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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

DELMI RUTH BURGOS DE AVALOS, individually, and on behalf of all others similarly situated, Plaintiff, vs. IMAGE FIRST OF CALIFORNIA, LLC, a limited liability company; and DOES 1 through 10, inclusive, Defendants.	Case No.: 24STCV31707 <u>REPRESENTATIVE ACTION</u> **DECLARATION OF KANE MOON IN SUPPORT OF MOTION FOR APPROVAL OF PAGA SETTLEMENT AGREEMENT** [Filed with (1) Plaintiff's Notice of Motion and Motion for Approval of PAGA Settlement Agreement, (2) the Declaration of Plaintiff, (3the Declaration of Jodey Lawrence, (4) [Proposed] PAGA Approval Order, and (5) [Proposed] Judgment] <u>PAGA APPROVAL HEARING</u>: Date: February 13, 2026 Time: 10:00 a.m. Dept.: 6 Judge: Elihu M. Berle Action filed: December 2, 2024 Trial date: Not set

DECLARATION OF KANE MOON

I, KANE MOON, declare as follows:

1. I am an attorney at law duly licensed to practice as such before all the Courts of the State of California and am one of the attorneys of record for Plaintiff Delmi Ruth Burgos de Avalos ("Plaintiff"). I have personal knowledge of the facts set forth in this declaration and if called as a witness, I could and would testify competently to them under oath.

2. This declaration is submitted in support of Plaintiff's Motion for Approval of PAGA Settlement Agreement. Plaintiff seeks approval of a PAGA Settlement Agreement (the "Settlement") entered into with Defendant Image First of California, LLC ("Defendant") (collectively, Plaintiff and Defendant are the "Parties"). A true and correct copy of the fully executed Settlement is attached hereto as **Exhibit 1**. Exhibit A to the Settlement contains the Parties' proposed *Court-Approved Notice of PAGA Settlement Agreement* to be mailed to Aggrieved Employees with Individual PAGA Payments following settlement approval and Defendant's full settlement funding.

3. The proposed Settlement seeks to resolve all alleged claims for civil penalties pursuant to the California Private Attorneys General Act, Labor Code sections 2698, *et seq.* ("PAGA"). Plaintiff brought this PAGA action on behalf of herself and all persons currently or formerly employed by Defendant in California as an hourly-paid, non-exempt employee at any time during the PAGA Period ("Aggrieved Employees"). (Settlement, ¶ 1.4.) For purposes of settlement, the "PAGA Period" is December 2, 2023, through October 27, 2025. (*Id.* at ¶ 1.23.)

CASE BACKGROUND AND PROCEDURAL HISTORY

4. Defendant is a laundromat that provides linen services to healthcare facilities nationally. It has four locations in California and is the largest and fastest-growing national provider of linen rental, laundry, and facility services, focusing primarily on the healthcare sector. Plaintiff worked for Defendant from October 2023 through October 2024. During her employment, Plaintiff was classified as non-exempt and paid on an hourly basis. Plaintiff contends that she and her former coworkers were subjected to the same or similar unlawful labor practices during their employment by Defendant, including failure to pay all wages.

5. Plaintiff's unpaid wage claims are based on allegations that Defendant did not pay employees

all minimum and regular wages owed, including for time allegedly worked off-the-clock. Plaintiff alleges that employees were required to use a fingerprint time clock and often waited in line to clock in and out, and that Defendant rounded recorded time to the nearest 15 minutes despite capturing time to the minute. Plaintiff also claims that Defendant did not incorporate non-discretionary bonuses when calculating the regular rate of pay. Plaintiff's meal and rest period claims are based on allegations that due to the nature of their work and Defendant's employment practices, employees regularly experienced missed, untimely, or interrupted breaks, and that Defendant failed to provide any premiums for non-compliant rest breaks or all premiums for non-compliant meals. Plaintiff also alleges that Defendant failed to reimburse employees for all reasonable and necessary business expenses incurred, including expenses incurred for the occasional use of employees' personal cellphone for work purposes. Plaintiff further alleges she and other employees did not receive all wages owed at the time of termination nor accurate itemized wage statements due to Defendant's failure to pay all wages and premiums. Accordingly, Plaintiff alleges Defendant is liable for civil penalties under PAGA.

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

7. Pursuant to PAGA, on November 29, 2024, Plaintiff submitted notice of the alleged Labor Code violations to the California Labor and Workforce Development Agency (the "LWDA"), with certified mail service on Defendant, and paid the required filing fee. A true and correct copy of Plaintiff's PAGA Notice is attached hereto as **Exhibit 2**. The administrative exhaustion period under PAGA expired without the LWDA indicating any intent to investigate the allegations. On March 12, 2025, Plaintiff filed a First Amended Representative Complaint to allege a ninth cause of action for civil penalties under PAGA. Accordingly, Plaintiff is duly authorized to act as a private attorney general with respect to the PAGA claims involved in this action.

8. In compliance with Labor Code section 2699(s)(1), Plaintiff subsequently submitted to the LWDA a file-stamped copy of the complaint containing the Court-assigned case number. To date, the LWDA has not sought to intervene in this action.

9. After this action was filed, Defendant produced an arbitration agreement between Defendant and Plaintiff containing a class action waiver. Therefore, Plaintiff sought dismissal of her class action claims, which the Court granted by way of Order entered on March 14, 2025, and compelled Plaintiff's individual claims to arbitration. The Parties agree that Plaintiff's First Amended Class and Representative Action Complaint, as modified by the Court's March 14, 2025, dismissal order, is the operative complaint in the Action (the "Operative Complaint").

10. Defendant ardently opposes the merits of this case and denies Plaintiff's factual allegations. Defendant argues all employees were properly paid for all hours worked, that it did not require or permit employees to work off-the-clock, and that its round policy was neutral on its face and in compliance with California law. As for the regular rate claim, Defendant argues there was no issue with paying employees the proper regular rate of pay because any additional renumeration was discretionary and thus, not required to be incorporated into the regular rate of pay. Defendant maintains all employees were provided with the opportunity to take all their code-compliant meal and rest breaks and that missed breaks, if any, were solely the result of employees' voluntary choice. As for the unreimbursed business expenses, Defendant maintains it did not require employees to incur any business-related expenses. To the extent employees received wage statements that were allegedly inaccurate, Defendant argues penalties are not warranted because employees suffered no actual damage or harm as a result. (*See, e.g.*, *Angeles v. U.S. Airways, Inc.* (N.D. Cal. Feb. 19, 2013) No. C 12–05860 CRB, 2013 WL 622032, at *10 ["A plaintiff must adequately plead an injury arising from an employer's failure to provide full and accurate wage statements, and the omission of the required information alone is not sufficient."].) Additionally, Defendant alleges its good-faith belief that it paid all wages precludes the imposition of waiting time penalties because Plaintiff would be unable to show Defendant's alleged conduct was done willfully or knowingly. (*See, e.g.*, *Pedroza v. PetSmart, Inc.* (C.D. Cal. June 14, 2012) No. ED CV 11–298 GHK (DTBx), 2012 WL 9506073, *5.) For these reasons, Defendant claims it did not engage in any unfair business practices and denies liability under PAGA. Defendant also

maintains the claims are not susceptible to proof on a representative basis because of the individualized and varying nature of each employee's experience, making this matter unmanageable.

DISCOVERY AND INVESTIGATION

11. Before initiating arbitration regarding Plaintiff's individual claims, the Parties agreed to mediate the representative PAGA claims. The Parties engaged in informal discovery exchange prior to mediation. Defendant provided information and documents, which enabled Plaintiff's Counsel to meaningfully investigate Plaintiff's allegations and assess the value of the PAGA claims. Specifically, Defendant produced Plaintiff's personnel file and her time and payroll records, documents regarding Defendant's written policies and practices in effect during the relevant period, and time and corresponding payroll records for approximately 13% of all Aggrieved Employees.

12. Prior to mediation, Plaintiff's Counsel reviewed and analyzed all the information that Defendant produced, including the time/pay records and Defendant's written policies, in conjunction with information provided by Plaintiff. Plaintiff's Counsel retained an expert to analyze the time/pay records and prepare a damage analysis prior to mediation. The time/pay records contained 6,309 shifts actually worked (roughly 16% of all shifts), which allowed the expert to prepare an analysis with a high degree of certainty. Further, Plaintiff's Counsel investigated the applicable law regarding the claims and defenses asserted in this action. Accordingly, Plaintiff's Counsel were able to evaluate the probability of success on the merits and Defendant's monetary exposure. In sum, Plaintiff and her Counsel's familiarity with the facts of the case and the legal issues involved allowed them to act intelligently in negotiating the Settlement.

SETTLEMENT NEGOTIATIONS AND NOTICE TO THE LWDA

13. On October 27, 2025, the Parties participated in a full day of private mediation facilitated by Mike Ludwig, Esq., an experienced PAGA action mediator. The negotiations were at arm's length and, although conducted in a professional manner, were adversarial. Both sides went into the mediation willing to explore the potential for a settlement of the dispute, but they were also prepared to litigate their position through trial and appeal if a settlement had not been reached. Negotiations were protracted, with extended discussions and instances in which it appeared the Parties would not reach a resolution. Following a full discussion of the strengths and weaknesses of the claims and defenses, the Parties

ultimately reached a resolution, the material terms of which are encompassed within the Settlement at issue.

14. In reaching a resolution, the Parties recognized that the issues presented in this action are likely only to be resolved with extensive and costly pretrial and trial proceedings, and that further litigation will lead to inconvenience, distraction, disruption, delay, and expense disproportionate to the potential benefits of litigation. Plaintiff and her Counsel also considered the risk and uncertainty of the outcome inherent in any litigation when determining whether this Settlement was the correct option. In sum, Plaintiff and her Counsel believe the proposed Settlement is in the best interests of Aggrieved Employees and the LWDA.

15. In compliance with Labor Code section 2699(s)(2), notice of settlement and a copy of the proposed Settlement has been submitted to the LWDA along with a copy of Plaintiff's motion and the hearing date. A true and correct copy of the LWDA's email confirming receipt thereof is attached hereto as **Exhibit 3**. To date, the LWDA has not indicated any objection to the Settlement.

KEY TERMS OF SETTLEMENT

16. Gross Settlement Amount, Funding, Disbursement, and Uncashed Checks. The Gross Settlement Amount ("GSA") is $225,000.00, subject to potential increase under an Escalator Clause and entry of the Court's Approval Order, and is non-reversionary. (Settlement, ¶ 3.1.) Defendant shall fully fund the GSA by transmitting the funds to the Administrator no later than 30 calendar days from the Court's Approval Order. (*Id.* at ¶ 4.2.) Disbursement will occur within 14 days after Defendant fully funds the GSA. (*Id.* at ¶ 4.3.) Any funds remaining uncashed after 180 days from issuance will be transmitted to the California State Controller's Office, to be held pursuant to the Unclaimed Property Law in the name of each individual who failed to cash his or her check prior to the void date. (*Id.* at ¶¶ 4.3.1, 4.3.3.)

17. Escalator Clause. The GSA was negotiated based on an estimate that as of the date of the Parties' mediation, there are 8,309 aggregate PAGA Pay Periods worked by approximately 308 Aggrieved Employees. (*Id.* at ¶ 8.) The Settlement includes an Escalator Clause whereby should the actual number of PAGA Pay Periods exceed the 10% of the estimated count, Defendant agrees to either (1) make a proportional increase to the GSA by the percentage increase for each additional PAGA Pay Period above the escalator, or

(2) modify the PAGA Period such that no more than 9,140 PAGA Pay Periods are included in the Settlement. (*Id.*)

18. Enhancement Award. The Settlement includes an Enhancement Award to Plaintiff in an amount up to $7,500.00, payable from the GSA. (*Id.* at ¶ 3.2.1.) This payment is in recognition of Plaintiff having initiated the action and her services provided and role in the action. (*Id.*) In the event the amount approved by the Court is less, the difference will be allocated to the Net Settlement Amount. (*Id.*)

19. Attorneys' Fees and Costs. The Settlement includes attorneys' fees in an amount up to one-third (33%) of the GSA (i.e., at least $75,000.00), plus reimbursement for out-of-pocket litigation costs not to exceed $20,000.00, payable to Plaintiff's Counsel from the GSA. (*Id.* at ¶ 3.2.2.) 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.*) To date, my firm has incurred a total of $15,295.62 in litigation costs. A true and correct copy of a report showing these costs is attached hereto as **Exhibit 4**.

20. Administration Costs. The Settlement provides an Administration Expenses Payment to the Administrator, payable from the GSA, in an amount up to $4,950.00, for its fees and expenses in administering this Settlement. (*Id.* at ¶ 3.2.2.) 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. (*Id.* at ¶ 1.3., 7.1) A true and correct copy of Phoenix's bid for $4,950.00] is attached hereto as **Exhibit 5**.

21. Net Settlement Amount. After deducting the 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 ¶ 1.16.) Accordingly, the Net Settlement Amount is estimated to be no less than **$122,254.38**,[1] which will be distributed 65% (i.e., no less than 65% * $122,254.38=

[1] The estimated Net Settlement Amount was calculated by deducting the following amounts from the GSA ($225,000.00): $15,295.62 for the PAGA Counsel Litigation Expenses Payment, $75,000.00 for the PAGA Counsel Fees Payment, and $4,950.00 for the Administration Expenses Payment. (*See* Settlement, ¶

$79,465.35) to the LWDA and 35% (i.e., no less than 35% * $122,254.38= **$42,789.03**) to Aggrieved Employees pursuant to PAGA law governing Plaintiff's claims.[2]

22. Individual PAGA Payments. Each Aggrieved Employee will be entitled to his or her pro rata amount from the 35% share of PAGA Penalties that is directly proportional to the number of pay periods worked in the PAGA Period without having to submit any claim form. (*Id.* at ¶¶ 3.1, 3.2.4.1.) This results in an average Individual PAGA Payment of roughly **$138.93** for each of the estimated 308 Aggrieved Employees ($42,789.03 / 308), and a PAGA Pay Period value of **$5.15** for each of the 8,309 estimated PAGA Pay Periods ($42,789.03 / 8,309). Individual PAGA Payments will be allocated to 100% penalties for tax purposes. (*See id.* at ¶ 3.2.4.1.)

23. Releases of Claims. The Released PAGA Claims will be effective on the date Defendant fully funds the GSA. (*Id.* at ¶ 5.) The release of claims is limited to any and all claims, wages, premiums, fringes, liquidated damages, or penalties alleged or that could have been alleged against Released Parties arising out of the facts, circumstances, and primary rights at issue in the operative complaint and any amendments contemplated in the Settlement. (*Id.* at ¶ 5.2.) The "Released Parties" are "Defendant and each of its parent companies, predecessors, successors, assigns, employees, officers, directors, administrators, representatives, heirs, estates, powers-of-attorney, and any individual or entity that could be jointly liable with Defendant." (*Id.* at ¶ 1.26.)

24. No Related Cases. To the best of my knowledge, there is no other pending litigation involving similar claims against Defendant that may be impacted by approval of the Settlement at issue, nor has Defendant pointed to any, other than civil Complaint in the Superior Court of California, County of Contra Costa, Case No. C25-02738, filed by plaintiff Jeffrey Manaspit on September 23, 2025 against Defendant ("*Mansapit* matter"). (*Id.* at ¶ 2.5.) The *Mansapit* matter asserts claims including discrimination and retaliation under the Fair Employment and Housing Act (FEHA), failure to prevent discrimination and retaliation, whistleblower retaliation, unfair competition under Business and Professions Code section 17200

3.2.)

[2] On July 1, 2024, new legislation was enacted to amend PAGA in several respects, including as to the recovery split for civil penalties. (Stats. 2024, ch. 44 (Assem. Bill No. 2288), § 1, eff. Jul. 1, 2024).) As amended, PAGA now provides for a 65%-LWDA/45%-aggrieved employee split. (Lab. Code § 2699(m).)

et seq., individual wage-and-hour claims, wrongful termination in violation of public policy, and civil penalties under PAGA, as well as OSHA-related reporting allegations. (*Id.* at ¶ 2.5.) Although the *Mansapit* matter includes a PAGA claim, this Action was filed earlier and is intended to resolve PAGA claims on a representative basis as set forth in this Agreement. (*Id.*)

THE PROPOSED SETTLEMENT IS FAIR AND REASONABLE

25. There can be no doubt that this Settlement is the result of vigorous, adversarial, non-collusive, and arm's-length negotiations between the Parties. Based on Plaintiff's Counsel's analysis of the arguments and information provided by Defendant, on an expert analysis of the time and pay records, and on information from Plaintiff, Plaintiff's Counsel evaluated Defendant's both maximum (*optimistic*) and risk-adjusted (*realistic*) potential exposure in preparation for mediation. Although the expert's analysis revealed that the time and pay records supported several violations by Defendant, those identifiable violations were primarily limited to the regular rate and meal period claims. The records themselves did not provide strong support for the off-the-clock work, and rest period claims, and derivative penalties for those claims, as these claims are predominantly testimony-based. In other words, Plaintiff's analysis revealed that certain claims were not as strong as originally believed.

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

27. Indeed, the maximum exposure figures that were calculated for mediation were based on assumed high violation rates that would not likely be demonstrated at trial, as they assume either the participation of all Aggrieved Employees (which would be difficult given the particularly large size of this group), or alternatively, the use of surveys or statistical data as a surrogate (which would still require the participation of a majority of Aggrieved Employees to establish a sound representation of all non-exempt employees). The reality is that many, if not all, employees would be unwilling to participate due to fear of retaliation. However, even assuming those employees would be willing to participate, obtaining such

declarations would potentially reveal that each Aggrieved Employee had a different experience. The individualized nature of their employment experience and the numerosity of employees affected present significant risks with manageability and proof on the merits.

28. Even as to the regular rate, rounding, meal period claims, Plaintiff's analysis reveals Defendant's potential exposure is more limited than initially anticipated. A review of time and pay records reflects an overall 34.6% meal period violation rate for Defendant. Approximately 17% of shifts over five hours reflected a short meal period and 7.2% reflected late meal periods. After accounting for meal waivers, Plaintiff's expert calculated that approximately 52% of pay periods included a unique meal break violation. Moreover, Plaintiff's expert found that Defendant paid meal premium payments for 1.3% of the violations, which indicates that the meal period violations were not intentional.

29. As to the regular rate issue, Plaintiff's expert determined that Defendant did not include certain non-discretionary bonuses in the calculation of the regular rate of pay for purposes of paying overtime, sick pay, meal break premiums, and rest break premiums. The expert's analysis reflects that approximately 80.6% of employees received additional compensation in the same pay periods in which overtime was paid, affecting roughly 46.6% of pay periods within the statutory period. Additionally, Plaintiff's expert found that 61.3% of employees received additional compensation and sick, affecting 6% of pay periods; 22.6% of employees received meal premiums and additional compensation, affecting 0.9% of pay periods; and 6.5% of employees received rest premiums and additional compensation, affecting 0.3% of pay periods. Moreover, these violation rates assume Plaintiff would be able to show the additional payments were non-discretionary payments that should have been factored into the regular rate.

30. As to the rounding issue, Defendant maintained a practice of rounding paid time to the nearest fifteen minutes despite recording time to the minute. Based on a review of the time and payroll records, Plaintiff's expert calculated a net 736 underpaid hours and found that 67.1% of shifts were underpaid due to rounding. However, Plaintiff's expert also found that 23.2% of shifts were overpaid due to rounding. After accounting for the overpaid shifts, Plaintiff's expert found that 36.1% of pay periods included underpaid hours.

31. The likelihood that Defendant could assert viable legal defenses would likely further reduce its overall exposure. For example, the individualized and testimony-intensive nature of the claims could bar

manageability of this representative action or otherwise significantly reduce Defendant's overall liability.

32. Further, the maximum exposure analysis involved a claim-by-claim penalty calculation, which is overly optimistic as it presumes Plaintiff would be able to stack the penalties, although penalty stacking is not expressly permitted by PAGA. Rather, without either (i) a prior finding by the LWDA or a court within the past five years that the employer violated PAGA or (ii) evidence that the employer's conduct was malicious, fraudulent, or oppressive, PAGA only provides for a maximum $100 penalty for each pay period. (Lab. Code § 2699(f)(2)(A)–(B).) Moreover, Plaintiff's Counsel believe it would be unrealistic to expect the Court would award the full (penalty-stacked) exposure given the discretionary nature of awarding penalties and given Defendant's defenses, including that any failure to pay premiums, regular rate wages, or for off-the-clock work was not knowingly or willfully done, and additionally, to the extent employees received wage statements that were allegedly inaccurate, employees suffered no actual resulting damage or harm. Moreover, awarding the full penalties amount would likely raise Due Process concerns.

33. For the foregoing reasons, the *realistic* exposure is thus far below the *optimistic* maximum estimate.

34. Based on the foregoing, Plaintiff's Counsel believe it is more reasonable to assess penalties on a $100.00 civil penalty per pay period basis pursuant to Labor Code § 2699(f)(2)(A) for each of the estimated 8,309 pay periods at issue, as opposed to a claim-by-claim approach. Accordingly, Plaintiff's Counsel estimate Defendant's maximum PAGA exposure to be **$830,900.00** ($100.00 x 8,309). However, based on the discovery, Defendant's arguments at mediations and continued settlement discussions, an understanding that the claims are heavily dependent on the unlikely participation by Aggrieved Employees and their varying employment experience, and other important considerations discussed above, it is reasonable to assume a violation occurred in at most 40% of all pay periods, which results in a realistic (*risk-adjusted*) exposure of **$332,360.00** ($830,000.00 * 40%). As a result, the GSA of $225,000.00 represents roughly **68%** of the realistic exposure ($225,000.00 / $332,360.00).

35. The proposed Settlement therefore represents a substantial recovery when compared to the reasonably forecasted recovery. When considering the risks of litigation, the uncertainties involved in continued litigation, the burdens of proof necessary to establish liability, and the probability of appeal, it is clear the GSA of $225,000.00 is within the "ballpark" of reasonableness, and that settlement approval is

appropriate. (*Kullar v. Foot Locker Retail, Inc*. (2008) 168 Cal.App.4th 116, 133; *see Munoz v. BCI Coca-Cola Bottling Co. of L.A.* (2010) 186 Cal.App.4th 399, 408–09 [holding that *Kullar* does not require "an explicit statement of the maximum amount the plaintiff class could recover if it prevailed on all its claims," but instead, only an "understanding of the amount that is in controversy and the realistic range of outcomes of the litigation"].)

36. The $225,000.00 GSA amounts to genuine and meaningful relief consistent with the underlying purpose of the statute to benefit the public. This is an excellent result, particularly because, under the Settlement, Aggrieved Employees and the LWDA will receive timely, guaranteed relief and will avoid the risk of not being able to recover anything at all.

37. The Settlement is a fair and reasonable resolution that satisfies PAGA's dual statutory purposes of deterrence and punishment, on the one hand, and providing Aggrieved Employees with genuine and meaningful relief, on the other. (Lab. Code §§ 2698, *et seq.*) As a result of this litigation, Defendant has had to hire legal counsel, engage in employee-wide discovery, and participate in mediation. Assuming approval is granted, Defendant will also have to pay civil penalties pursuant to PAGA. Not including its own attorneys' fees and costs, Defendant will pay at least $225,000.00 to resolve this matter—of which at least $122,254.38 is allocated toward PAGA Penalties and will be distributed as 65% to the LWDA and 35% to Aggrieved Employees, in compliance with PAGA law governing the claims in this Action. (*See* Settlement, ¶ 3.2.3.) This amount represents roughly 37**%** of the realistic exposure for the claims ($122,254.38 / $332,360.00), as discussed above. Additionally, the release obtained under the Settlement does not preclude Aggrieved Employees from pursuing any individual (non-PAGA) claims they may have against Defendant or the other Released Parties. (*Id.* at ¶ 5.)

38. Plaintiff's Counsel have conducted a thorough investigation into the facts of the allegations. Based on discovery and on their own independent investigation and evaluation, Plaintiff's Counsel are of the opinion that the proposed Settlement is fair, reasonable, and adequate. Furthermore, considering all known facts and circumstances, the risk of significant delay, trial risk, appellate risk, the defenses that could be asserted by Defendant on the merits, Plaintiff's Counsel respectfully submit that the Settlement is in the best interests of the Aggrieved Employees and the State of California.

39. Although Plaintiff's Counsel believe there is merit to Plaintiff's allegations, they also

acknowledge a legitimate controversy exists as to each allegation. Plaintiff's Counsel also recognize that proving the amounts of penalties owed to each Aggrieved Employee would be an expensive, time-consuming, and uncertain proposition.

40. Moreover, Plaintiff's Counsel are also of the opinion that because the issues here are fairly contested, there is a possibility of the Court not awarding PAGA penalties even if Plaintiff prevailed on the merits due to the largely discretionary nature of awarding PAGA penalties. In other words, were this matter to go to trial, any award granted would be at the discretion of the Court and subject to a substantial reduction.

41. While Plaintiff's Counsel believe there would be no persuasive grounds to reduce penalties, they recognize that the Court could determine otherwise and significantly reduce any award of penalties. This wide range of potential recovery and additional delays and risks of trial provide justification to settle for a reasonable amount of recovery at this point in the litigation. In all, based on the investigation and analysis of the claims in preparation for mediation, the maximum exposure did not comport with the realistic exposure that Defendant faced, as discussed above.

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

43. The Settlement avoids the significant risks, burdens, and the accompanying expense of further litigation. Though the Parties have engaged in a significant amount of investigation, informal discovery, and employee data analysis, they have not participated in formal discovery procedures, including depositions and expert discovery. Moreover, Plaintiff would have to proceed with arbitration of her individual claims and win on the merits before proceeding with litigation of the representative PAGA

claims. Preparation for trial and the prospect of appeals in the wake of any summary judgment ruling would remain for the Parties. As a result, the Parties would incur considerably more attorneys' fees and costs through trial, a lengthy and uncertain process that could result in recovering less than was settled for.

MY EXPERIENCE AND QUALIFICATIONS

44. I received a B.A. in History in 1998 from UCLA, and my J.D. from Loyola Marymount Law School in 2006. I became an Active Member of the State Bar of California in June 2007 and have been an Active Member in good standing continuously since then. I have been selected to Super Lawyers each year from 2019 to 2023.

45. I co-founded Moon & Yang, APC—now Moon Law Group, PC—in March 2010. My practice is focused exclusively on advocating for the rights of employees in wage-and-hour litigation, almost entirely in class and/or PAGA representative actions.

46. For the past decade, I have built my practice to have an emphasis on employment and related civil litigation cases and have both prosecuted and defended employment-related litigation cases. I have been heavily, successfully, and continuously involved in active litigation and trial work, and have conducted bench and jury trials on behalf of both employees and employers in wage-and-hour cases.

47. My current billing rate is $950.00 per hour, which is my usual rate in wage-and-hour litigations. This billing rate is reasonable considering my years of experience practicing in the highly specialized area of employment and labor law and my Laffey Matrix rate. (The Laffey Matrix, http://www.laffeymatrix.com/see.html [last visited Jan. 20, 2025].) The Laffey Matrix is a "well-established objective source for rates that vary by experience" used by the District of Columbia. (*In re HPL Tech., Inc. Sec. Litig.* (N.D. Cal. 2005) 366 F. Supp 2d 912, 921.) A true and correct copy of the Laffey Matrix is attached hereto as **Exhibit 6**. California Courts have adjusted the Laffey Matrix rate upwards based on "locality pay differentials" and the location of counsel's office in California to determine whether counsel's rates are reasonable. (*See, e.g.*, *id.* [applying a 9% upward adjustment to the Laffey Matrix rate based on an approximate difference of 9% between the locality pay differential of the District of Columbia and San Francisco, California, where counsel's office was located].) To determine the locality pay differential, the Court in *In re HPL Technologies, Inc.* utilized the locality pay differentials within the federal courts. (*Id.* at pp. 921–22.) Using the same method here and based on my firm's location in Los Angeles, California, the

locality pay differential of the Los Angeles-Long Beach area effective January 12, 2026 is 36.47% and of the Washington-Baltimore-Arlington area is 33.94%, which results in a difference of approximately 2.53%. (*Compare* Judiciary Salary Plan of Los Angeles-Long Beach, CA, eff. January 12, 2026, *with* Judiciary Salary Plan of Washington-Baltimore-Arlington, eff. January 12, 2026.) True and correct copies of the Los Angeles-Long Beach, CA and Washington-Baltimore-Arlington salary plans are attached hereto as **Exhibit 7** and **Exhibit 8**, respectively. Based on my 19+ years of experience out of law school, my Laffey Matrix rate with a 2.53% adjustment is $971.98 per hour ($948 Laffey Matrix rate + (2.53% x $948)). (*See* Exh. 6.) Accordingly, my billing rate of $950 per hour is reasonable.

48. I am experienced in prosecuting and defending employment matters, particularly class and PAGA actions. My firm has focused a substantial percentage of its practice on wage, hour, and working conditions violations. In addition to the present case, I am also class counsel for other wage-and-hour class action lawsuits pending in various counties throughout California, including in state and federal courts. The following is a list of some of our recent class action settlements that have received preliminary and final approval: *Aparicio v. Lineage Logistics, LLC* (LASC No. BC722764) (class size approx. 155; lead counsel); *Black v. Mission Healthcare Servs., Inc*. (LASC No. 19STCV04602) (class size approx. 1,000; lead counsel); *Campa v. Bloomingdeals, Inc*. (LASC No. BC700366) (class size approx. 1,500; lead counsel); *Garcia v. Comfy U.S.A. Apparel, Inc.* (LASC No. BC709630) (class size approx. 210; lead counsel); *Gomez v. H Mart Cos., Inc.* (LASC No. BC671525) (class size approx. 2,500; co-counsel); *Jones v. Citiguard, Inc.* (LASC No. BC664890) (class size approx. 587; lead counsel); *Jones v. Fitness Alliance, LLC* (Riverside No. PSC1404079) (class size approx. 1,000; lead counsel); *Lagos v. ThyssenKrupp Elevator Corp.* (LASC No. BC682972) ($750,000 for 79 class members; lead counsel); *Mark Brulee et al. v. DAL Global Servs., LLC* (C.D. Cal. Dec. 20, 2018) No. CV 17-6433 JVS(JCGx), 2018 WL 6616659, at *10 (class size approx. 2,650; lead counsel) (in approving my $650 hourly rate in that case, the Court found: "Class Counsel's declarations show that the attorneys are experienced and successful litigators. Other courts have approved the attorneys' current rates for the Moon & Yang, APC attorneys"); *Martinez v. Bail Hotline Bail Bonds, Inc.* (LASC No. BC700131) (class size approx. 173; lead counsel); *Montoya v. Golden 1 Credit Union* (Sacramento No. 34-2018-00228252) (class size approx. 1,900; lead counsel); *Onofre v. Caitac Garment Processing, Inc*. (LASC No. BC702283) (class size approx. 750; lead counsel); *Rodriguez v. Rossmoyne, Inc.* (LASC No. BC699137)

(class size approx. 220; lead counsel); *Sison v. Cha Hollywood Med. Ctr., L.P.* (LASC No. BC6441 29) (class size approx. 2,100; co-counsel); *Slaughter v. ACA Sec. Stems, LP* (LASC No. BC699137) (class size approx. 300; lead counsel); *Taylor v. Sherman's Delicatessen & Bakery, LLC* (LASC No. BC722765) (class size approx. 515; lead counsel); *Vargas v. AMS Paving, Inc*. (LASC No. BC722767) (case size approx. 260; lead counsel); *Vertti v. Bagcraft Papercon III, LLC* (LASC No. 19STCV12729) (class size approx. 260; lead counsel); and *Wallick v. Campbell Soup Supply Co., LLC* (San Joaquin No. STK-CV-UOE-2021-0000865) (class size 435; lead counsel).

ALLEN FEGHALI'S EXPERIENCE AND QUALIFICATIONS

49. Allen Feghali is a partner at Moon Law Group, PC. He received his B.A. in Global and International Studies in 2011 from UC Santa Barbara, and his J.D. from University of La Verne College of Law in 2014. Mr. Feghali became an Active Member of the State Bar of California in December 2014 and has been an Active Member in good standing continuously since then. He was selected by Super Lawyers as a "Southern California Rising Star" in 2020–2023.

50. Mr. Feghali began working at Moon Law Group, PC in May 2015, and his practice has focused on advocating for the rights of employees at the trial-court and appellate level. Prior to roughly June 2018, with the exception of a handful of cases, his practice focused on individual FEHA and wrongful termination claims, as well as individual wage-and-hour claims. Since June 2018, Mr. Feghali's practice has shifted to almost exclusively representing employees in wage-and-hour class and PAGA representative actions.

51. Mr. Feghali's current billing rate is $900.00 per hour, which is his usual rate in wage-and-hour litigations. Based on Mr. Feghali's 11 years of experience out of law school, his Laffey Matrix rate with a 2.53% adjustment is $971.98 per hour ($948 Laffey Matrix rate + (2.53% x $948)). (*See* Exh. 6.) As compared to the Laffey Matrix rate and when considering his significant wage-and-hour class action experience, Mr. Feghali's billing rate of $900 per hour is reasonable.

52. During Mr. Feghali's tenure with Moon Law Group, PC, he has played a critical role in obtaining outstanding results for employees who have been wronged by their employers. Mr. Feghali's litigation experience includes, but is not limited to:

(a) In March 2021, Mr. Feghali prepared the briefing in the matter of *Rivera, et al. v. Clearpath Federal Credit Union* (LASC No. 19STCV33504), which resulted in a certification order on all causes of action following contested briefing in a wage-and-hour class action.

(b) Mr. Feghali prepared the briefing in a contested class certification motion in the matter of *Dawson, et al. v. GoHealth, LLC, et al.* (No. CGC-19-577790), which was argued and taken under submission by the Court on February 3, 2022.

(c) Mr. Feghali prepared the briefing in a contested class certification motion in the matter of *Brown v. NTI-CA, Inc., et al.* (No. 21STCV04397), which is not currently scheduled for hearing.

(d) Mr. Feghali was part of a team that prepared the briefing in a contested class certification motion in the matter of *Thong, et al. v. Outlook Resources, Inc., et al*. (No. 19STCV44400), which was granted, in part, and denied, in part, in October 2022.

(e) Mr. Feghali prepared the briefing which resulted in a remand order in the matter of *Andrade v. Rehrig Pacific Corp.* (C.D. Cal. April 22, 2020) No. CV 20-1448 FMP (RAOx), 2020 WL 1934954, where Defendant removed a wage-and-hour class alleging that Plaintiff's claims were pre-empted by the Labor Management Relations Act.

(f) Mr. Feghali briefed, argued, and won the matter of *Lee, et al. v. The Christian Herald, U.S.A., Inc.* (Cal. Ct. App. Dec. 12, 2017) No. B266853, 2017 WL 6333905, at *1. There, the Court of Appeal reversed a dismissal of an individual defendant following the trial court's granting of a demurrer without leave to amend relating to alter ego allegations.

(g) Mr. Feghali prepared the briefing which resulted in a remand order in the matter of *Sotelo v. Belfor USA Group, Inc.* (C.D. Cal. Mar. 13, 2018) No. 2:17–cv–09056–RSWL–MRWx, 2018 WL 1352910. Defendants there sought to remove the case based on the inclusion of a "sham defendant," but the court agreed with Mr. Feghali's briefing which argued that the individual defendant, who was alleged to have harassed the plaintiff under FEHA, was a proper defendant.

(h) Mr. Feghali has been the lead counsel, or co-lead counsel, in individual cases that settled for $850,000.00, $375,000.00, and $250,000.00. In addition to the foregoing, Mr. Feghali has resolved or assisted in the resolution of approximately 100 cases which has resulted in millions of dollars of unpaid wages being returned to low-wage employees.

(i) Mr. Feghali was part of a team that prepared the briefing in a contested class certification motion in the matter of Hernandez v. CR Laurence, Inc., et al. (No. 20STCV32372), which was granted, in part, and denied, in part, in February 2024.

53. Since June 2018, Mr. Feghali's practice has shifted to almost exclusively representing employees in wage-and-hour class and PAGA representative actions. His fee has been approved by Courts throughout the state. He has participated as lead, or co-lead counsel, in the litigation and resolution of over 100 wage-and-hour class actions, including obtaining preliminary and final approval of settlements. A selection of settled cases wherein Mr. Feghali served as lead or co-lead class counsel includes the following: *Barahona v. Methodist Hosp. of Cal*. (No. 20STCV09876) ($5,000,000); *Vazquez v. St. Mar 2.0 Inc.* (No. 37-2021-00042702-CU-OE-CTL) ($2,250,000); *Duncan v. Infineon Technologies Americas Corp*. (No. 21STCV16872) ($2,500,000); *Aquino v. Coast King Packing, LLC* (No. 21CV002448) ($2,300,000); *Martinez, et al. v. Curative LLC* (No. 21STCV20778) ($1,500,000); *Calderon v. Installed Building Products* (No. 37-2021-00035844-CU-OE-CTL) ($1,500,000); *Majdoub v. Argent Hotel Mgmt.* (No. CGC-20-582921) ($1,800,000); *Fuentes v. Covid Clinic, Inc*. (No. CIVSB2106806) ($1,526,317.57); *Rahman, et al. v. Gate Gourmet, Inc*. (No. 3:20-cv-03047) ($3,850,000); *Pagoulatos v. Coast Hills Credit Union* (No. 20CV02801) ($1,100,000); *Hammers v. Redwood Oil Co., Inc*. (No. SCV-269625) ($1,180,000); *Cuadras v. R.C. Wendt Painting, Inc*. (No. BC705964) ($1,400,000); *Zaragoza v. The Roman Catholic Bishop of Fresno* (No. 22CV-00282) ($1,500,000); *Garcia v. San Jose Water Co.* (22CV396328) ($1,200,000); *Garcia v. Tri-Valley Plastering, Inc*. (No. 22CECG00591) ($1,250,000); *Garcia v. Tapia Enter., Inc*. ($2,137,651 for 507 class members); *Cha v. Center Point, Inc*. (No. CIV2102081) ($1,000,000); *Sison v. Cha Hollywood Med. Ctr., L.P*. (No. BC644129) (2,137 class members); *Lagos v. ThyssenKrupp Elevator Corp.* (No. BC682972) ($750,000 for 79 class members); and *Montoya v. Golden 1 Credit Union* (No. 34-2018-00228252) ($1,250,000).

MICHAEL CITRIN'S EXPERIENCE AND QUALIFICATIONS

54. Michael Citrin is an associate attorney at Moon Law Group, PC. Mr. Citrin advocates for employees in both state and federal court in employment and related litigation. Since joining Moon Law

Group, PC, his practice has focused on wage-and-hour actions involving claims related to unpaid overtime and minimum wages, meal and rest break violations, unreimbursed business expenses, improper wage statements, and unfair business practices, as well as discrimination claims rising under California law.

55. Mr. Citrin received his B.A. in Literature and Linguistics with honors from The Macaulay Honors College at Hunter, CUNY. He received his Juris Doctorate and Public Interest Certificate from University of Southern California, Gould School of Law ("USC"). While in law school, Mr. Citrin participated in the Hale Moot Court honors program and worked as a student clinician for USC's Post-Conviction Justice Project. Mr. Citrin also worked as a TA for a Poverty Law class. Following law school, Mr. Citrin worked as an immigration defense attorney, advocating for individuals in removal proceedings, and then as a Deputy Federal Public Defender, representing indigent individuals accused of federal crimes.

56. Mr. Citrin became an Active Member of the State Bars of California in 2020 and has been an Active Member in good standing continuously since then. He is also admitted to practice in the United States District Court for the Eastern, Southern, and Central Districts of California.

57. Mr. Citrin's billing rate is $650.00 per hour. Based on Mr. Citrin's 5 years of experience out of law school, his Laffey Matrix rate with a 2.53% adjustment is $595.70 per hour ($581 Laffey Matrix rate + (2.53% x $581)). (*See* Exh. 6.) As compared to the Laffey Matrix rate and when considering his significant wage-and-hour class action experience, Mr. Citrin's billing rate of $650.00 per hour is reasonable.

PAGA COUNSEL'S EXPERIENCE AND QUALIFICATIONS

58. As demonstrated by the foregoing, my office is qualified to handle this litigation because we are experienced in litigating Labor Code and Wage Order violations in individual, class, and representative actions. The attorneys at my office have been appointed as lead or co-lead counsel in numerous wage-and-hour class and/or PAGA actions in state and federal courts by way of motion for settlement approval. Including myself, Moon Law Group, PC is currently comprised of roughly 30 attorneys, all of whom are actively and continuously practicing employment litigation, representing almost entirely employee-plaintiffs, in both individual and class and/or PAGA actions, in this Superior Court and other Superior Courts throughout the State, in the Courts of Appeal, and in various federal courts. The attorneys at my firm have a high level of skill, knowledge, and

experience in areas of wage-and-hour class and PAGA actions, and labor and employment law generally, the substantiative (state and federal) and procedural law of which is frequently.

59. Moon Law Group, PC has been engaged in the practice of employment and labor law for over a decade and presently focuses exclusively on plaintiffs' employment law. The firm and its lawyers have tried both bench and jury trials (representing both plaintiffs and defendants) in employment-related matters. As noted above, my firm has been appointed lead or co-lead class counsel in federal and state courts in California. Also, the firm and its lawyers have successfully settled hundreds of cases during that time, including wage-and-hour class and/or PAGA actions.

60. The foregoing experience of myself and other attorneys of Moon Law Group, PC is helpful in assessing the reasonableness of settlements, such as the one at issue here, and from this experience we concluded that this litigation could not have been settled on better terms than provided under the proposed Settlement.

61. I do not believe that I or any other attorneys of my firm have any conflicts of interest with the named Plaintiff, Aggrieved Employees, or the proposed Administrator. I am not related to Plaintiff. I respectfully submit that Moon Law Group, PC is competent and well suited to act as PAGA Counsel in this action, and we have and will continue to vigorously represent the interests of the Aggrieved Employees.

REQUEST FOR ATTORNEYS' FEES AND COSTS

62. In line with the Settlement, my firm requests an award of attorneys' fees in an amount of one-third of the GSA (i.e., no less than $75,000.00, subject to potential increase under the escalator clause), plus reimbursement for actual litigation costs in the amount of $15,295.62. (*See* Settlement, ¶ 3.2.2.)

63. The requested PAGA Counsel Fees Payment can be justified under either the common fund or lodestar method. However, we base the requested award on the common fund method. Nonetheless, the lodestar method can be used to cross-check the reasonableness of the award calculated under the common fund method.

64. The total current lodestar for Moon Law Group, PC is *not less than* the following amounts:

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Attorney	Rate	Hours	Lodestar
Kane Moon	$950.00	23.8	$22,610.00
Allen Feghali	$900.00	14.1	$12,692.00
Michael Citrin	$650.00	32.7	$21,255.00
	Total:	**70.6**	**$56,555.00**

65. There are additional hours devoted to this litigation by the attorneys and legal assistants in my office that are not reflected in the foregoing lodestar, including additional attorney time that will be spent to obtain and monitor approval of the Settlement and requested awards, oversee the settlement administration process and distribution of funds, respond to inquiries, and communicate with Plaintiff regarding the case. I estimate that my office will commit *no less than* 10 hours, although likely more time, to these additional tasks, which are hours not included in the foregoing lodestar total. My office also bears the risk of taking whatever actions are necessary if Defendant fails to pay. At my $950.00 hourly rate, these additional 10 hours results in a lodestar of **$9,500.00**.

66. "California case law permits fee awards in the absence of detailed time sheets." (*Wershba v. Apple Comp., Inc.* (2001) 91 Cal.App.4th 224, 255.) The Court "should defer to the winning lawyer's professional judgment as to how much time he was required to spend on the case." (*Moreno v. City of Sacramento* (9th Cir. 2008) 534 F.3d 1106, 1112.) We can provide complete, detailed billing records in the event the Court requests them but would request the opportunity to redact attorney-client privileged information and any other privileged information. As discussed below, application of a positive multiplier is warranted in this case.

67. The lodestar method requires the Court to determine a "touchstone" or lodestar figure based on a compilation of time spent and reasonable hourly compensation for each attorney. (*Graham v. DaimlerChrysler Corp.* (2004) 34 Cal.4th 553, 579.) Generally, hours are reasonable if they were "reasonably expended in pursuit of the ultimate result achieved in the same manner that an attorney traditionally is compensated by a fee-paying client." (*Hensley v. Eckerhart* (1983) 461 U.S. 424, 431.)

(a) Number of Hours Expended by My Office is Reasonable: As set forth in this declaration, my office expended a significant amount of time litigating the case to achieve an excellent result on behalf of the Aggrieved Employees. To date, my office has spent no less than **70.6 hours** litigating this case. In the event the Court grants settlement approval, my office will spend additional time related to this litigation, including to monitor administration of the settlement after approval, committing no less, although likely more, than **10** hours to those additional tasks. The number of hours that my office has and will devote to this case is reasonable. (*See, e.g.*, *Ketchum III v. Moses* (2001) 24 Cal.4th 1122, 1133 [fee award should be fully compensatory and, "absent circumstances rendering the award unjust, an attorney fee award should ordinarily include compensation for *all* the hours *reasonably spent*"] [emphasis in original]; *Serrano v. Unruh* (1982) 32 Cal. 3d 621, 624 [counsel are entitled to compensation for all hours reasonably expended]; *Hensley*, *supra*, 461 U.S. at pp. 435–36; *Caudle v. Bristow Optical Co.* (9th Cir. 2000) 224 F.3d 1014, 1028; *Cabrales v. Cty. of L.A.* (9th Cir. 1991) 935 F.2d 1050, 1052–53.) As discussed above, my office was required to expend considerable time and resources to investigate, litigate, and successfully settle these claims for the benefit of the Aggrieved Employees.

(b) The Attorneys' Hourly Rates are Reasonable: "[T]he established standard when determining a reasonable hourly rate is the 'rate prevailing in the community for similar work performed by attorneys of comparable skill, experience, and reputation.'" (*Camacho v. Bridgeport Fin., Inc.* (9th Cir. 2008) 523 F.3d 973, 979 [quoting *Barjon v. Dalton* (9th Cir. 1997) 132 F.3d 496, 502].) This rule applies even when, as here, the attorneys representing a named plaintiff perform the work on a contingent fee basis. (*See, e.g.*, *Robertson v. Fleetwood Travel Trailers of Cal., Inc.* (2006) 144 Cal.App.4th 785, 818; *Blanchard v. Bergeron* (1989) 489 U.S. 87, 96.) These hourly rates are reasonable in light of the significant experience, expertise, and skill my firm brought to this action. Rates are reasonable if they are "within the range of reasonable rates charged by and judicially awarded comparable attorneys for comparable work." (*Children's Hosp. & Med. Ctr. v. Bonta* (2002) 97 Cal.App.4th 740, 783.) The trial court may "find hourly rates reasonable based on evidence of other courts approving similar rates." (*Parkinson v. Hyundai Motor Am.* (C.D. Cal. 2010) 796 F.Supp.2d 1160, 1172.) The attorneys at Moon Law Group, PC are experienced litigators who specialize in employment law, with a substantial wage-and-hour class action practice. The hourly rates of each attorney are also reasonable as compared to their respective Laffey Matrix rates as explained *supra*. Moreover, these rates are not opposed or challenged, and have been approved by other courts, as explained *supra*.

(c) Application of a Multiplier is Warranted: Once this lodestar figure has been determined, the Court may take into account other "enhancement" factors to adjust the lodestar award. As the California Supreme Court has held, contingency fees should be higher than fees for the same legal services paid concurrently with the provision of the services. (*Ketchum III*, *supra*, 24 Cal.4th at pp. 1132–33; *see also Fischel v. Equitable Life Assurance Soc'y of the U.S.* (9th Cir. 2002) 307 F.3d 997, 1008.) "A lawyer who both bears the risk of not being paid and provides legal services is not receiving the fair market value of his work if he is paid only for the second of these functions. If he is paid no more, competent counsel will be reluctant to accept fee award cases." (*Ketchum,* 24 Cal.4th at p. 1133.) Application of that rule is particularly appropriate where the case is brought to redress important rights of vulnerable persons. (*Id.*) A risk enhancement is "earned compensation; unlike a windfall, it is neither unexpected nor fortuitous. Rather, it is intended to approximate market-level compensation for such services, which typically includes a premium for the risk of nonpayment or delay in payment of attorney fees." (*Id.* at p. 1138.) **Multipliers normally range from two to four or higher.** (*Wershba*, *supra*, 91 Cal.App.4th at p. 255; *see also Vizcaino v. Microsoft Corp.* (9th Cir. 2002) 290 F.3d 1043, 1051, n.6 ["most" common fund cases apply a multiplier of 1.0–4.0]; *Been v. O.K. Indus., Inc.* (E.D. Okla. 2011, No. CIV–02–285–RAW) 2011 WL 4478766, *11 [citing a study "reporting [an] average multiplier of 3.89 in survey of 1,120 class action cases" and finding that a multiplier of 1.22 would be "per se reasonable"].) Factors considered in determining whether a lodestar multiplier is appropriate generally include: (1) the risks presented by the contingent nature of the case; (2) the novelty and difficulty of the questions involved and the skill requisite to perform the legal service properly; (3) the nature of the opposition; (4) the preclusion of other employment by the attorney due to acceptance of the case; and (5) the result obtained and the importance of the lawsuit to the public. (*Serrano v. Ivy Baker Priest* (1977) 20 Cal. 3d 25, 48–49 [hereinafter "*Serrano III*"].) All these factors favor approval of a multiplier along the lines of those approved in the cases above. To date, my office has incurred no less than **$56,555.00** in attorneys' lodestar fees, anticipates incurring at least another $9,500.00 in lodestar fees, and has advanced **$15,295.62** in actual litigation costs. Thus, after reimbursement of our out-of-pocket expenses, the fee request of $75,000.00 is a **1.33** multiplier of the lodestar fees incurred to-date in prosecuting this case.

1) *Risks presented by the contingent nature of the case*: The major consideration in determining the necessity of a multiplier is the contingent nature of the award. (*Ketchum III*, *supra*, 24 Cal.4th at pp. 1132–33; *see also Fischel*, *supra*, 307 F.3d at p. 1008.) In determining what multiplier to award, the probability of success must be assessed *ex ante*, that is, as viewed from the outset of the case. (*See, e.g.*, *Harman v. Lyphomed, Inc.* (7th Cir. 1991) 945 F.2d 969, 976.) Further, the possibility of no recovery is only one of the uncertainties involved in taking on such a case. Other uncertainties are the amount that will be recovered, uncertainty as to the cost, both in effort and expenses, and uncertainty about how much time will pass before the recovery is obtained. (*See, e.g.*, *Ketchum*, 24 Ca1.4th at pp. 1132–1133, 1138.) My office's outlay of time and money in this case has been significant. In all, my office has spent *no less than* **70.6** hours to date investigating, analyzing, researching, litigating, and negotiating a favorable resolution of this case, in addition to *a minimum of* **10** hours that will be spent following final settlement approval, including to monitor settlement administration and distribution of funds, and has incurred $15,295.65 in necessary litigation costs. Unsettled legal issues also presented risks to the claims in this case. My office bore the substantial risk of an uncertain outcome in agreeing to prosecute this PAGA action on a contingency fee basis, as well as the difficulties and delay inherent in such litigation. There was the prospect of the enormous cost inherent in PAGA representative action litigation, as well as extensive negotiations with a corporate Defendant who vigorously opposed Plaintiff's claims and right to pursue her individual or class action claims in

state court. My office risked significant time and expense to ensure a successful settlement. As detailed *supra*, the risks presented in this case were significant, and Defendant's defenses posed serious risks to the success of this PAGA matter on the merits, assuming we were first successful at proving the merits of Plaintiff's individual claims at arbitration. These risks illustrate the recognition by the California Supreme Court in *Ketchum III* that, if multipliers are not awarded to PAGA counsel in the cases that are successfully settled, counsel's fees are essentially being cut because the lodestar in and of itself would not account for contingent risk.

2) *Difficulty of the questions involved and the skill required*: My office is comprised of skilled attorneys who have had success in wage-and-hour class and PAGA actions. This case required experienced and competent lawyers, as well as expertise in the issues presented herein. To obtain such an attorney on the free market, a client must pay the market rate. While most class/PAGA actions are complex and involve some risk, my office had to overcome several major obstacles in prosecuting this case, as explained *supra*. Defendant's contentions underscore the risk of prevailing at trial, and any of these obstacles could have prevented recovery completely.

3) *Vigorous opposition by Defendant*: Counsel who skillfully overcome difficult issues or uncompromising opposition in the litigation are entitled to a fee enhancement. (*Serrano III*, *supra*, 20 Cal.3d at 49.) Here, before eventually agreeing to a settlement, Defendant asserted a vigorous defense and challenged Plaintiff's ability to litigate her individual and class action claims. The settlement effort was protracted, with extended discussions and instances in which it appeared the Parties would not reach a settlement. Further, proceeding to arbitration, and if successful, then trial would have added years to the resolution of this case because of the difficult legal and factual issues raised and the likelihood of appeals. Indeed, even if Plaintiff prevailed on the representative PAGA claims at trial, assuming she was first successful at arbitration, Defendant would likely have mounted an appeal.

4) *The extent to which litigation precluded other employment would justify an enhancement*: There are only so many cases that my office can take at any one time. Consequently, there were other meritorious cases presented to my office that would have generated substantial fees, but were declined, during the pendency of this action in order to devote the attention necessary to achieve favorable results.

5) *The result obtained would justify an enhancement*: The results obtained in litigation can properly be used to enhance a lodestar calculation where an exceptional effort produced excellent results. (*Graham*, *supra*, 34 Cal.4th at p. 582.) Here, the final maximum settlement figure is **$225,000.00**, which represents roughly **68%** of the total realistic recovery, and which is subject to potential increase under the Escalator Clause. Considered against the size of the Aggrieved Employees, the risks posed by continued litigation, and the importance of the employment rights and a speedy recovery, the relief provided under the Settlement represents a very strong result for the Aggrieved Employees and LWDA.

6) *The use of a multiplier is permitted in PAGA actions*: PAGA provides that "[a]ny employee who prevails in any action shall be entitled to an award of reasonable attorney's fees and costs." (Lab. Code § 2699(k)(1).) Although, PAGA does not provide a specific standard for evaluating attorneys' fees in connection with a settlement of PAGA claims, California Courts have employed a lodestar analysis and use of multipliers for this purpose. "Where a settlement produces a common fund for the benefit of the entire class, courts have discretion to employ either the lodestar method or the percentage-of-recovery method. . . . To guard against an unreasonable result, the Ninth Circuit encourages district courts to "cross-check[] their calculations against a second method. . . . Accordingly, the Court calculates attorneys' fees in the instant case using the percentage-of-recovery method and then cross-checks its calculations against the lodestar method." (*Hermosillo v. Davey Tree Surgery Co.* (N.D. Cal. July 7, 2021) No. 18-CV-00393-LHK, 2021 WL 2826697, at *1 [quoting *In re Bluetooth Headset Prods. Liab. Litig.* (9th Cir. 2011) 654 F.3d 935, 942, 944–45].)

68. I am informed and believe that the fees and costs provision under the Settlement is reasonable. The fee percentage requested is less than that charged by my office for most employment cases. My office invested significant time and resources into the case, with payment deferred to the end of the case, and then, of course, contingent on the outcome.

69. The risk to my office has been very significant, particularly if we would not be successful in pursuing this representative action. In that case, we would have been left with no compensation for all the time taken in litigating this case. Indeed, I have taken on a number of class and/or PAGA action cases that have resulted in thousands of attorney hours being expended and ultimately having the defendant company going bankrupt. The contingent risk in these types of cases is very real and occurs regularly. Furthermore, we were precluded from focusing on, or taking on, other cases which could have resulted in a larger, and less risky, monetary gain.

70. Because most individuals cannot afford to pay for legal representation on an hourly basis, Moon Law Group, PC represents virtually all its employment law clients on a contingency fee basis, including Plaintiff in this action. Pursuant to this arrangement, we are not compensated for our time unless we prevail at trial or our clients' cases are successfully settled. Because Moon Law Group, PC is taking the risk that we will not be reimbursed for our time unless our client settles or wins his or her case, we cannot afford to represent an individual employee on a contingency basis if, at the end of our representation, all we are to receive is our regular hourly rate for services. It is essential that we recover more than our regular hourly rate when we win if we are to remain in practice so as to be able to continue representing other individuals in civil rights employment disputes.

71. My office invested significant time and resources into the case, with payment deferred to the end of the case, and then, of course, contingent on the outcome. My office's efforts have included, and will include following an approval order, without limitation, the following:

a. Numerous interviews with Plaintiff and review of documents provided by her;

b. Legal research and investigation regarding the Defendant's practices at numerous points in the litigation;

c. Preparation and submission of Plaintiff's PAGA Notice;

d. Preparation of multiple drafts of the original class action complaint and subsequent amended complaint, as well as finalization and filing of said complaints;

e. Extensive meet-and-confer discussions with Defendant's counsel regarding the arbitration agreement and the impact on Plaintiff's class action claims;

f. Informal discovery activity;

g. Extensive meet-and-confer discussions with Defendant's counsel regarding mediator selection and production of relevant documents and information in preparation for mediation through informal discovery;

h. Analysis of Defendant's informal discovery production and preparation of a damages model with the aid of a statistics expert;

i. Contacting witnesses;

j. Research and preparation of Plaintiff's mediation brief;

k. Attendance and active participation at a full day of mediation;

l. Drafting, negotiating, and reviewing multiple drafts of the Settlement and its attachment;

m. Preparation and submission of the instant motion for settlement approval and accompanying filings;

n. Anticipated preparation for and attendance at the hearing on the motion for approval, monitoring approval of the Settlement and requested awards, and overseeing the administration process and distribution of funds; and

o. Communications with Plaintiff throughout the case.

72. As of the drafting of this motion, my office has incurred **$15,295.62** in expenses litigating this action without any reimbursement. These expenses were reasonably necessary to the litigation and were actually incurred by my office. These to-date expenses are summarized as follows:

(a) "LWDA Fee": a one-time cost for submitting Plaintiff's PAGA Notice to the LWDA;

(b) "Journal- Complaint": the initial case filing fee for initiating Plaintiff's action;

(c) "Berger Consulting Group": costs of expert review of discovery for mediation;

(d) "Mediation with Michael Ludwig": a one-time cost for mediation services;

(e) "ACE," "LASC," "One Legal," "Case Anywhere," and "Journal": costs for purchasing court documents, and for filing and serving various documents during this Action.

73. We anticipate incurring additional costs up to and after Settlement approval, including filing costs for the approval motion and any notice of entry of approval order and judgment. However, at this time, we are only requesting reimbursement of our to-date costs ($14,690.62). Moreover, because our costs are below the maximum allocation ($20,000.00) under the Settlement, the difference ($[X] - $15,295.62 = $4,704.38) will revert to PAGA Penalties. (Settlement, ¶ 3.2.1.) I respectfully submit that our reimbursement request is fair and reasonable.

THE ENHANCEMENT AWARD SHOULD BE APPROVED

74. Throughout this litigation, Plaintiff, who was a former employee of Defendant, has cooperated immensely with my office and has taken many actions to protect the interests of the State of California and the Aggrieved Employees. Plaintiff provided valuable information regarding her hours worked, and what duties were performed during those hours. Plaintiff participated in decisions concerning this action, assisted in preparation for the mediation, and searched for potential witnesses. Before we filed this action, Plaintiff worked with my office to determine the viability of her claims. Plaintiff also provided information and documents relating to her employment with Defendant. The information and documentation provided by Plaintiff was instrumental in establishing the violations alleged in this action, and the recovery provided for under the Settlement would have been impossible to obtain without her participation.

75. At the same time, Plaintiff faced many risks in adding herself as the PAGA Representative in this matter. Plaintiff faces actual risks with her future employment, as putting herself on public record in an employment lawsuit could also very well affect her likelihood for future employment. For example, a search of Plaintiff's name will reveal this action, and as a result, many employers may likely forego hiring Plaintiff upon learning she sued a former employer.

76. In turn, Aggrieved Employees will now be reimbursed civil penalties for wage violations they may have never known about or been willing to pursue on their own. If each Aggrieved Employee would have tried to pursue legal remedies on their own, that would have resulted in each having to expend a significant amount of their own monetary resources and time, not to mention limited judicial resources, which were obviated by Plaintiff putting herself on the line on behalf of the Aggrieved Employees and the

LWDA. Further, prior to executing the Settlement, Plaintiff carefully reviewed the document and asked questions to ensure her understanding, including as to the total recovery and releases of claims.

77. In the final analysis, this representative action would not have been possible without the aid of Plaintiff, who put her own time and effort into this litigation and placed herself at risk for the sake of the State of California and the Aggrieved Employees. The requested enhancement payment to Plaintiff for her service as the PAGA Representative is a relatively small amount of money considering the time and effort put into the litigation. For all the foregoing reasons, the requested enhancement to Plaintiff is reasonable

78. Through the efforts of my office and Plaintiff in this case, a fair and reasonable resolution has been reached that includes a non-reversionary payment by Defendant of at least $225,000.00 to compensate Aggrieved Employees for Defendant's alleged employment practices. I am informed and believe that, without the efforts of my office or Plaintiff, the Labor Code and Wage Order violations alleged in this action would have gone completely unremedied.

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I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on January 20, 2026, at Los Angeles, California.

Kane Moon