D.LAW, INC.
Natalie Haritoonian (SBN 324318)
Andrea A. Amaya Silva (SBN 348080)
Enoch J. Kim (SBN 261146)
Arianna N. Razi (SBN 356930)
250 North Madison Avenue, 2nd Floor
Pasadena, CA 91101
Tel.: (818) 962-6465 / Fax: (818) 962-6469
Emails: n.haritoonian@d.law, a.amaya@d.law, e.kim@d.law, a.razi@d.law

Attorneys for Plaintiff LAURA MARIA MACIAS
on behalf of herself and others similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN BERNARDINO

LAURA MARIA MACIAS, an individual on behalf of herself and all others similarly situated, Plaintiff, vs. METRIE EL & EL, LLC., a Washington Limited Liability Company; EL & EL WOOD PRODUCTS CORP., an unknown entity; and DOES 1 through 50, inclusive, Defendants.	Case No.: CIVRS2403124 CLASS ACTION Assigned for All Purposes To: Hon. Gilbert Ochoa Dept.: R17 **MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT** *[filed concurrently with Plaintiff's Notice of Motion and Motion; Declarations of Enoch J. Kim, Lisa Mullins, Amanda Howard, and Laura Maria Macias; and [Proposed] Order]* Date: March 8, 2027 Time: 9:00 a.m. Dept.: R17 Original Complaint Filed: December 27, 2024 First Amended Complaint Filed: January 31, 2025 Trial Date: None Set

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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Plaintiff Laura Maria Macias ("Plaintiff") seeks preliminary approval of a putative class and representative action settlement with Defendant Metrie EL & EL, LLC ("Defendant") (Plaintiff and Defendant collectively referred to herein as "the Parties") on behalf of herself and a proposed class of all current and former non-exempt employees who worked for Defendant in California as a non-exempt employee at any time from May 15, 2023 through July 15, 2026 ("Class" or "Class Members"). After participating in mediation, the Parties reached a settlement in the gross amount of $435,000.00 to resolve the action, subject to this Court's final approval.

Pursuant to California Rules of Court 3.769(d) and (e), Plaintiff respectfully requests that this Court grant preliminary approval of the Parties' Class Action and PAGA Settlement Agreement ("Settlement Agreement" or "Settlement"). (*See* Declaration of Enoch J. Kim ("Kim Decl."), Exhibit 1). The Settlement Agreement was reached after the Parties engaged in informal discovery and investigation, participated in mediation with a skilled mediator, and negotiated at arms-length through experienced counsel on both sides.

As discussed below, the Settlement satisfies all criteria for preliminary approval, falls well within the range of reasonableness, and is in the best interests of the Class. Accordingly, Plaintiff respectfully requests that the Court grant preliminary approval of the Settlement.

II. STATUS OF THE LITIGATION

A. Procedural History

On December 27, 2024, Plaintiff commenced a Class Action by filing a Complaint alleging ten causes of action against Defendant for: (1) Failure to Pay Minimum Wages; (2) Failure to Pay Wages and Overtime Under Labor Code § 510; (3) Meal Period Liability Under Labor Code § 226.7; (4) Rest-Break Liability Under Labor Code § 226.7; (5) Violation of Labor Code § 226(a); (6) Violation of Labor Code § 203; (7) Violation of Labor Code § 204; (8) Failure to Keep Required Payroll Records under Labor Code §§ 1174 and 1174.5; (9) Failure to Reimburse Necessary Business Expenses § 2802; and (10) Violation of Business & Professions Code § 17200 *et seq.* ("the Action"). (Kim Decl., ¶ 3.)

Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendant and California's Labor and Workforce Development Agency ("LWDA") by sending her PAGA Notice on November 27, 2024 (LWDA-CM-1064108-24). (Kim Decl., ¶ 4.) On January 31, 2025, Plaintiff filed a First Amended Complaint adding a cause of action for Penalties Under PAGA, Labor Code § 2698 ("Operative Complaint"). (*Id*.)

B. Investigation

Before filing the lawsuit, Class Counsel conducted a thorough investigation and researched the facts and circumstances underlying the pertinent issues and applicable law. (Kim Decl., ¶ 6.) This required thorough discussions and interviews between Class Counsel and Plaintiff. (*Id*.) After filing the lawsuit, Class Counsel conducted a thorough investigation of the facts and claims giving rise to the action, including (1) meeting and conferring with defense counsel and conducting informal discovery; (2) reviewing and analyzing records and data, as well as employment-related policies; (3) reviewing Plaintiff's personnel files and other documentation; (4) interviewing Plaintiff regarding Defendant's policies and workplace; (5) researching the applicable law and potential defenses; (6) constructing damage models based on the facts and numbers provided by Defendant, including consulting experts; and (7) reviewing information provided by Defendant in response to informal discovery and in advance of the mediation. (*Id*.)

C. Settlement Efforts

On May 5, 2026, the Parties participated in an all-day mediation with mediator David Phillips, Esq., a respected and highly experienced mediator in wage and hour class actions. (Kim Decl., ¶ 8.) During mediation, counsel for Plaintiff and Defendant discussed all aspects of the case, including the risks of litigation and the risks to both Parties of proceeding with a class certification motion, as well as the law on unpaid wages, meal periods, rest periods, reimbursements, wage statements, and final pay. (*Id.*) Following a full day of mediation, the Parties agreed to general settlement terms to resolve the lawsuit. (*Id.*) The Parties continued to work together negotiating the long form settlement terms following mediation, as set forth in the Settlement Agreement. (*Id*.)

III. SETTLEMENT AGREEMENT AND ACCOMPANYING DOCUMENTS

Under the terms of the proposed Settlement Agreement, Defendant has agreed to pay

$435,000.00 ("Gross Settlement Amount" or "GSA") on a non-reversionary basis. (Kim Decl., ¶ 10, Exhibit 1, Settlement Agreement, ¶ 1.23.) It will be an opt-out Class and there is no claim form requirement, and no residual will revert to Defendant. (*Id*. at ¶ 3.1.) The Gross Settlement Amount does not include the employer's share of payroll taxes, which will be paid by Defendant in addition to the Gross Settlement Amount. (*Id*.)

The "Net Settlement Amount," available for distribution to Participating Class Members, is the Gross Settlement Amount less the following payments in the amounts approved by the Court:

- Class Counsel Fees Payment*:* Up to one-third (1/3) of the Gross Settlement Amount, or **$145,000.00**, to Class Counsel as attorneys' fees for the litigation and resolution of this Action (Kim Decl., ¶ 11, Exhibit 1, Settlement Agreement, ¶ 3.2.2);
- Class Counsel Litigation Expenses Payment: Reimbursement of actual expenses incurred to prosecute the Action, which is currently estimated not to exceed **$25,000.00** (Kim Decl., ¶ 11, Exhibit 1, Settlement Agreement, ¶ 3.2.2);
- Class Representative Service Payment: Up to **$7,500.00** to Plaintiff as an award for her services as the Class Representative (Kim Decl., ¶ 11, Exhibit 1, Settlement Agreement, ¶ 3.2.1);
- Administration Expenses Payment: Up to **$9,950.00** to the Administrator for its fees and costs to administer the Settlement (Kim Decl., ¶ 11, Exhibit 1, Settlement Agreement, ¶ 3.2.3); and
- PAGA Penalties: **$50,000.00** for settlement of claims for civil penalties under PAGA, with 35% ($17,500.00) to be paid on a pro-rata basis to the Aggrieved Employees ("Individual PAGA Payments") and 65% ($32,500.00) to be paid to the LWDA ("LWDA PAGA Payment") (Kim Decl., ¶ 11, Exhibit 1, Settlement Agreement, ¶ 3.2.5.)

If the Court approves the above allocations from the Gross Settlement Amount, the Net Settlement Amount is estimated to be $**197,550.00** (Kim Decl., ¶ 12.) Each Participating Class Member's share of the Net Settlement Amount ("Individual Class Payment") will be calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each

Participating Class Member's Workweeks. (Kim Decl., ¶ 12, Exhibit 1, Settlement Agreement, ¶ 3.2.4.)

There are 48,800 Workweeks in the Class Period, resulting in a recovery of an estimated $4.05 per Workweek.[1] (Kim Decl., ¶ 13.) Each Class Member will receive an average Individual Class Payment of approximately **$388.88** (estimated Net Settlement Amount of $197,550.00 divided by 508 Class Members), with the highest estimated Individual Class Payment of approximately **$668.25** (total weeks in the Class Period (165) multiplied by $4.05), and the lowest estimated Individual Class Payment of approximately **$4.05** (one week in the Class Period (1) multiplied by $4.05).[2] (*Id*.)

There are approximately 41,059 PAGA Workweeks in the PAGA Period, resulting in a recovery of an estimated $0.43 per PAGA Workweek. (Kim Decl., ¶ 14.) Each Aggrieved Employee will receive an average Individual PAGA Payment of approximately **$36.31** ($17,500.00 divided by 482 Aggrieved Employees), with the highest estimated Individual PAGA Payment of approximately **$58.91** (total weeks in the PAGA Period (137) multiplied by $0.43), and the lowest estimated Individual PAGA Payment of approximately **$0.43** (one week in the PAGA Period (1) multiplied by $0.43). (*Id*.)

The Class Period begins on May 15, 2023, which is within the four-year limitations period applicable to Plaintiff's claim under Business and Professions Code section 17200 measured from the filing of the Complaint on December 27, 2024, and the PAGA Period begins on November 27, 2023, one year before Plaintiff's PAGA Notice. (Kim Decl., Exhibit 1, Settlement Agreement, ¶¶ 1.12, 1.35, 1.37, 2.1.) Neither period extends beyond the applicable limitations period.

Ten percent (10%) of each Participating Class Member's Individual Class Payment will be allocated to the settlement of wage claims and reported on an IRS Form W-2, and ninety percent (90%) will be allocated to the settlement of claims for interest and penalties and reported on IRS

[1] As stated in the declaration of Amanda Howard filed concurrently herewith, Defendant submitted the Class Data to ILYM Group, Inc. prior to the filing of this Motion, and ILYM Group, Inc. confirmed the total Workweek count during the Class Period is 48,800, which does not exceed the 50,600-Workweek threshold; therefore, the escalator clause has not been triggered pursuant to Paragraph 8 of the Settlement Agreement. Thus, the Gross Settlement Amount remains $435,000.00 and the Class and PAGA Period end dates remain July 15, 2026.

[2] Based on the Class Data, ILYM Group, Inc. confirmed there are 508 Class Members.

Form 1099. (Kim Decl., Exhibit 1, Settlement Agreement, ¶ 3.2.4.1.) Defendant will separately pay the employer's share of payroll taxes owed on the Wage Portion of the Individual Class Payments, in addition to the Gross Settlement Amount. (*Id*. at ¶ 3.1.) Individual PAGA Payments will be reported on IRS Form 1099. (*Id*. at ¶ 3.2.5.2.)

Individual Class Payment and Individual PAGA Payment checks will remain valid and negotiable for 180 calendar days after issuance. (Kim Decl., Exhibit 1, Settlement Agreement, ¶ 4.3.1.) The funds represented by any check that remains uncashed after the void date will be transmitted to the California Controller's Unclaimed Property Fund in the name of the Participating Class Member and/or Aggrieved Employee, leaving no unpaid residue subject to Code of Civil Procedure section 384, subdivision (b); accordingly, there is no *cy pres* distribution. (*Id*. at ¶ 4.3.3.)

Effective upon Defendant's full funding of the Gross Settlement Amount and the employer's share of payroll taxes, Participating Class Members will release the Released Parties from all claims that were alleged or reasonably could have been alleged based on the factual allegations in the Operative Complaint and PAGA Notice and arising during the Class Period (the "Released Class Claims"). (Kim Decl., Exhibit 1, Settlement Agreement, ¶¶ 5, 5.2.) All Aggrieved Employees, including Non-Participating Class Members who are Aggrieved Employees, will release all claims for civil penalties under PAGA that are reasonably related to or arising out of the factual allegations in the Operative Complaint and/or the PAGA Notice during the PAGA Period (the "Released PAGA Claims"), regardless of whether they submit a Request for Exclusion. (*Id*. at ¶¶ 5.3, 7.5.4.) Plaintiff will also provide a general release of all claims related to her employment with Defendant, including a waiver of California Civil Code section 1542. (*Id*. at ¶¶ 5.1, 5.1.1.) The Settlement imposes no affirmative obligations on Class Members, who are not required to submit a claim form to receive payment. (*Id*. at ¶ 3.1.)

Class Counsel has covenanted that they will not seek to include, represent, or pursue claims on behalf of Defendant's direct hourly employees in California in the related action *Nicolas Cruz Urbina v. Full Steam Staffing, LLC, et al.*, Case No. STK-CV-UOE-2026-0001967 (San Joaquin Superior Court), or any amendment, continuation, or related proceeding thereof. (Kim Decl., Exhibit 1, Settlement Agreement, ¶ 2.6.) The Parties and their counsel are not aware of any other pending

matter or action asserting claims that will be extinguished or affected by the Settlement. (*Id*.)

IV. CERTIFICATION FOR SETTLEMENT PURPOSES ONLY IS APPROPRIATE

Express judicial policy favors maintaining wage and hour actions as class actions. *Prince v. CLS Transp., Inc.* (2004) 118 Cal. App. 4th 1320, 1328; *Richmond v. Dart Industries, Inc.* (1981) 29 Cal. 3d 462. Any doubt as to the appropriateness of class treatment should be resolved in favor of class certification, subject to later modification if necessary. *Richmond*, 29 Cal. 3d at 473-75.) The decision to certify a class is a procedural one and should be based on the allegations in the operative complaint, and not on the perceived factual or legal merit of the class claims. (*Linder v. Thrifty Oil Co.* (2000) 23 Cal. 4th 429, 439-41.

To certify a settlement class, the Court must find the two primary requirements for maintaining a class action: (1) there must be an ascertainable class, and (2) there must be a well-defined community of interest in the questions of law and fact involving the parties to be represented. *See Vasquez v. Superior Court* (1971) 4 Cal. 3d 800, 805-09; *Daar v. Yellow Cab Company* (1967) 67 Cal. 2d 695, 704. Plaintiff contends that these criteria are met here for settlement purposes for the reasons set forth below.

A. There Is a Numerous and Ascertainable Class

Whether a class is ascertainable is determined by examining the class definition, the size of the class, and the means available for identifying class members. *See Vasquez, supra,* 4 Cal. 3d at 821-22; *Reyes v. Board of Supervisors of San Diego County* (1987) 196 Cal. App. 3d 1263, 1271. Class members are "ascertainable" when they may be readily identified without unreasonable expense or time.

Plaintiff contends, and Defendant does not dispute for settlement purposes only, that the numerosity and ascertainability elements are satisfied here. Class Members are all current and former non-exempt employees who worked for Defendant in California as a non-exempt employee at any time from May 15, 2023 through July 15, 2026. (Kim Decl., ¶ 17, Exhibit 1, Settlement Agreement, ¶¶ 1.5, 1.12.) Defendant has identified 508 Class Members based on a review of its records. (Kim Decl., ¶ 17.) Therefore, there is a numerous and ascertainable class.

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B. There Is a Well-Defined Community of Interest

A community of interest is established by the predominance of common issues of law and fact. *See Vasquez*, 4 Cal. 3d at 811. The requirement of a community of interest "does not depend upon an identical recovery, and the fact that each member of the class must prove his separate claim to a portion of any recovery by the class is only one factor to be considered ... The mere fact that separate transactions are involved does not of itself preclude a finding of the requisite community of interest so long as every member of the alleged class would not be required to litigate numerous and substantial questions to determine his individual right to recover subsequent to the rendering of any class judgment which determined in plaintiffs' favor whatever questions were common to the class." (*Id.* at 809.)

Plaintiff contends, and Defendant does not dispute for settlement purposes only, that common issues of fact and law predominate as to each of the claims alleged by Plaintiff, and the Class is united in its proof. (Kim Decl., ¶ 18.) Because Plaintiff has alleged a single scheme, "the relevant proof [does] not vary among class members" and "clearly presents a common question fundamental to all class members." *See In Re NASDAQ Market-Makers Antitrust Litigation* (SDNY 1997) 172 F.R.D. 119, 123 (citing In Re NASDAQ Market-Makers Antitrust Litigation, (SDNY 1997) 169 F.R.D. 493, 518). California courts show "no hesitancy" in inferring class-wide causation, class-wide injury, and class-wide damages when a common course of action has been shown. *B.W.I. Custom Kitchen*, 191 Cal. App. 3d at 1350. This inference "eliminates the need for each class member to prove individually the consequences of the defendants' actions to him or her." *Id.* at 1351 (quoting *Rosack v. Volvo of America Corp* (1982) 131 Cal. App. 3d 741, 753 [emphasis added]).

This action involves a determination about Defendant's alleged failure to pay all wages due by requiring Class Members to work off the clock, failure to provide meal and rest breaks and premium wages for non-compliant meal and rest breaks, failure to reimburse necessary business expenses, failure to furnish accurate wage statements, failure to keep required payroll records, and failure to timely pay wages including final wages. (Kim Decl., ¶ 18.) Plaintiff contends Defendant's practices affected Class Members in the same way and presents questions that are suitable for common adjudication because all Class Members were subject to the same employment policies and

practices. (*Id.*)

C. The Named Plaintiff's Claims Are Typical

A Class Representative's claims are typical when they arise from the same event, practice, or course of conduct that gives rise to the claims of other putative class members, and if their claims rest on the same legal theories. The class representative's claims must be "typical" but not necessarily identical to the claims of other class members. It is sufficient that the representative is similarly situated so that he or she will have the motive to litigate on behalf of all class members. *Classen v. Weller* (1983) 145 Cal.App.3d 27, 47; *B.W.I. Custom Kitchens v. Owens-Illinois, Inc.* (1987) 191 Cal.App.3d 1341, 1347 ("[I]t has never been the law in California that the class representative must have identical interests with the class members."). Thus, it is not necessary that the class representative should have personally incurred all the damages suffered by each of the other class members. *Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 228.

Plaintiff contends, and Defendant does not dispute for settlement purposes only, that Plaintiff's claims are typical of Class Members' claims because they arose from the same factual basis and are based on the same legal theories. (Kim Decl., ¶ 19.) Thus, Plaintiff's claims are typical of the claims of the putative Class. (*Id.*)

D. Adequacy of Class Counsel and Class Representative

As detailed below, Class Counsel are experienced in class actions, have represented Plaintiff and the Class zealously, and have no conflicts of interest. (Kim Decl., ¶ 20.) The Class Representative's interests are aligned with those of the Class Members, as she alleges that she suffered the same injuries as the Class Members, and she has no conflicts of interest. (*Id*.) Plaintiff has devoted a substantial amount of time and energy to litigating this Action and effectuating a settlement. (*Id*.) Therefore, Plaintiff contends, and Defendant does not dispute for settlement purposes only, that Class Counsel and the Class Representative are adequate.

E. Predominance and Superiority

Plaintiff contends that individual issues do not predominate over those common to the Class. (Kim Decl., ¶ 21.) As explained above, Plaintiff alleges there are common issues of law and fact given that Plaintiff and Class Members were subjected to the same policies and pay practices during

the relevant time period. (*Id*.) Plaintiff and Class Members seek meal and rest premiums, unpaid wages and overtime, and penalties for work performed as non-exempt employees. (*Id*.) Plaintiff alleges that these issues are suitable for common adjudication because all Class Members were subject to the same employment policies, and Plaintiff contends the practices applied uniformly to all Class Members. (*Id*.)

Plaintiff contends that class resolution is superior to other available methods for the fair and efficient adjudication of the controversy, as there is little interest or incentive for Class Members to individually control the prosecution of separate actions. (Kim Decl., ¶ 22.) Plaintiff contends that the cost of individually litigating each such case against Defendant would easily exceed the value of any relief that could be obtained by any one Class Member individually. (*Id*.) If Class Members are forced to litigate their claims individually, it would potentially result in 508 individual actions against Defendant, each for relatively small amounts. (*Id*.) Hence, Plaintiff contends that an individual suit would prove uneconomical for potential plaintiffs because litigation costs would dwarf a potential recovery. (*Id*.)

V. THE THREE STEP APPROVAL PROCESS

California Rule of Court 3.769 requires court approval of the settlement of class action lawsuits. Preliminary approval is merely the first of three steps that comprise the approval procedure for settlements of class actions. *See* Manual for Complex Litigation, Second § 30.44 (1993); *Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1801. The second approval step is the dissemination of notice of the settlement to all Class Members. (*Id*.) The third step is a final settlement approval hearing, at which evidence and argument concerning the fairness, adequacy, and reasonableness of the settlement may be presented, and Class Members may be heard. (*Id.*)

The determination of whether a settlement should be preliminarily approved requires "basic information about the nature and magnitude of the claims in question and the basis for concluding that the consideration being paid for the release of those claims represents a reasonable compromise." *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 133. However, the record need not contain an explicit statement of the maximum theoretical amount that the class could recover. *See Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles* (2010) 186 Cal. App. 4th 399, 409 ("*Kullar*

does not,… require any such explicit statement of value; it requires a record which allows "an understanding of the amount that is in controversy and the realistic range of outcomes of the litigation."). "If the proposed settlement appears to be the product of serious, informed, non-collusive negotiations, has no obvious deficiencies, does not improperly grant preferential treatment to class representatives or segments of the class, and falls within the range of possible approval, then the court should direct that notice be given to the Class Members of a formal fairness hearing, at which evidence may be presented in support of and in opposition to the settlement." Manual for Complex Litigation, Second § 30.44, at 229.

In deciding whether to approve a proposed class action settlement, the Court must find that a proposed settlement is "fair, adequate, and reasonable" and falls within the "range of approval." *Dunk*, 48 Cal.App.4th at 1801-02. The trial court considers all 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." (*Id.*)

VI. THE SETTLEMENT IS FAIR, ADEQUATE, AND REASONABLE

The Court's decision to preliminarily approve a settlement is granted great deference as an exercise within its broad discretion. *Wershba v. Apple Computer, Inc*. (2001) 91 Cal.App.4th 224, 234-235. As a matter of public policy, courts both encourage the use of the class action device and favor settlement over continued litigation. *See, e.g., Linder v. Thrifty Oil Co.* (2000) 23 Cal. 4th 429, 434 ("Courts have long acknowledged the importance of class actions as a means to prevent a failure of justice in our judicial system."); *Class Plaintiffs v. City of Seattle* (1992) 955 F.2d 1268, 1276 ("[S]trong judicial policy . . . favors settlements, particularly where complex class action litigation is concerned.").

A. The Settlement is the Result of Serious, Informed, Non-Collusive Negotiations

The proposed settlement was reached as a result of arm's-length negotiations after the completion of pertinent informal discovery and the exchange of necessary class data. (Kim Decl. ¶ 24.) The negotiations have been, at all times, adversarial and non-collusive in nature. (*Id*.) *See*, 4

Newberg on Class Actions § 13:45 (5th ed.) (due to the preference of settlement over litigation, "a court will presume that a proposed class action settlement is fair when certain factors are present, particularly evidence that the settlement is the product of arms-length negotiation, untainted by collusion."). Although Plaintiff steadfastly maintains that her claims are meritorious, Defendant presented multiple defenses to Plaintiff's claims, both on the merits and with respect to class certification. (*Id*.) Assistance from a well-respected mediator ensured negotiations between the Parties were non-collusive and well-informed. (*Id*.)

B. Extent of Discovery and Stage of Proceedings

As stated above, the Parties engaged in substantial informal discovery before the Settlement was reached to allow them to fully evaluate the class claims and Defendant's defenses. (*Id.* at ¶ 25.) This litigation has reached the stage where the Parties have a clear view of their respective strengths and weaknesses in this case. (*Id*.)

C. The Strength of Plaintiff's Case and the Risk, Expense, Complexity, and Likely Duration of Any Litigation

Plaintiff alleges that Defendant failed to pay Plaintiff and Class Members at least minimum wages for all hours worked and proper overtime wages for hours worked in excess of eight hours in a day and 40 hours in a week. (Kim Decl., ¶ 27.) Plaintiff alleges that Defendant required Class Members to work prior to the start of their scheduled shifts and after the end of their scheduled shifts, including by waiting in lines to clock in and communicating with supervisors via cell phone regarding the location of materials and orders outside scheduled work hours. (*Id*.) However, Plaintiff alleges that Class Members were not paid for the time they worked in excess of their scheduled hours. (*Id*.)

Defendant contends that it instructed Class Members to record all hours worked, that it paid Class Members for all reported hours worked, that any off-the-clock work was performed without Defendant's knowledge and was de minimis, and that it paid wages to Class Members at the proper rates. (Kim Decl., ¶ 28.) Defendant contends that off-the-clock work allegations will be difficult to certify because Defendant has a lawful policy prohibiting off-the-clock work. (*Id.*) Defendant also argues that, given its written policies and practices, any unrecorded hours are likely subject to

individualized inquiry and unlikely to be certified. (*Id.*)

Plaintiff alleges that Defendant failed to provide proper meal breaks to Class Members. (Kim Decl., ¶ 29.) Plaintiff alleges that Defendant required Class Members to work through their meal periods due to understaffing and rigorous work demands. (*Id*.) Plaintiff further alleges that on occasions when Plaintiff and Class Members worked over ten hours on a shift, Defendant failed to provide them with a second uninterrupted, duty-free, and timely meal period. (*Id*.)

Defendant contends that Class Members were authorized, permitted, and never denied the opportunity to take their meal periods, and that any deviations from their scheduled meal breaks were at the voluntary election of Class Members. (Kim Decl., ¶ 30.) Further, Defendant argues that employees signed valid meal period waivers. (*Id.*) Defendant further contends that the meal break claim requires individualized inquiries, which would preclude class certification. (*Id.*)

Plaintiff also alleges that Defendant did not provide Class Members with paid 10-minute rest breaks for every four hours or a major fraction thereof. (Kim Decl., ¶ 31.) Plaintiff contends that Class Members were not permitted to leave Defendant's premises during rest periods and that rest breaks were often interrupted due to work demands. (*Id*.)

Defendant maintains that it authorized and permitted Class Members to take duty-free rest breaks of at least ten minutes for every four hours worked or major fraction thereof. (Kim Decl., ¶ 32.) Defendant contends that there are no restrictions, in policy or practice, on where employees can go during their rest breaks. (*Id*.) Considering that, unlike meal periods, rest breaks need not be recorded, these violations would likely be difficult to prove at trial and potentially depress the damages ultimately awarded. (*Id*.)

Additionally, Plaintiff alleges that Defendant required Class Members to use their cellular phones and personal vehicles for work but were not reimbursed for those expenses. (Kim Decl., ¶ 33.) Defendant maintains that Class Members did not incur business expenses and/or were properly reimbursed for all business expenses and further contends that any unreimbursed business expenses were not necessary expenditures as required by Labor Code section 2802. (*Id*.) Defendant also maintains that individualized issues relating to this claim would preclude class certification. (*Id*.)

As for the wage statement and waiting time penalties claims, Defendant contends that these

claims are merely derivative of the underlying claims and that Class Members would be unable to first establish liability for the underlying claims for the reasons described above. (Kim Decl., ¶ 34.) Defendant further contends that even if they could first establish liability for the underlying claims, which Defendant disputes, Class Members would be unable to establish that Defendant's conduct was willful and knowing as required by the relevant statutes since Defendant acted in good faith to provide accurate wage statements and pay all wages due to Class Members. (*Id*.)

Similarly, Defendant contends that the PAGA claim is also derivative of the underlying claims in the Action and ultimately fails because the underlying claims have no merit. (Kim Decl., ¶ 35.) Defendant also contends that even if Plaintiff and Class Members could establish Labor Code violations, which Defendant disputes, the Court has the discretion to award less than the maximum civil penalty amount and would award substantially less civil penalties here because Defendant acted in good faith to comply with the relevant wage and hour laws and any violations were minor and technical in nature. (*Id*.)

As stated above, while Plaintiff contends the claims asserted in the Action have merit, she also acknowledges the expense, delay, and risks of continued litigation that would have likely spanned several years at a heavy cost. (Kim Decl., ¶ 37.) This Settlement avoids those risks and the accompanying expense. (*Id*.)

D. The Risk of Maintaining Class Action Status Through Trial

Plaintiff had not yet filed her motion for class certification, and as such, the extent to which Plaintiff's proposed Class was certifiable is somewhat speculative. (Kim Decl., ¶ 38.) Absent a settlement, there was a risk that there would not be a certified class at the time of trial, or if there were, it could consist of a significantly smaller group of employees than the proposed Class, resulting in less overall recovery. (*Id*.)

Finally, in class actions, decertification is always a possibility, and there is always a risk that a trial of this magnitude can become unmanageable. (Kim Decl., ¶ 39.) Cases like *Duran v. U.S. Bank Nat. Assn*. (2014) 59 Cal. 4th 1, 34 addresses the complexity of using statistical samples in class actions and demonstrates that decertification is a real risk that Class Counsel must consider.

(*Id*.) A class trial would have also required expert witnesses, the accrual of extensive litigation costs, and the commitment of extensive further time and financial resources. (*Id*.) Finally, given the complexity and unsettled nature of the issues, it is likely that any outcome at trial would have resulted in a lengthy and costly appeal. (*Id*.)

E. The Presence of a Governmental Participant

Class Counsel will be submitting the Settlement Agreement and this Motion to the LWDA concurrently with the filing of this Motion pursuant to Labor Code § 2699(l)(2). (Kim Decl., ¶ 40.)

F. The Amount Offered in Settlement is Fair Given the Potential Value of the Claims

Based on an analysis of Plaintiff's time and pay records and a sampling of time and pay records for the Class, Plaintiff estimated the potential realistic exposure for the main claims as follows: $204,393.30 for the unpaid wages claims, including minimum and overtime wages, due to off the clock work; $140,894.60 for meal period violations; $23,218.10 for rest period violations; $81,077.50 for wage statement penalties; $64,441.65 in waiting time penalties; $5,080.00 for reimbursement for necessary business expenditures; and $95,570.00 for PAGA penalties. (Kim Decl., ¶¶ 43-66.) As such, the total estimated realistic exposure Defendant could face is $614,675.15. (*Id*. at ¶ 68.)

The Gross Settlement Amount of $435,000.00 represents a recovery for the Class of approximately 70% of the total realistic exposure Plaintiff estimated Defendant could face on the primary claims in this case. (*Id*.) Plaintiff and Class Counsel submit that this is an excellent result in the face of uncertainty and the prospects of protracted and contested litigation through class certification, summary judgment, and trial, and in light of all of the factors described above. (*Id*.)

G. A Balance of Risk Factors and *Kullar* Analysis Support Approval

In deciding whether to approve the settlement, the Court must balance these risk factors against an "understanding of the amount in controversy and the realistic range of outcomes of the litigation." *Kullar v. Foot Locker Retail, Inc*. (2008) 168 Cal.App.4th 116, 130, 133; *Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles* (2010) 186 Cal.App.4th 399, 408-09. The court "must stop short of the detailed and thorough investigation that it would undertake if it were actually trying the

case …." *Munoz*, at 408. As noted above, the Gross Settlement Amount represents a recovery of approximately 70% of the estimated total realistic exposure facing Defendant. (Kim Decl., ¶ 68.)

There was a very real prospect that nothing would be recovered by the Class if litigation continued and class certification were ultimately denied. Settlement is a prudent compromise that benefits the Class Members promptly.

H. Experience and Views of Counsel

Experienced counsel, operating at arm's length, have weighed the strengths of the case, examined all the issues and risks of litigation, and endorsed the proposed settlement. Class Counsel submits that the Settlement is fair, adequate, and reasonable in view of the risks and other considerations addressed and is well-suited for final approval upon completion of the administration process. (Kim Decl., ¶¶ 9, 79.)

VII. THE CLASS REPRESENTATIVE SERVICE PAYMENT IS FAIR AND REASONABLE

"At the conclusion of a class action, the class representatives are eligible for a special payment in recognition of their service to the class." 5 Newberg on Class Actions § 17:1 (5th ed.).

Plaintiff is entitled to a reasonable service payment for her efforts and initiative in bringing and helping to prosecute this action and obtaining significant benefits from the Settlement for the Class. (Kim Decl., ¶ 70.) Plaintiff spent significant time better apprising herself of her rights, deciding whether remedial action should be taken and how it should be taken, searching for attorneys, and contacting Class Counsel. (*Id*.) Plaintiff provided Class Counsel with information about Defendant, produced and reviewed documents, identified witnesses, monitored the progress of the litigation with Class Counsel, participated in the mediation process, and reviewed and signed the Settlement Agreement. (Kim Decl., ¶ 71.)

In light of the foregoing, Class Counsel believes that the $7,500.00 Class Representative Service Payment to Plaintiff is fair and reasonable. (*Id*.)

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VIII. THE PROPOSED CLASS NOTICE PROVIDES ADEQUATE NOTICE TO THE CLASS MEMBERS

To be deemed proper, a notice must provide the Class Members with sufficient information to make an informed decision as to whether to accept or object to the settlement. *Mullane v. Central Hanover Bank & Trust Co.* (1950) 339 U.S. 306, 314. The notice must apprise the Class Members of the pendency of the action; reasonably convey information regarding the settlement and the Class Members' rights, entitlements, and obligations; and afford Class Members the opportunity to present their objections. (*Id.*)

The Class Notice includes a summary of the case and settlement terms and provides Class Members with detailed instructions on how to exclude themselves, object to the settlement, and challenge the number of Workweeks and/or PAGA Workweeks attributed to each Class Member per Defendant's records. (Kim Decl., ¶ 72, Exhibit 1, Settlement Agreement, Exhibit A, Class Notice.)

The standard for determining the adequacy of notice is whether it has "a reasonable chance of reaching a substantial percentage of the class members." *Cartt v. Superior Court* (1975) 50 Cal.App.3d 960, 974. Here, the Class Notice will be sent in English and Spanish via first-class USPS mail to each of the Class Members based on Defendant's records, after the Administrator updates addresses using the National Change of Address database. (Kim Decl., ¶ 15, Exhibit 1, Settlement Agreement, ¶¶ 1.11, 7.4.2.) For Class Notices returned as undelivered, the Administrator will, within three (3) business days, re-mail the Class Notice to a forwarding address (if provided) or conduct a Class Member Address Search, including skip tracing, to obtain a current address if no forwarding address is provided. (Kim Decl., ¶ 72, Exhibit 1, Settlement Agreement, ¶¶ 1.10, 7.4.3.) Class Members whose notice is re-mailed will have an additional fourteen (14) days to respond. (*Id*. at ¶ 7.4.4.)

IX. THE REQUESTED AWARD OF ATTORNEYS' FEES AND COSTS IS REASONABLE AND SHOULD BE APPROVED

At final approval, Class Counsel will request a Class Counsel Fees Payment of not more than one-third (1/3) of the Gross Settlement Amount ($145,000.00) and a Class Counsel Litigation Expenses Payment of not more than $25,000.00, both subject to approval by the Court. (Kim Decl.,

¶ 69, Exhibit 1, Settlement Agreement, ¶¶ 1.7, 3.2.2.) Defendant has agreed not to oppose requests that do not exceed these amounts, and Class Counsel will file a motion for these payments no later than sixteen (16) court days before the Final Approval Hearing. (*Id*.)

Class Counsel submits it has the requisite experience, knowledge, and resources to serve as Class Counsel and to zealously represent the Class. (Kim Decl., ¶¶ 74-79.) Class Counsel has incurred substantial hours in prosecuting this action on a contingency basis and will not receive any compensation for their efforts until recovery is obtained for the Class. (Kim Decl. ¶ 69.) In addition, Class Counsel's efforts in reaching the Settlement on behalf of the Class will confer a significant benefit to the Class. (*Id*.) As such, the requested Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment are reasonable.

X. ACTION REQUESTED AS A PART OF THE MOTION FOR PRELIMINARY APPROVAL

Plaintiff respectfully requests that this Court: (1) grant preliminary approval of the Settlement, including the PAGA portion of the Settlement; (2) certify the proposed Class for settlement purposes only; (3) appoint Plaintiff as Class Representative and D.Law, Inc. as Class Counsel for settlement purposes only; (4) approve ILYM Group, Inc. as the Administrator; (5) approve the form, content, and method of distribution of the Class Notice in English and Spanish; (6) authorize Defendant to transmit the Class Data to the Administrator; and (7) schedule the Final Approval Hearing.

Dated: November 18, 2026

D.LAW, INC.

By _____
Enoch J. Kim
Arianna N. Razi
Attorneys for Plaintiff and Class