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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES – SPRING STREET COURTHOUSE

JESLYN BARRIOS, and KARINA ZAYAS, individually, and on behalf of the State of California and other aggrieved persons,

Plaintiffs,

v.

TRI-STATE COMMUNITY HEALTHCARE CENTER, a California corporation; and DOES 1 through 50, inclusive,

Defendants.

Case No.: 24STCV28332

[Assigned for All Purposes to the Hon. Samantha Jessner, Dept. 7]

PLAINTIFFS' NOTICE OF MOTION AND MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT; MEMORANDUM OF POINTS AND AUTHORITIES

Preliminary Approval Hearing:
Date: January 23, 2026
Time: 11:00 a.m.
Dept: 7

Action Filed: October 29, 2024

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on January 23, 2026, at 11:00 a.m., or as soon thereafter as the matter may be heard in Department 7 of the above-entitled Court, located 312 North Spring Street, Los Angeles, California 90012, Plaintiffs Jeslyn Barrios and Karina Zayas (collectively "Plaintiffs") will and hereby do move this Court for an Order:

1. Granting preliminary approval of the proposed Class Action and PAGA Settlement Agreement ("Settlement");
2. Conditionally certifying the proposed Class for settlement purposes only;
3. Appointing Plaintiffs as the Class Representatives;
4. Appointing Wilshire Law Firm, PLC and Yoon Law, APC as Class Counsel;
5. Appointing Phoenix Settlement Administrators, Inc. as the Settlement Administrator; and
6. Setting a final approval hearing date.

Pursuant to California Rules of Court, Rule 3.769(d) and (e), this Motion is made on the grounds that the proposed Settlement satisfies all criteria for preliminary approval and falls well within the range of reasonableness. The Settlement was reached through informed, arm's length bargaining between experienced attorneys with the assistance of an experienced neutral, and Plaintiffs and Plaintiffs' Counsel will fairly and adequately represent the Class.

This Motion is based on this Notice of Motion, the accompanying Memorandum of Points and Authorities, the Declaration of John G. Yslas, the Declaration of Kenneth H. Yoon, the Declaration of Jeslyn Barrios, the Declaration of Karina Zayas, and on all records and documents on file, together with such oral and documentary evidence that may be presented at the hearing on this matter.

Dated: September 4, 2025 **WILSHIRE LAW FIRM, PLC**

By: /s/ Courtney M. Miller
Courtney M. Miller
Attorneys for Plaintiff Karina Zayas

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I. INTRODUCTION

Pursuant to California Rules of Court, Rule 3.769(d) and (e), Plaintiffs seek preliminary approval of the Parties' Class Action and PAGA Settlement Agreement ("Settlement Agreement"), resolving the wage and hour claims, including a representative claim brought under the Private Attorneys General Act of 2004 ("PAGA"), against Defendant Tri-State Community Healthcare Center ("Defendant"). The proposed Class is defined as all persons who worked for any Defendant in California as an hourly-paid or non-exempt employee ("Class Members") during the Class Period of July 5, 2018 to the date the Court grants preliminary approval of the Settlement ("Class Period"). The main terms of the Settlement are as follows:

1. A Gross Settlement Amount of $735,000.00, which will be distributed to approximately 520 Class Members on a pro rata basis according to the total workweeks worked by each Class Member during the Class Period;
2. Attorneys' fees of up to one-third of the Gross Settlement Amount ($245,000.00) and in reimbursement of litigation costs to Plaintiffs' Counsel up to $35,000.00;
3. Class Representative Service Payments of up to $15,000.00 to each Plaintiff;
4. Costs of settlement administration of up to $10,000.00; and
5. Allocation of $50,000.00 to PAGA penalties, seventy-five percent (65%) of which ($32,500.00) will be paid to the Labor and Workforce Development Agency ("LWDA"), and twenty-five percent (35%) of which ($17,500.00) will be paid to all current and former non-exempt, hourly paid employees who worked for Defendant in California at any time during the PAGA Period.

The Settlement meets all criteria for preliminary approval and falls within the range of reasonableness given the risks and expenses of further litigation. The Settlement was reached through informed, arm's length bargaining between experienced attorneys with the assistance of an experienced neutral. As such, Plaintiffs request that the Court grant preliminary approval of the Settlement, conditionally certify the Class for settlement purposes only, appoint Plaintiffs as the Class Representatives, appoint Plaintiffs' Counsel as Class Counsel, appoint Phoenix Settlement

Administrators Inc. ("Phoenix") as the Settlement Administrator, authorize the Settlement Administrator to administer notice of the Settlement to the Class, and set a final approval hearing date.

II. PROCEDURAL HISTORY

On May 22, 2024, plaintiff Karina Zayas filed a putative class action against Defendant alleging: (1) failure to pay minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay final wages at termination; (6) failure to provide accurate itemized wage statements; (7) failure to indemnify employees for expenditures; (8) failure to produce requested employment records; and (8) unfair business practices. Declaration of John G. Yslas in Support of Plaintiffs' Motion for Preliminary Approval of Class Action and PAGA Settlement ("Yslas Decl.") at ¶ 3.

On May 22, 2024, plaintiff Karina Zayas gave written notice to the Labor and Workforce Development Agency ("LWDA") and Defendant of the specific provisions of the Labor Code alleged to have been violated, including the facts and theories in support. *Id.* at ¶ 4, Exhibit 3. On October 18, 2024, plaintiff Jeslyn Barrios gave written notice to the Labor and Workforce Development Agency ("LWDA") and Defendant of the specific provisions of the Labor Code alleged to have been violated, including the facts and theories in support. *Id*. at ¶ 4, Exhibit 4. The LWDA did not notify Plaintiffs that it intended to investigate. *Id.* at ¶ 4. Therefore, on July 26, 2024, plaintiff Karina Zayas filed a PAGA Action Complaint against Defendant seeking civil penalties pursuant to Labor Code § 2699, *et seq*., Los Angeles Superior Court Case No. 24STCV18829. *Id.* at ¶ 4. On October 29, 2024, plaintiff Jeslyn Barrios filed a putative class action against Defendant for (1) violation of Labor Code §§ 226.7 and 512; (2) violation of Labor Code §§ 1194 and 510; (3) violation of Labor Code § 227.3; (4) violation of Labor Code § 226; (5) violation of Labor Code §§201-204; and (6) unfair business practices ("Instant Action"). *Id.* at ¶ 4. On or about January 10, 2025, plaintiff Jeslyn Barrios filed a First Amended Complaint adding a cause of action for civil penalties under PAGA. *Id.* at ¶ 4. On July 17, 2025, Plaintiffs filed a Second Amended Complaint in the Instant Action, effectively consolidating their claims in one action. *Id.* at ¶ 4.

The Parties subsequently participated in a private mediation with mediator Steven G. Mehta on March 25, 2025. Yslas Decl. at ¶ 5. The Parties did not reach an agreement to settle that day. *Id*. at ¶ 5. With the help of the mediator, the parties were able to ultimately reach an agreement as to settlement terms. *Id*. at ¶ 5. The negotiations were adversarial, conducted at arm's length, and tempered by the efforts of both sides to serve the interests of their clients. *Id.* at ¶ 5. The Parties negotiated the terms of the Settlement over the next several months, which was finalized in August 2025. *Id*. at ¶ 6, Exhibit 1 ("Settlement Agreement"). On September 4, 2025, Plaintiffs submitted a copy of the Settlement Agreement to the LWDA. Yslas Decl. at ¶ 7, Exhibit 2.

III. SUMMARY OF THE SETTLEMENT TERMS

A. Terms of the Proposed Settlement

The Parties have agreed to settle the claims alleged in this case for a Gross Settlement Amount of $735,000.00. Settlement Agreement at § 1.23. Subject to Court approval, the following payments will be deducted from the Gross Settlement Amount: (1) class representative service payments of up to $15,000.00 to each Plaintiff; (2) attorneys' fees of up to one-third (1/3) of the Gross Settlement Amount ($245,000.00) and reimbursement of actual litigation costs to Plaintiffs' Counsel currently estimated not to exceed $35,000.00; (3) costs of settlement administration of up to $10,000.00 to the administrator; and (4) PAGA penalties in the amount of $50,000.00, which will be allocated 65% to the LWDA ($32,500.00) and 35% to Aggrieved Employees ($17,500.00). Settlement Agreement at § 3.2 After all requested deductions are made, the remaining Net Settlement Amount is currently estimated to be $395,000.00, which is an average of $759.62 per Class Member. Yslas Decl. at ¶ 8.

Individual Class Payments will be calculated by dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period then multiplying the result by each Participating Class Member's Workweeks. Settlement Agreement at § 3.2.4. For tax purposes, the Individual Class Payments will be allocated 20% to wages and 80% to penalties and interest. Settlement Agreement at § 3.2.4.1. Defendant will separately pay any and all employer payroll taxes owed on the wage portions of the Individual Class Payments separate from the Gross Settlement Amount. Settlement Agreement at § 3.1.

Individual PAGA Payments to Aggrieved Employees will be calculated by dividing the Aggrieved Employees' 35% share of PAGA Penalties ($17,500.00) by the total number of PAGA Pay Periods worked by all Aggrieved Employees then multiplying the result by each Aggrieved Employee's PAGA Pay Periods. Settlement Agreement at § 3.2.5.1. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment. *Id*.

Any deductions not approved by the Court will be retained by the Settlement Administrator in the Net Settlement Amount. *See* Settlement Agreement at § 3.2. Funds from any uncashed checks will be transmitted by the Settlement Administrator to the California Controller's Unclaimed Property Fund in the name of the Class Member, thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b). Settlement Agreement at § 4.3.3. None of the Gross Settlement Amount will revert to Defendant. Settlement Agreement at § 3.1.

B. Proposed Settlement Administration

The Parties' proposed Class Notice complies with the requirements of California Rules of Court, Rule 3.766(d). *See* Exhibit A and Exhibit B to Settlement Agreement. It provides information regarding the nature of this lawsuit, a summary of the settlement terms, the formula used for calculating individual class and PAGA payments and instructions to dispute the calculations, instructions on how to opt-out of or object to the Settlement, the date, time, and location of the final approval hearing, and the amounts sought for the class representative service payment, attorneys' fees and litigation costs, and settlement administration costs. *See generally, id*. The Class Notice also notifies Class Members that they do not need to submit a claim to participate in the Settlement and receive a payment. *See id*. The Settlement Administrator will mail Class Members the summary Class Notice with Spanish translation by first-class mail. Settlement Agreement at § 8.4.1. The summary Class Notice shall include the Administrator's website which will have available the full version of the Class Notice with Spanish translation. *Id*.

If a Class Notice is returned as undeliverable, the Settlement Administrator will re-mail the Class Notice using any forwarding address provided by the U.S. Postal Service. Settlement Agreement at § 8.4.2. If no forwarding address is provided, the Settlement Administrator will conduct a Class Member Address Search and re-mail the Class Notice to the most current address obtained. *Id.* The deadline to opt-out of the Settlement or to submit an objection or dispute will be extended by an additional fourteen (14) days for all Class Members whose Class Notice was remailed. Settlement Agreement at § 8.4.3.

C. Proposed Release

Release of Settled Class Claims: "All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint. Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation or claims based on facts occurring outside the Class Period." Settlement Agreement at § 5.2.

Release of Settled PAGA Claims: "All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the Operative Complaint, and the PAGA Notices during the PAGA Period." Settlement Agreement at § 5.3.

IV. THE PROPOSED SETTLEMENT AGREEMENT MEETS ALL CRITERIA FOR PRELIMINARY APPROVAL

A. Provisional Certification of the Class is Appropriate

Class certification is appropriate when there is: (1) an ascertainable and sufficiently numerous class; (2) a well-defined community of interest among class members; and (3) substantial benefits from certification that render proceeding as a class superior to the alternatives. *Brinker Restaurant Corp. v. Superior Court*, 53 Cal.4th 1004, 1021 (2012). Although courts still need to review and consider each element for certification, a lesser standard can be used to provisionally certify a settlement class. *Global Minerals & Metals Corp. v. Superior Court*, 113 Cal.App.4th

836, 859 (2003).

1. The Proposed Class is Numerous and Ascertainable

"Ascertainability" is determined by examining the class definition and the size of the class, and may also involve examining the means available to identify class members. *Noel v. Thrifty Payless, Inc.*, 7 Cal.5th 955, 980-981, 985-986 (2019). As the settlement eliminates the need for trial, "the case management issues inherent in the ascertainable class determination need not be confronted." *Global Minerals*, 113 Cal.App.4th at 859. Further, under California law, there is no minimum number of class members for maintenance of a class action. *Hendershot v. Ready to Roll Transp., Inc.*, 228 Cal.App.4th 1213, 1222 (2014). Class sizes as small as 10 have been permitted. *Rose v. City of Hayward*, 126 Cal.App.3d 926, 934 (1981), disapproved on other grounds by *Noel*, 7 Cal.5th at 986.

The Class here consists of current and former non-exempt employees of Defendant in California during the Class Period of May 22, 2020, through May 27, 2025. *See* Settlement Agreement at §§ 1.5 & 1.12. The Class is also readily ascertainable from Defendant's business records, because all Class Members are or were employees of Defendant. Yslas Decl. at ¶ 10. Defendant's records show there are approximately 520 Class Members, making joinder of all Class Members impracticable. *Id*.

2. A Well-Defined Community of Interest Exists

The community of interest requirement embodies three factors: (1) predominant common questions of law or fact; (2) class representatives with claims or defenses typical of the class; and (3) class representatives who can adequately represent the class. *Brinker*, 53 Cal.4th at 1021.

a. <u>Common Questions Predominate</u>

In determining whether common issues "predominate," courts consider both plaintiff's legal theories and defendant's affirmative defenses. *Duran v. U.S. Bank Nat'l Ass'n*, 59 Cal.4th 1, 28-29 (2014). The "predominate common questions" factor does not require that all class members have identical claims. *Ayala v. Antelope Valley Newspapers, Inc.*, 59 Cal.4th 522, 530 (2014). Rather, the focus is on whether issues shared by the class members are sufficiently uniform to permit class-wide assessment, and whether individual variations in proof on those issues are manageable. *Id.*

Plaintiffs have alleged that Defendant maintained common employment policies and/or practices that unlawfully deprived Class Members of wages, meal periods, rest periods, reimbursements for business expenses, accurate wage statements, and timely payment of wages upon separation of employment. Yslas Decl. at ¶ 11. These allegations present common factual and legal questions of, *inter alia*, whether Defendant applied the same scheduling, timekeeping, pay, meal period, rest period, and reimbursement policies to all Class Members, whether these policies and practices resulted in Labor Code violations, whether Defendant's conduct was intentional, and whether Class Members are entitled to damages and/or penalties. *Id*. These common questions could be resolved using Class Members' time records, payroll records, testimony from Defendant's designated representative(s), and Class Members' testimony. *Id*. Therefore, the Court can and should exercise its discretion to grant conditional class certification for settlement purposes.

b. <u>Plaintiffs are Typical of the Class</u>

Typicality does not require that the representative plaintiff's claims and those of the class members be identical or perfectly aligned. *Wershba v. Apple Computer, Inc.*, 91 Cal.App.4th 224, 228 (2001), disapproved on other grounds by *Hernandez v. Restoration Hardware, Inc.*, 4 Cal.5th 260, 269-280 (2018). Typicality does not require that a plaintiff's claims be identical to those of other class members, only that their claims and the defenses applicable to them are sufficiently similar to those of other class members that a named plaintiff is able to adequately represent the class and focus on common issues. *Medrazo v. Honda of North Hollywood*, 166 Cal.App.4th 89, 99 (2008).

Plaintiffs have alleged that they and Class Members were employed by the same Defendant and injured by Defendant's common wage and hour policies and practices, including Defendant's scheduling, timekeeping, pay, meal period, rest period, and reimbursement policies. *See* Yslas Decl. at ¶ 11. Through informal discovery, including the production of documents by Defendant, Plaintiffs confirmed that these challenged policies and practices applied to Plaintiffs as well as Class Members. *See id.* at ¶ 9. Therefore, Plaintiffs' claims and Class Members' claims arise from the same challenged employment policies and practices and are based on the same legal theories.

c. <u>Plaintiffs and Plaintiffs' Counsel Will Adequately Represent the Class</u>

Certification requires adequacy of both the proposed class representative and of the proposed class counsel. Cal. Code Civ. Proc. § 382. "Only a conflict that goes to the very subject matter of the litigation will defeat a party's claim of representative status." *Richmond v. Dart Industries*, 29 Cal.3d 462, 470 (1981). Only conflicts that are "irreconcilable" can defeat adequacy. *Nat'l Solar Equip. Owners' Ass'n v. Grumman Corp.*, 235 Cal.App.3d 1273, 1286 (1991). The proposed class representatives and proposed Class Counsel present no such conflict.

Plaintiffs' interests are coextensive with Class Members' interests. Declaration of Karina Zayas in Support of Plaintiffs' Motion for Preliminary Approval ("Zayas Decl.") at ¶¶ 2-4, 7; Declaration of Jeslyn Barrios in Support of Motion for Plaintiffs' Preliminary Approval ("Barrios Decl.") at ¶¶ 2-8. Plaintiffs have demonstrated an ability to advocate for the interests of Class Members by initiating this lawsuit, providing information to their attorneys, keeping in regular contact with their attorneys, making themselves available on the day of mediation/attending mediation and meeting with their attorneys to understand the claims and theories of liability at issue, and reviewing the proposed Settlement. Zayas Decl. at ¶ 7; Barrios Decl. at ¶¶ 7-13.

Likewise, Class Counsel have expended considerable time and effort on this case and will continue to do so through final approval. *See generally*, Yslas Decl. and the Declaration of Kenneth H. Yoon in Support of Plaintiffs' Motion for Preliminary Approval of Class Action and PAGA Settlement ("Yoon Decl."). Therefore, Plaintiffs should be appointed Class Representatives, and their counsel should be appointed Class Counsel.

3. A Class Action is Superior to a Multitude of Individual Lawsuits

Courts have held that class treatment of wage and hour claims is clearly "superior to the other available methods for the fair and efficient adjudication of the controversy." *Dean Witter Reynolds, Inc. v. Superior Court*, 211 Cal.App.3d 758, 772-773 (1989). This is so because "[p]ublic policy has long favored the 'full and prompt payment of wages due an employee.'" *Sav-On Drug Stores, Inc. v. Superior Court*, 34 Cal.4th 319, 340 (2004). Here, a class action is superior to a multitude of individual lawsuits. Given the size and amount of each Class Members' claim, Class Members have little incentive to litigate their claims on an individual basis because the out-of-pocket expenses and personal commitment necessary to litigate each claim likely outweigh any potential recovery. Yslas Decl. at ¶ 10. Therefore, a class action is the superior method for seeking relief.

B. The Settlement Meets the Standards for Preliminary Approval

The moving party must demonstrate that "the settlement is fair, adequate and reasonable." *Kullar v. Foot Locker Retail, Inc.*, 168 Cal.App.4th 116, 126 (2008). "In determining whether a class settlement is fair, adequate, and reasonable, the trial court should consider relevant factors, such as the strength of plaintiffs' case, the risk, expense, complexity and likely duration of further litigation, the risk of maintaining class action status through trial, the amount offered in settlement, the extent of discovery completed and the stage of the proceedings, the experience and views of counsel, the presence of a governmental participant, and the reaction of the class members to the proposed settlement." *Wershba*, 91 Cal.App.4th at 244-245 (internal quotations and citations omitted).

1. The Settlement is Entitled to a Presumption of Fairness

A settlement is entitled to "a presumption of fairness . . . where: (1) the settlement is reached through arm's length bargaining; (2) investigation and discovery are sufficient to allow counsel and the court to act intelligently; (3) counsel is experienced in similar litigation; and (4) the percentage of objectors is small." *Dunk v. Ford Motor Co.*, 48 Cal.App.4th 1794, 1801 (1996). The Settlement here satisfies the first three factors. Plaintiffs will analyze the fourth factor at final approval after Class Members have been notified of the Settlement and provided with an opportunity to object.

a. <u>The Settlement is the Result of Arm's Length Negotiation</u>

Courts have recognized that the involvement of a respected mediator provides a high degree of assurance that the settlement is the result of arm's length bargaining. *See Chavez v. Netflix, Inc.*, 162 Cal.App.4th 43, 52-53 (2008). The Settlement in this matter was achieved with the assistance of a respected mediator following a full day of mediation. Yslas Decl. at ¶ 5. The negotiations were adversarial, conducted at arm's length, and tempered by the efforts of both sides to serve the interests of their clients. *Id.*

b. Sufficient Investigation and Discovery Have Been Conducted

Prior to attending mediation, Plaintiffs' Counsel thoroughly investigated the claims, applicable laws, and potential defenses. *Id.* at ¶ 9. Plaintiffs' Counsel assessed the value to the class claims using the documents and data Defendant produced in informal discovery, including employment handbooks and policies, and a random sampling of time and payroll records. *Id.*

c. Plaintiffs' Counsel is Experienced in Similar Litigation

Plaintiff Karina Zayas is represented by Wilshire Law Firm, PLC and plaintiff Jeslyn Barrios is represented by Yoon Law, APC. *Id.* at ¶ 19. Wilshire Law Firm, PLC has extensive experience litigating wage and hour class actions on behalf of employees. *See id.* at ¶¶ 20-31. Wilshire Law Firm, PLC has been involved as counsel in numerous class actions that have resulted in millions of dollars in recovery. *See id.* Yoon Law, APC has extensive experience litigating wage and hour class actions on behalf of employees. *See* Yoon Decl. at ¶¶ 5-9. Yoon Law, APC has been involved as counsel in numerous class actions that have resulted in millions of dollars in recovery. *See id.*

2. The Settlement is Reasonable Given the Strengths of Plaintiffs' Claims and the Risks and Expense of Further Litigation

A settlement does not have to provide 100% of the damages sought to be considered fair and reasonable. *See Rebney v. Wells Fargo Bank*, 220 Cal.App.3d 1117, 1139 (1991). Although the exposure Plaintiffs' Counsel calculated is substantial, the various risks at succeeding at class certification and through trial affected the valuation of the claims for settlement purposes. Yslas Decl. at ¶ 12.

Minimum and Overtime Wages: Plaintiffs' unpaid minimum and overtime wage claims were based on the allegation that Defendant required Class Members to perform work duties off-the-clock. *Id.* at ¶ 13. Based on Plaintiffs' conservative estimate that they each worked a total of 1 hour off-the-clock each week, Plaintiffs' Counsel assumed each Class Member worked 1 hour off-the-clock per week at the overtime rate of pay in calculating potential exposure to be approximately

$1,242,171.90 for these claims. *Id.* However, Defendant argued that any off-the-clock time was undocumented and unknown to Defendant, and that Defendant was therefore not obligated to pay for this time. *Id.* Because this claim would have relied heavily on Class Member testimony and would not be evidenced in Defendant's time and payroll records, the risk of succeeding at class certification was substantial. *Id.* Accordingly, Plaintiffs' Counsel applied a risk discount based on a 40% chance of succeeding at class certification and a 40% chance of succeeding at trial on the merits, yielding a realistic damage estimate of approximately $198,747.50 ($1,242,171.90 x 40% x 40%), or 24.07% of the Gross Settlement Amount. *Id.*

<u>Meal Periods</u>: Plaintiffs' meal period claim was based on the allegation that Defendant failed to provide Class Members with legally compliant meal periods or pay meal period premiums in lieu thereof. *Id*. at 14. Plaintiffs' Counsel found a violation rate of approximately 19.3% in Defendant's time and payroll records and calculated potential exposure on this claim to be approximately $775,423.76. *Id.* However, Defendant argued that Class Members signed meal period waivers. *Id.* Accordingly, Plaintiffs' Counsel applied a risk discount based on a 50% chance of succeeding at class certification and a 40% chance of succeeding at trial on the merits, yielding a realistic damage estimate of approximately $155,084.75 ($775,423.76 x 50% x 40%), or 18.78% of the Gross Settlement Amount. *Id.*

<u>Rest Periods</u>: Plaintiffs' rest period claim was based on the allegation that Defendant failed to provide Class Members with legally compliant rest periods or pay rest period premiums in lieu thereof. *Id.* at ¶ 15. Plaintiffs' Counsel applied a 100% violation rate to all shifts of 3.5 hours or more and calculated a potential exposure of $4,170,763.44 for this claim. *Id.* However, Defendant argued that a 100% violation rate was unrealistic. *Id.* Because this claim would have relied exclusively on Class Member testimony, Plaintiffs' Counsel applied a risk discount based on a 30% chance of succeeding at class certification and a 20% chance of succeeding at trial on the merits, yielding a realistic damage estimate of approximately $250,245.81 ($4,170,763.44 x 30% x 20%), or 30.31% of the Gross Settlement Amount. *Id.*

<u>Reimbursements</u>: Plaintiffs' reimbursement claim was based on the allegation that Defendant required Class Members to purchase their own scrubs and to use their personal cell

phones to communicate with Defendant. *Id.* at 16. Based on Plaintiffs' estimate that they incurred approximately $30 in unreimbursed expenses per month, Plaintiffs' Counsel assumed each Class Member incurred $30 in unreimbursed expenses per month in calculating potential exposure to be approximately $182,887.50 for this claim. *Id*. However, Defendant argued that these expenses were not required by Defendant, and that it could not have known that these expenses were being incurred. *Id.* Accordingly, Plaintiffs' Counsel applied a risk discount based on a 30% chance of succeeding at class certification and a 30% chance of succeeding at trial on the merits, yielding a realistic damage estimate of approximately $16,459.88 ($182,887.50 x 30% x 30%), or 1.99% of the Gross Settlement Amount. *Id.*

<u>Derivative Penalties</u>: Plaintiffs alleged that as a result of Defendant's alleged failure to pay all wages and meal and rest period premiums owed, Defendant owed waiting time penalties and wage statement penalties. *Id.* at 17. However, Defendant argued that it had good faith defenses that made the imposition of these penalties unwarranted. *Id.* Moreover, Plaintiffs could not recover these penalties if they failed to prove the underlying claims. *Id.* Plaintiffs' Counsel calculated that potential exposure for the waiting time penalty claim was approximately $2,583,574.92 (30 days per employee at 7.90 hours per day, based on the average hours per shift and 321 former employees in the relevant statutory time frame), and approximately $835,450.00 for the wage statement penalty claim ($50 for the first violations and $100 for subsequent violations, with a $4,000 employee maximum, based on 349 employees and 8,529 pay periods in the relevant statutory time frame). *Id.* However, considering that the underlying claims are realistically estimated to be $620,537.94, such a disproportionate award would also raise due process concerns. *Id.* As such, Plaintiffs discounted the figure to account for the risk and uncertainty of prevailing at trial, resulting in a realistic evaluation of $155,014.50 ($2,583,574.92 x 30% x 20%) for waiting time penalty claims, or 18.77% of the Gross Settlement Amount and $50,127.00 ($835,450.00 x 30% x 20%) for wage statement penalty claims, or 6.07% of the Gross Settlement Amount. *Id.*

<u>PAGA</u>: For the PAGA claim, Plaintiffs' Counsel determined that Defendant's potential exposure could potentially reach $770,500.00, assuming the initial $100 penalty would apply for each of the 7,705 pay periods in the PAGA Period. *Id*. at 18. However, even assuming success on

the merits of each claim, PAGA gives the Court discretion to reduce penalties for a variety of reasons, including whether the amount of the award would be unjust, arbitrary and oppressive, or confiscatory. *Id.* As such, Plaintiffs allocated $50,000.00 of the Gross Settlement Amount to settle the PAGA claims, or 6.8% of the Gross Settlement Amount. *Id.*

C. The Requested Service Payment is Reasonable

Plaintiffs seek a Class Representative Service Payment of up to $15,000.00 each for accepting the responsibilities of representing the interests of the Class and potential costs that were not borne by any other Class Member. Settlement Agreement at § 3.2.1. A named plaintiff is eligible for payment that reasonably compensates her for undertaking and fulfilling a fiduciary duty to represent absent class members. *See Cellphone Termination Fee Cases*, 186 Cal.App.4th 1380, 1393 (2010); *Bell v. Farmers Ins. Exch.*, 115 Cal.App.4th 715, 726 (2004).

Throughout this case, Plaintiffs assisted counsel in providing information necessary to prosecute the claims, maintained regular contact with counsel, and reviewed the Settlement to ensure it was fair to the Class. Zayas Decl. at ¶ 7; Barrios Decl. at ¶ 13. No action would likely have been taken by Class Members individually and no compensation would have been recovered for them, but for Plaintiffs' services on behalf of the Class. By actively pursuing this action, Plaintiffs furthered the California public policy goal of enforcing the State's wage and hour laws. *See Sav-On*, 34 Cal.4th at 340. The requested Class Representative Service Payments are reasonable and should be preliminarily approved. Plaintiff Zayas has provided a declaration regarding her work performed to date and will provide additional information as requested or required by the Court at final approval. Plaintiff Barrios will provide a declaration regarding her work performed through and to the date she files her declaration in support of her requested enhancement and this settlement as part of final approval, assuming the Court grants preliminary approval.

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D. The Requested Attorneys' Fees and Costs Are Reasonable

The purpose of an attorneys' fee award in class action litigation is to reward counsel who invested in a case despite the risk of non-payment and achieved a substantial positive result for the class. California courts routinely award attorneys' fees equaling one-third or more of the potential value of the common fund. *See Chavez*, 162 Cal.App.4th at 66, fn. 11 ("Empirical studies show that, regardless of whether the percentage method or the lodestar method is used, fee awards in class actions average around one-third of the recovery.").

Plaintiffs seek appointment of Wilshire Law Firm, PLC and Yoon Law, APC as Class Counsel. The attorneys performed significant work and expended litigation costs in prosecuting this matter with no guarantee of payment. Yslas Decl. at ¶ 19; Yoon Decl. at ¶ 11. Plaintiffs' Counsel seeks preliminary approval for $245,000.00 in attorneys' fees, which is one-third (1/3) of the Gross Settlement Amount, and reimbursement of actual litigation costs not to exceed $35,000.00. Settlement Agreement at § 3.2.2. Given the work performed in this matter, the extensive information exchange, and the substantial recovery obtained on behalf of the Class, Plaintiffs' Counsel achieved a settlement through efficient and diligent work. *See generally*, Yslas Decl. and Yoon Decl. At final approval, Plaintiffs' Counsel will fully brief the merits of its request for the award of attorneys' fees and litigation costs.

V. CONCLUSION

The Parties have negotiated a fair and reasonable settlement of the class claims in light of the risks presented in this case. Plaintiffs have presented the materials and information necessary to demonstrate that the requirements for preliminary approval have been met, and therefore respectfully request that the Court preliminarily approve the Settlement and schedule a date for the final approval hearing.

Dated: September 4, 2025 **WILSHIRE LAW FIRM, PLC**

By: /s/ Courtney M. Miller
Courtney M. Miller
Attorneys for Plaintiff Karina Zayas