Munoz v. BCI Coca-Cola Bottling Co. of L.A.* (2010) 186 Cal.App.4th 399, 408–09 [holding that *Kullar*
15 does not require "an explicit statement of the maximum amount the plaintiff class could recover if it
16 prevailed on all its claims," but instead, only an "understanding of the amount that is in controversy and
17 the realistic range of outcomes of the litigation"].)

18 **3. The Settlement Is a Fair and Reasonable Result Following a Thorough Investigation** 19 **and Accounting of Various Litigation Risks**

20 Plaintiff's Counsel have conducted a thorough investigation into the facts of the allegations.
21 (Moon Decl., ¶ 36.) Based on the foregoing discovery and on their own independent investigation and
22 evaluation, Plaintiff's Counsel are of the opinion that the proposed Settlement is fair, reasonable, and
23 adequate. (*Id.*) Furthermore, considering all known facts and circumstances, the risk of significant
24 delay, trial risk, appellate risk, the defenses that could be asserted by Defendant on the merits, the
25 Settlement is in the best interests of the Aggrieved Employees and the State of California. (*Id.*)

26 Although Plaintiff's Counsel believe there is merit to Plaintiff's allegations, they also
27 acknowledge a legitimate controversy exists as to each allegation. (*Id.* at ¶ 37.) Plaintiff's Counsel
28 also recognize that proving the amounts of penalties owed to each Aggrieved Employee would

1 be an expensive, time-consuming, and uncertain proposition. (*Id.*) Moreover, Plaintiff's Counsel
2 are also of the opinion that because the issues here are fairly contested, there is a possibility of
3 the Court not awarding PAGA penalties even if Plaintiff prevailed on the merits due to the
4 largely discretionary nature of awarding PAGA penalties. (*Id.* at ¶ 38.) Indeed, a Court may reduce
5 PAGA penalties "if, based on the facts and circumstances of the particular case, to do otherwise would
6 result in an award that is unjust, arbitrary and oppressive, or confiscatory." (Lab. Code § 2699(e)(2).)
7 In other words, were this matter to go to trial, any award granted would be at the discretion of
8 the Court and subject to a substantial reduction. (Moon Decl., ¶ 38.) While Plaintiff's Counsel
9 believe there would be no persuasive grounds to reduce penalties, they recognize that the Court could
10 determine otherwise and significantly reduce any award of penalties. (*Id.* at ¶ 39.) This wide range of
11 potential recovery and additional delays and risks of trial provide justification to settle for a reasonable
12 amount of recovery at this point in the litigation. (*Id.*) In all, based on the investigation and analysis of
13 the claims in preparation for mediation, the maximum exposure did not comport with the realistic
14 exposure that Defendant faced, as discussed above. (*Id.*)

15 Plaintiff's Counsel took into account the risk of not being able to proceed on a representative
16 basis at all due to the potential manageability issues, the risk of not prevailing at trial, and the risk that
17 even if Plaintiff prevailed at trial, the penalties would be limited due to the largely discretionary nature
18 of awarding PAGA penalties. (*Id.* at ¶ 40.) The provisions of the Labor Code triggering PAGA
19 penalties in this case include Labor Code sections 203, 210, 226, 1197.1, and 2802. (*Id.*) However,
20 PAGA penalties are not mandatory, but rather, permissive. (Lab. Code § 2699(e)(2).) Accordingly,
21 it is entirely possible that even if Plaintiff would be successful at trial, assuming she is first able to
22 win on the merits regarding her individual claims at arbitration and then defeat the manageability
23 issues presented at litigation by the large number of Aggrieved Employees in this action, Plaintiff
24 may still be awarded substantially less than what was obtained through the Settlement. (Moon Decl.,
25 ¶ 40.)

26 The Settlement avoids the significant risks, burdens, and the accompanying expense of further
27 litigation. (*Id.* at ¶ 41.) Though the Parties have engaged in a significant amount of investigation,
28 informal discovery, and employee data analysis, they have not participated in formal discovery

1 procedures, including depositions and expert discovery. (*Id.*) Moreover, Plaintiff would have to
2 proceed with arbitration of her individual claims and win on the merits before proceeding with litigation
3 of the representative PAGA claims. (*Id.*) Preparation for trial and the prospect of appeals in the wake
4 of any summary judgment ruling would remain for the Parties. (*Id.*) As a result, the Parties would incur
5 considerably more attorneys' fees and costs through trial, a lengthy and uncertain process that could
6 result in recovering less than was settled for. (*Id.*)

7 **C. The Representative Payment to Plaintiff is Reasonable and Should Be Approved**

8 Service awards are particularly important to plaintiffs in wage and hour cases because they
9 promote the important public policies underlying the wage and hour laws. This strong policy is codified
10 in California Labor Code section 90.5, which provides, “[i]t is the policy of this state to vigorously
11 enforce minimum labor standards in order to ensure employees are not required or permitted to work
12 under substandard unlawful conditions . . .” (Lab. Code § 90.5.) Nonetheless, the California Supreme
13 Court has noted that “retaliation against employees for asserting statutory rights under the Labor Code
14 is widespread,” despite anti-retaliation statutes designed to protect employees. (*Gentry v. Super. Ct.*
15 (2007) 42 Cal.4th 443, 460–61.) In this context, PAGA representatives should be rewarded for
16 assuming the risk of retaliation for the sake of aggrieved employees.

17 Here, in line with the Settlement and subject to the Court's approval, Plaintiff requests a
18 Representative Payment of \$2,500.00. (Settlement, ¶ III.C.2; Declaration of Plaintiff Sylvia Zamora in
19 Support of Motion for Approval of PAGA Settlement [“Plaintiff Decl.”], ¶ 13.) Plaintiff and her
20 Counsel respectfully submit that the requested enhancement is reasonable in recognition of Plaintiff's
21 role as the named Plaintiff and PAGA Representative, for the risks to future employment inherent in
22 undertaking this role and for her service and participation in litigation that resulted in a fair settlement
23 under PAGA. (Moon Decl., ¶¶ 42–45; Plaintiff Decl., ¶¶ 6–11.)

24 **D. The Requested Attorneys' Fees/Costs Are Reasonable and Should Be Approved**

25 In line with the Settlement, my firm requests an award of attorneys' fees in an amount of
26 one-third of the GSA (i.e., no less than \$45,500.00, subject to potential increase under the
27 escalator clause), plus reimbursement for actual litigation costs in the amount of \$21,490.60.
28 (Moon Decl., ¶ 66; *see* Settlement, ¶ III.C.1.)

1 **1. Plaintiff's Counsel Request an Award of Fees Based on the Common Fund Method**

2 California courts have long awarded attorneys' fees as a percentage of the benefit created by
3 counsel in pursuing claims on behalf of a class. (*See, e.g., Serrano v. Priest* (1977) 20 Cal.3d 25.) The
4 California Supreme Court has held, "when a number of persons are entitled in common to a specific fund,
5 and an action brought by a plaintiff or plaintiffs for the benefit of all results in the creation or preservation
6 of that fund, such plaintiff or plaintiffs may be awarded attorney's fees out of the fund." (*Id.* at p. 34.)

7 Here, Plaintiff's Counsel seek an award of attorneys' fees on the "percentage of recovery/common
8 fund" theory. (Moon Decl., ¶ 67.) The purpose of this approach is to "spread litigation costs
9 proportionately among all the beneficiaries so that the active beneficiary does not bear the entire burden
10 alone." (*Vincent v. Hughes Air W., Inc.* (9th Cir. 1977) 557 F.2d 759, 769.) In *Quinn v. State of Cal.*
11 (1975) 15 Cal.3d 162, the California Supreme Court stated, "one who expends attorneys' fees in winning
12 a suit which creates a fund from which others derive benefits, may require those passive beneficiaries to
13 bear a fair share of the litigation costs." (*Id.* at p. 167.) Similarly, in *City and County of San Francisco v.*
14 *Sweet* (1995) 12 Cal.4th 105, the California Supreme Court recognized that the common fund doctrine
15 has been applied "consistently in California when an action brought by one party creates a fund in which
16 other persons[] are entitled to share." (*Id.* at pp. 110–11 [pincite omitted].) The reasons for applying this
17 doctrine include:

18 fairness to the successful litigant, who might otherwise receive no benefit because his
19 recovery might be consumed by the expenses; correlative prevention of an unfair
20 advantage to the others who are entitled to share in the fund and who should bear their
21 share of the burden of its recovery; encouragement of the attorney for the successful
litigant, who will be more willing to undertake and diligently prosecute proper
litigation for the protection or recovery of the fund if he is assured that he will be
properly and directly compensated should his efforts be successful.

22 (*Id.* at p. 111.)

23 Several courts have expressed frustration with the alternative "lodestar" approach for deciding fee
24 awards, which usually involves wading through voluminous and often indecipherable time records.
25 Commenting on the lodestar approach, Chief Judge Marilyn Hall Patel wrote in *In re Activision Securities*
26 *Litigation* (N.D. Cal. 1989) 723 F.Supp.1373:

27 **This court is compelled to ask, "Is this process necessary?" Under a cost-benefit**
28 **analysis, the answer would be a resounding, "No!"** Not only do the *Lindy* and *Kerr-*
Johnson analyses consume an undue amount of court time with little resulting advantage

1 to anyone, but, in fact, it may be to the detriment of the class members.

2 (*Id.* at p. 1375 [emphasis added].) The percentage approach is preferable to the lodestar because: (1) it
3 aligns the interests of class counsel and absent class members; (2) it encourages efficient resolution of the
4 litigation by providing an incentive for early, yet reasonable, settlement; and (3) it reduces the demands
5 on judicial resources. (*Id.* at pp. 1378–79.) California Courts now routinely use the percentage of the
6 common fund approach to determine the award of attorney’s fees. (*See, e.g., In re Pac. Enter. Sec.*
7 *Litig.* (9th Cir. 1995) 47 F.3d 373, 378–79 [approving attorneys’ fee award of 33%.])

8 **2. The Matter Involves a Fee and Cost Shifting Provision under PAGA**

9 Labor Code section 2699 provides for the recovery reasonable attorney’s fees as well as costs of
10 suit. (Lab. Code § 2699(k)(1).) Specifically, it states: “Any employee who prevails in any [PAGA] action
11 shall be entitled to an award of reasonable attorney’s fees and costs . . .” (*Id.*) Under this provision,
12 Plaintiff would be permitted to recover her actual attorneys’ fees, even if those fees were larger than the
13 total recovery for the Aggrieved Employees at the conclusion of this case. (*Id.*) This fee/cost-shifting
14 provision reflects the understanding that Plaintiff’s Counsel must accept significant risk of substantial
15 expenses and consumption of time, energy, and other resources in litigating a PAGA claim, and thus, that
16 Plaintiff’s Counsel is not only permitted, but entitled, to recover reasonable attorneys’ fees and costs if
17 successful in litigating a PAGA claim.

18 The Settlement at issue is beneficial in that it limits the risk of continued expenses and
19 consumption of time, energy, and resources facing Defendant while at the same time rewarding Plaintiff’s
20 Counsel for their decision to assume risk by taking on this matter. In fact, prosecution of this action
21 involved significant financial risk for Plaintiff’s Counsel who undertook this matter on a contingent basis,
22 with no guarantee of recovery. (Moon Decl., ¶¶ 66–75.) Once Plaintiff’s Counsel undertook this litigation
23 on behalf of the Aggrieved Employees, they committed to pursue it to its conclusion, and were
24 accordingly precluded from focusing on, or taking on, other cases which could have resulted in a
25 larger, and less risky, monetary gain. (*Id.* at ¶ 71.)

26 **3. Counsel’s Experience, Reputation, and Ability Support the Requested Fee Award**

27 As demonstrated by their prior experience in pursuing class and representative actions on behalf
28

1 of employees, Plaintiff's Counsel possess considerable expertise in litigating class action and
2 representative matters. (*Id.* at ¶¶ 46–61.) Plaintiff's Counsel have been involved as lead counsel or co-
3 counsel in a multitude of class and representative actions resulting in beneficial results to class members
4 and aggrieved employees in California. (*Id.*) Because it is reasonable to compensate Plaintiff's Counsel
5 commensurate with their skill, reputation, and experience, the requested fee award is supported here.

6 Plaintiff's Counsel's experience in wage-and-hour class and representative actions was integral
7 in evaluating the strengths and weaknesses of the case against Defendant and the reasonableness of this
8 Settlement. (*Id.* at ¶ 62.) Practice in the narrow field of wage-and-hour litigation requires skill and
9 knowledge concerning the rapidly evolving substantive law (state and federal), as well as the procedural
10 law of representative action litigation. (*Id.* at ¶ 60.) Based on these and other factors, Plaintiff's Counsel
11 have frequently received fee awards of this percentage from the gross recovery for aggrieved employees.
12 (*See id.* at ¶¶ 50, 55.) Thus, the requested fee award is reasonable and fair.

13 **4. While the Lodestar Method Is Not Necessary in Common Fund Cases, the Court May**
14 **Perform a Cross-Check to Award Fees**

15 “Despite its primacy, the lodestar method is not necessarily utilized in common fund cases.”
16 (*Lealao v. Beneficial Cal., Inc.* (2000) 82 Cal.App.4th 19, 27.) Courts have criticized the lodestar
17 method as a drain on the judicial system and a disincentive on attorneys to take on high-risk, challenging
18 cases. (*Id.* at p. 29.) Indeed, the lodestar approach: “(1) ‘increases the workload of an already overtaxed
19 judicial system,’ (2) is ‘insufficiently objective and produce[s] results that are far from homogenous,’ (3)
20 ‘creates a sense of mathematical precision that is unwarranted in terms of the realities of the practice of
21 law,’ (4) ‘is subject to manipulation by judges who prefer to calibrate fees in terms of percentages of the
22 settlement fund or the amounts recovered by the plaintiffs or of an overall dollar amount,’ (5) ‘encourages
23 lawyers to expend excessive hours, and . . . engage in duplicative and unjustified work,’ (6) ‘creates a
24 disincentive for the early settlement of cases,’ (7) deprives trial courts of ‘flexibility to reward or deter
25 lawyers so that desirable objectives, such as early settlement, will be fostered,’ (8) ‘works to the particular
26 disadvantage of the public interest bar,’ and (9) results in ‘confusion and lack of predictability.’” (*Id.*
27 [quoting Third Circuit Task Force, *Court Awarded Attorney Fees* (1985) 108 F.R.D. 237, 246–
28 49].)

1 Although California Courts support the common fund doctrine, the lodestar method can be used
2 to cross-check fee awards. “It may be appropriate in some cases, assuming the class benefit can be
3 monetized with a reasonable degree of certainty, to ‘cross-check’ or adjust the lodestar in comparison to
4 a percentage of the common fund to ensure that the fee awarded is reasonable and within the range of
5 fees freely negotiated in the legal marketplace in comparable litigation.” (*In re Consumer Privacy*
6 *Cases* (2009) 175 Cal.App.4th 545, 557 [quoting *Lealao, supra*, 82 Cal.App.4th at pp. 49–50].)
7 Applying the lodestar method is a two-step process. The first step is to multiply the number of hours
8 reasonably expended by a reasonable hourly rate, and the second step is to apply a multiplier to the
9 lodestar to account for various factors. (*Id.* at p. 556.) “The purpose of such adjustment is to fix a fee at
10 the fair market value for the particular action. In effect, the court determines, retrospectively, whether the
11 litigation involved a contingent risk or required extraordinary legal skill justifying augmentation of the
12 unadorned lodestar in order to approximate the fair market rate for such services.” (*Id.*) “Under certain
13 circumstances, a lodestar calculation may be enhanced on the basis of a percentage-of-the-benefit
14 analysis.” (*Id.* at pp. 556–57.)

15 Further, “California case law permits fee awards in the absence of detailed time sheets.”
16 (*Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 255.) The Court “should defer to
17 the winning lawyer’s professional judgment as to how much time he was required to spend on
18 the case.” (*Moreno v. City of Sacramento* (9th Cir. 2008) 534 F.3d 1106, 1112.) Generally, hours
19 are reasonable if they were “reasonably expended in pursuit of the ultimate result achieved in
20 the same manner that an attorney traditionally is compensated by a fee-paying client.” (*Hensley*
21 *v. Eckerhart* (1983) 461 U.S. 424, 431.)

22 Here, Plaintiff’s Counsel current lodestar is *no less than* **\$68,165.00**, which is based on *no less*
23 *than* **86.3 hours** of attorney time spent to-date at their customary hourly rates. (Moon Decl., ¶ 68.) Thus,
24 in comparison to this lodestar, although application of a positive multiplier would be warranted in this
25 case, none is requested. (*Id.* at ¶¶ 70-71.) In other words, Plaintiff’s Counsel are requesting less than what
26 they are reasonably entitled to. Further, the foregoing lodestar does not reflect additional works that will
27 be devoted to this litigation, including to obtain and monitor approval of the Settlement and
28 requested awards, oversee the settlement administration process and distribution of funds,

1 respond to inquiries, and communicate with Plaintiff regarding the case. (*Id.* at ¶ 69.) The amount
2 of fees requested under the Settlement is warranted based on the contingent risk that Plaintiff's Counsel
3 incurred, the difficulty of the questions involved, the substantial benefit conferred on the Aggrieved
4 Employees and State of California as a result of the Settlement, and the skill displayed by Plaintiff's
5 Counsel. (*Id.* at ¶ 71.) Plaintiff's Counsel also bear the risk of taking whatever actions are necessary if
6 Defendant fails to pay. (*Id.* at ¶ 69.) Thus, the request for attorneys' fees is more than reasonable under
7 a lodestar check.

8 **5. Plaintiff's Counsel's Costs Were Actually and Reasonably Incurred**

9 Winning counsel are entitled to recover the out-of-pocket costs and expenses they
10 reasonably incurred in investigating, prosecuting, and settling a case. (*Staton v. Boeing Co.* (9th
11 Cir. 2003) 327 F.3d 938, 974; Lab. Code § 2699(k)(1).) Here, Plaintiff's Counsel seek
12 reimbursement in the total amount of \$21,490.60 for expenses that were actually and reasonably
13 incurred in this litigation. (Moon Decl., ¶ 76, Ex. 4.) Moreover, this amount is below the
14 maximum allocation under the Settlement and thus, the remainder (\$3,509.40) will revert to the
15 PAGA Penalties. (*Id.* at ¶ 77; Settlement, ¶ III.C.1.) Thus, costs should be reimbursed in full.

16 **IV. CONCLUSION**

17 For the foregoing reasons, Plaintiff respectfully requests the Court grant approval of the
18 Settlement and enter the proposed approval order and proposed judgment submitted herewith.

19 Respectfully submitted,

20 DATED: March 25, 2026

MOON LAW GROUP, PC

21 By: _____
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