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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**

JARED HIPSHER, on behalf of the State of
California and other aggrieved persons,

Plaintiff,

v.

HAVAS FORMULA, LLC, a California
limited liability company; and DOES 1
through 10, inclusive,

Defendants.

Case No.: 24STCV31485
Related Case: 25TRCV03967

*[Assigned for All Purposes to the Honorable
William F. Highberger, Dept. 10]*

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

Preliminary Approval Hearing:

Date: December 8, 2026

Time: 10:00 a.m.

Dept.: 10

Action Filed: November 27, 2024

1 **TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:**

2 **PLEASE TAKE NOTICE** that on December 8, 2026, at 10:00 a.m., or as soon thereafter
3 as the matter may be heard in Department 10 of the Superior Court of California, County of Los
4 Angeles, located at 312 North Spring Street Los Angeles, CA 90012, Plaintiff Jared Hipsher
5 (“Plaintiff”) will and hereby does move this Court for an Order:

- 6 1. Granting preliminary approval of the proposed Class Action and PAGA Settlement
7 Agreement (“Settlement Agreement”);
- 8 2. Conditionally certifying the proposed Class for settlement purposes only;
- 9 3. Appointing Plaintiff as the Class Representative;
- 10 4. Appointing Wilshire Law Firm, PLC as Class Counsel;
- 11 5. Appointing Phoenix Settlement Administrators as the Settlement Administrator; and
- 12 6. Setting a final approval hearing date.

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

18 This Motion is based on this Notice of Motion, the accompanying Memorandum of
19 Points and Authorities, the Declaration of Thiago M. Coelho, the Declaration of Jared Hipsher,
20 and on all records and documents on file, together with such oral and documentary evidence
21 that may be presented at the hearing on this matter.

22 Respectfully submitted,

23 Dated: August 28, 2026

WILSHIRE LAW FIRM, PLC

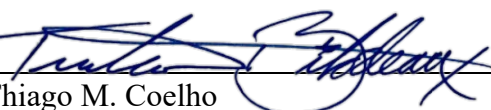
24 By: 
25 Thiago M. Coelho
26 Jesenia A. Martinez
27 Trenten N. Bilodeaux
28 Chumahan Bowen
Attorneys for Plaintiff

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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Pursuant to California Rules of Court, Rule 3.769(d) and (e), Plaintiff seeks preliminary approval of a class action settlement of wage and hour claims, including representative claims brought under the Labor Code Private Attorneys General Act of 2004 (“PAGA”), against Defendant Havas Formula, LLC (“Defendant”). The proposed Class is defined all current and former hourly, non-exempt employees who were employed by Defendant, either directly or through any predecessor, successor, assign, subsidiary, staffing agency, or professional employer organization, in the State of California (“Class Members”) during the period from November 27, 2020, through the day the Court grants preliminary approval of the Settlement (“Class Period”). The main terms of the Settlement are as follows:

1. A Gross Settlement Amount of \$242,200.00, which will be distributed to approximately 113 Class Members on a pro rata basis according to the total workweeks worked by each Class Member during the Class Period;
2. Attorneys’ fees of up to one third (1/3) of the Gross Settlement Amount (currently \$80,733.33) and costs not to exceed actual litigation expenses incurred. As of the date of filing this motion, Class Counsel has incurred \$18,418.29, we anticipate incurring \$600.00 in future costs for filing fees and service fees for a total of \$19,018.29 in costs.
3. A Class Representative Service Payment of up to \$10,000.00 to Plaintiff;
4. Costs of settlement administration of up to \$5,950.00; and
5. Allocation of \$12,110.00 to PAGA penalties, sixty-five percent (65%) of which (\$7,871.50) will be paid to the Labor and Workforce Development Agency (“LWDA”), and thirty-five percent (35%) of which (\$4,238.50) will be paid to all current and former hourly, non-exempt employees employed by Defendant, either directly or through any predecessor, successor, assign, subsidiary, staffing agency, or professional employer organization, in the State of California (“Allegedly Aggrieved Employees”) at any time during the period from November 27, 2023,

1 through the day the Court grants preliminary approval of the Settlement (“PAGA
2 Period”).

3 The Settlement meets all criteria for preliminary approval and falls within the range of
4 reasonableness given the risks and expenses of further litigation. The Settlement was reached
5 through informed, arm’s length bargaining between experienced attorneys with the assistance of
6 an experienced neutral. As such, Plaintiff requests that the Court grant preliminary approval of the
7 Settlement, conditionally certify the Class for settlement purposes only, appoint Plaintiff as the
8 Class Representative, appoint Plaintiff’s Counsel as Class Counsel, appoint Phoenix Settlement
9 Administrators (“Phoenix”) as the Settlement Administrator, authorize the Settlement
10 Administrator to administer notice of the Settlement to the Class, and set a final approval hearing
11 date.

12 **II. PROCEDURAL HISTORY**

13 On November 27, 2024, Plaintiff filed this putative class action against Defendant alleging:
14 (1) failure to pay minimum and straight time wages; (2) failure to pay overtime wages; (3) failure
15 to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay
16 final wages at termination; (6) failure to provide accurate itemized wage statements; (7) failure to
17 indemnify employees for expenditures; and (8) unfair business practices (“Class Action”).
18 Declaration of Thiago M. Coelho in Support of Plaintiff’s Motion for Preliminary Approval of
19 Class Action and PAGA Settlement (“MPA”) (“Coelho Decl.”) at ¶ 3.

20 On November 27, 2024, Plaintiff provided written notice to the LWDA and Defendant of
21 the specific provisions of the Labor Code alleged to have been violated, including the facts and
22 theories in support. Coelho Decl. at ¶ 4. The LWDA did not notify Plaintiff that it intended to
23 investigate within 65 days of this written notice. *Id.* Therefore, on November 19, 2025, Plaintiff
24 filed a separate action in the Superior Court of California, County of Los Angeles, for civil
25 penalties under PAGA, Case No. 25TRCV03967 (the “PAGA Action”). *Id.* On December 22,
26 2025, the Court deemed the Class Action and PAGA Action related. *Id.* at ¶ 5.

27 On December 17, 2025, the Parties participated in a private mediation with Michael Young.
28 *Id.* at ¶ 6. The mediator made a proposal, which was accepted by the Parties. *Id.* The Parties

1 negotiated the terms of the Settlement over the next several months, which was finalized on June
2 23, 2026. *Id.* at ¶ 7, Exhibit 2 (“Settlement Agreement”). On August 28, 2028, Plaintiff submitted
3 a copy of the Settlement Agreement to the LWDA. *Id.* at ¶ 8, Exhibit 3.

4 **III. SUMMARY OF THE SETTLEMENT TERMS**

5 **A. Terms of the Proposed Settlement**

6 The Parties have agreed to settle the claims alleged in this case and the related PAGA
7 Action for a Gross Settlement Amount of \$242,200.00. Settlement Agreement at § 3.1. Subject to
8 Court approval, the following payments will be deducted from the Gross Settlement Amount: (1)
9 a Class Representative Service Payment of up to \$10,000.00 to Plaintiff; (2) attorneys’ fees of up
10 to one third (1/3) of the Gross Settlement Amount (currently \$80,733.33) and reimbursement of
11 litigation costs of approximately \$19,018.29 to Plaintiff’s Counsel; (3) costs of settlement
12 administration of up to \$5,950.00 to Phoenix; (4) Individual Class Payments to Class Members;
13 and (5) PAGA Penalties in the amount of \$12,110.00, which will be allocated 65% to the LWDA
14 (\$7,871.50) and 35% to Allegedly Aggrieved Employees (\$4,238.50). *Id.* at § 3.2 *et seq.* After all
15 requested deductions are made, the remaining Net Settlement Amount is currently estimated to be
16 \$114,388.38.

17 Individual Class Payments will be calculated based on the number of Workweeks worked
18 by each Class Member during the Class Period. *Id.* at § 3.2.4. For tax purposes, the Individual
19 Class Payments will be allocated 20% to wages and 80% to interest and penalties. *Id.* at § 3.2.4.1.
20 Defendant will separately pay employer payroll taxes owed on the wage portions of the individual
21 class payments separate from the Gross Settlement Amount. *Id.* at § 3.1.

22 Individual PAGA Payments to Allegedly Aggrieved Employees will be calculated based
23 on the number of PAGA Pay Periods worked by each Allegedly Aggrieved Employee during the
24 PAGA Period. *Id.* at § 3.2.5.1. For tax purposes, the individual PAGA payments will be allocated
25 100% to penalties. *Id.*

26 Any deductions not approved by the Court will be retained by the Settlement Administrator
27 in the Net Settlement Amount. *Id.* at §§ 3.2.1, 3.2.2, 3.2.3, 3.2.5. Funds from any uncashed checks
28 will be transmitted by the Settlement Administrator to the California Controller’s Unclaimed

1 Property Fund in the name of the Class Member. *Id.* at § 4.4.3. None of the Gross Settlement
2 Amount will revert to Defendant. *Id.* at § 3.1.

3 **B. Proposed Settlement Administration**

4 The Parties' proposed Class Notice complies with the requirements of California Rules of
5 Court, Rule 3.766(d). *See* Exhibit A to Settlement Agreement. It provides information regarding
6 the nature of this lawsuit, a summary of the settlement terms, the formula used for calculating
7 individual class and PAGA payments and instructions to dispute the calculations, instructions on
8 how to opt-out of or object to the Settlement, the date, time, and location of the final approval
9 hearing, and the amounts sought for the class representative service payment, attorneys' fees and
10 litigation costs, and settlement administration costs. *See generally, id.* The Class Notice also
11 notifies Class Members that they do not need to submit a claim in order to participate in the
12 Settlement and receive a payment. *See id.* The Settlement Administrator will mail Class Members
13 the Class Notice by first-class mail in English and in Spanish. Settlement Agreement at § 7.4.2.

14 If a Class Notice is returned as undeliverable, the Settlement Administrator will re-mail the
15 Class Notice within five (5) calendar days to the forwarding address provided by the U.S. Postal
16 Service. Settlement Agreement at § 7.4.3. If no forwarding address is provided, the Settlement
17 Administrator will conduct a Class Member Address Search and re-mail the Class Notice to the
18 most current address obtained. *Id.* The deadline to opt-out of the Settlement or to submit an
19 objection or dispute will be extended by fourteen (14) days for all Class Members whose Class
20 Notice was remailed. *Id.* at §7.4.4.

21 **C. Proposed Release**

22 Effective on the date when Defendant fully funds the Gross Settlement Amount and all
23 employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff,
24 Class Members, and Class Counsel will release claims against all Released Parties as follows:

25 Released Class Claims:

26 Upon the date on which the payment of the Gross Settlement Amount is made by
27 Defendant, all Participating Class Members, on behalf of themselves and their respective
28 former and present representatives, agents, attorneys, heirs, administrators, successors,
and assigns, shall be deemed to have released the Released Parties from all claims under

1 state, federal or local law, whether statutory, common law or administrative law, that
2 were alleged, or reasonably could have been alleged, based on the facts alleged in the
3 Class Action and ascertained in the course of the Class Action, including without
4 limitation, California Labor Code sections 201, 202, 203, 204, 210, 218.5, 218.6, 226,
5 226.7, 510, 512, 1174, 1194, 1194.2, 1197, 1198, and 2802, the California Industrial
6 Commission Wage Orders, and Business and Professions Code sections 17200, et seq.,
7 and including all claims for or related to alleged failure to pay minimum and straight
8 time wages, failure to pay overtime wages, failure to provide meal periods, failure to
9 permit rest breaks, failure to pay all wages due upon separation of employment, failure
10 to provide accurate itemized wage statements, failure to reimburse business expenses,
11 and unfair and unlawful business practices, including, but not limited to, claims for
12 injunctive relief, liquidated damages, penalties of any nature, interest, fees, costs, and all
13 other claims and allegations made or which could have been made in the Action based
14 on the facts and allegations pled in the Class Action and arising during the Class Period
15 (collectively the “Released Class Claims”). Except as set forth in Paragraph 5.3 of this
16 Agreement, Participating Class Members do not release any other claims, including
17 claims for vested benefits, wrongful termination, violation of the Fair Employment and
18 Housing Act, unemployment insurance, disability, social security, and workers’
19 compensation, or claims based on facts occurring outside the Class Period.

20 Settlement Agreement at § 5.2.

21 Released PAGA Claims:

22 Upon the date on which the payment of the Gross Settlement Amount is made by
23 Defendant, all Allegedly Aggrieved Employees, on behalf of themselves and their
24 respective former and present representatives, agents, attorneys, heirs, administrators,
25 successors, and assigns, shall be deemed to have released the Released Parties from all
26 claims for PAGA penalties alleged, or that reasonably could have been alleged, based
27 on the facts alleged in the PAGA Complaint and the PAGA Notice, and/or ascertained
28 in the course of the Action, including but not limited to alleged violations of California
Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 246, 510, 512, 558,
1174, 1174.5, 1194, 1197, 1197.1, 1198, and 2802, California Industrial Commission
Wage Orders, and the California Code Regulations; claims based on alleged failure to
pay minimum and straight time wages, failure to pay overtime wages, failure to provide
meal periods, failure to permit rest breaks, failure to pay all wages due upon separation
of employment, failure to provide accurate itemized wage statements, failure to
reimburse business expenses, failure to pay all earned wages twice per month, failure to
maintain accurate time and meal-period records, to include non-discretionary
remuneration in the regular rate of pay, which arose during the PAGA Period
(collectively the “Released PAGA Claims”).

Settlement Agreement at § 5.3.

Only Plaintiff will agree to a general release and a waiver of Civil Code § 1542. Settlement
Agreement at §§ 5.1, 5.1.1.

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

3 **A. Provisional Certification of the Class is Appropriate**

4 Class certification is appropriate when there is: (1) an ascertainable and sufficiently
5 numerous class; (2) a well-defined community of interest among class members; and (3) substantial
6 benefits from certification that render proceeding as a class superior to the alternatives. *Brinker*
7 *Restaurant Corp. v. Superior Court*, 53 Cal.4th 1004, 1021 (2012). Although courts still need to
8 review and consider each element for certification, a lesser standard can be used to provisionally
9 certify a settlement class. *Global Minerals & Metals Corp. v. Superior Court*, 113 Cal.App.4th
10 836, 859 (2003).

11 **1. The Proposed Class is Numerous and Ascertainable**

12 “Ascertainability” is determined by examining the class definition and the size of the class
13 and may also involve examining the means available to identify class members. *Noel v. Thrifty*
14 *Payless, Inc.*, 7 Cal.5th 955, 980-981, 985-986 (2019). As the settlement eliminates the need for
15 trial, “the case management issues inherent in the ascertainable class determination need not be
16 confronted.” *Global Minerals*, 113 Cal.App.4th at 859. Further, under California law, there is no
17 minimum number of class members for maintenance of a class action. *Hendershot v. Ready to Roll*
18 *Transp., Inc.*, 228 Cal.App.4th 1213, 1222 (2014). Class sizes as small as 10 have been permitted.
19 *Rose v. City of Hayward*, 126 Cal.App.3d 926, 934 (1981), disapproved on other grounds by *Noel*,
20 7 Cal.5th at 986.

21 The Class here consists of all current and former hourly, non-exempt employees who were
22 employed by Defendant, either directly or through any predecessor, successor, assign, subsidiary,
23 staffing agency, or professional employer organization, in the State of California during the Class
24 Period. See Settlement Agreement at § 1.5, 1.14. The Class is also readily ascertainable from
25 Defendant’s business records, because all Class Members are or were employees of Defendant. *Id.*
26 Defendant’s records show there are approximately 113 Class Members, making joinder of all Class
27 Members impracticable. Coelho Decl. at ¶ 10.

1 2. *A Well-Defined Community of Interest Exists*

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

5 a. *Common Questions Predominate*

6 In determining whether common issues “predominate,” courts consider both plaintiff’s
7 legal theories and defendant’s affirmative defenses. *Duran v. U.S. Bank Nat’l Ass’n*, 59 Cal.4th 1,
8 28-29 (2014). The “predominate common questions” factor does not require that all class members
9 have identical claims. *Ayala v. Antelope Valley Newspapers, Inc.*, 59 Cal.4th 522, 530 (2014).
10 Rather, the focus is on whether issues shared by the class members are sufficiently uniform to
11 permit class-wide assessment, and whether individual variations in proof on those issues are
12 manageable. *Id.*

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

25 b. *Plaintiff is Typical of the Class*

26 Typicality does not require that the representative plaintiff’s claims and those of the class
27 members be identical or perfectly aligned. *Wershba v. Apple Computer, Inc.*, 91 Cal.App.4th 224,
28 228 (2001), disapproved on other grounds by *Hernandez v. Restoration Hardware, Inc.*, 4 Cal.5th

260 (2018). Typicality does not require that a plaintiff's claims be identical to those of other class members, only that their claims and the defenses applicable to them are sufficiently similar to those of other class members that a named plaintiff is able to adequately represent the class and focus on common issues. *Medraza v. Honda of North Hollywood*, 166 Cal.App.4th 89, 99 (2008).

Plaintiff has alleged that he and Class Members were employed by the same Defendant and injured by Defendant's common wage and hour policies and practices, including Defendant's scheduling, timekeeping, pay, meal period, rest period, and reimbursement policies. *See Coelho Decl.* at ¶ 11. Through informal discovery, Plaintiff confirmed that these challenged policies and practices applied to Plaintiff and Class Members alike. *See id.* at ¶ 9. Therefore, Plaintiff's claims and Class Members' claims arise from the same challenged employment policies and practices and are based on the same legal theories.

c. Plaintiff and Plaintiff's Counsel Will Adequately Represent the Class

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

Plaintiff's interests are coextensive with Class Members' interests. Declaration of Jared Hipsher in Support of Plaintiff's MPA ("Hipsher Decl.") at ¶ 6. Plaintiff has demonstrated an ability to advocate for the interests of Class Members by initiating this lawsuit, providing information to his attorneys, meeting with his attorneys regarding the claims, making himself available the day of mediation to answer questions, and reviewing the proposed Settlement. *Id.* at ¶ 11.

Likewise, Wilshire Law Firm has expended considerable time and effort on this case and will continue to do so through final approval. *See generally*, Coelho Decl. Therefore, Plaintiff should be appointed Class Representative, and his counsel should be appointed Class Counsel.

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

Courts have held that class treatment of wage and hour claims is clearly "superior to the

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

10 **B. The Settlement Meets the Standards for Preliminary Approval**

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

20 **1. The Settlement is Entitled to a Presumption of Fairness**

21 A settlement is entitled to “a presumption of fairness . . . where: (1) the settlement is reached
22 through arm’s length bargaining; (2) investigation and discovery are sufficient to allow counsel
23 and the court to act intelligently; (3) counsel is experienced in similar litigation; and (4) the
24 percentage of objectors is small.” *Dunk v. Ford Motor Co.*, 48 Cal.App.4th 1794, 1801 (1996).
25 The Settlement here satisfies the first three factors. Plaintiff will analyze the fourth factor at final
26 approval after Class Members have been notified of the Settlement and provided with an
27 opportunity to object.
28

1 a. *The Settlement is the Result of Arm's Length Negotiation*

2 Courts have recognized that the involvement of a respected mediator provides a high degree
3 of assurance that the settlement is the result of arm's length bargaining. *See Chavez v. Netflix, Inc.*,
4 162 Cal.App.4th 43, 52-53 (2008). The Settlement in this matter was the product of a full-day
5 mediation session with a respected mediator. Coelho Decl. at ¶ 6. The negotiations were
6 adversarial, conducted at arm's length, and tempered by the efforts of both sides to serve the
7 interests of their clients. *Id.*

8 b. *Sufficient Investigation and Discovery Have Been Conducted*

9 Prior to attending mediation, Plaintiff's Counsel thoroughly investigated the claims,
10 applicable law, and potential defenses. Coelho Decl. at ¶ 9. Plaintiff's Counsel assessed the value
11 to the class claims using the data and documents that Defendant produced in informal discovery,
12 including class data providing the number of Class Members, the number of workweeks in the
13 Class Period, and the number of pay periods in the PAGA Period, Plaintiff's personnel
14 file/documents concerning Plaintiff, Defendant's employee handbook(s), Defendant's written
15 wage-and-hour policies, job descriptions, and a random sampling of time and payroll records. *Id.*

16 c. *Plaintiff's Counsel is Experienced in Similar Litigation*

17 Plaintiff is represented by Wilshire Law Firm, PLC. Coelho Decl. at ¶ 1. Plaintiff's Counsel
18 has extensive experience litigating wage and hour class actions on behalf of employees. *See id.* at
19 ¶¶ 22-29. Plaintiff's Counsel has been involved as counsel in numerous class actions that have
20 resulted in millions of dollars in recovery. *See id.*

21 2. ***The Settlement is Reasonable Given the Strengths of Plaintiff's Claims***
22 ***and the Risks and Expense of Further Litigation***

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

28 Minimum and Overtime Wages: Plaintiff's unpaid minimum and overtime wage claims

1 were based on the allegation that Defendant required Class Members to perform work duties
2 while off the clock, without compensation. Coelho Decl. at ¶ 13. For example, Plaintiff alleged
3 that Defendant required him and other Class Members to complete work off the clock on
4 personal computers after hours. *Id.* For purposes of calculating Defendant's liability based on a
5 best-case scenario for Plaintiff and the Class, Plaintiff's Counsel assumed that all unpaid worktime
6 should have been paid at the overtime rate of pay and conservatively estimated that Defendant is
7 liable for one (1) hour of unpaid worktime per workweek. *Id.* This results in potential exposure
8 for this claim of approximately \$226,245.08 (6,055 workweeks x \$24.91 average hourly rate of
9 pay x 1 hour/workweek x 1.5 overtime rate). Because this claim would have relied heavily on
10 Class Member testimony and would not be evidenced in Defendant's time and payroll records,
11 the risk of succeeding at class certification and trial was substantial. Accordingly, Plaintiff's
12 Counsel applied a risk discount based on a 50% chance of succeeding at class certification and
13 a 50% chance of succeeding at trial on the merits, yielding a realistic damage estimate of
14 approximately \$56,561.27 (\$226,245.08 x 50% x 50%). *Id.*

15 Meal Periods: Plaintiff's meal period claim was based on the allegation that Defendant
16 failed to provide Class Members with legally compliant meal periods or pay meal period premiums
17 in lieu thereof. Coelho. at ¶ 14. For example, Plaintiff alleged that Defendant required him and
18 other Class Members to work through his meal periods, or take late first meal periods, due to
19 workload and regular understaffing. *Id.* Additionally, Plaintiff's Counsel's expert consultant
20 determined there was a 9% meal period violation rate from the sampling of Defendant's time and
21 payroll records, where meal periods were short, late, or missed. *Id.* Therefore, potential liability
22 for the meal period claim is approximately \$52,976.10 (23,630 shifts over 5 hours x \$24.91 average
23 hourly rate x 9% violation rate). *Id.* After taking into account the difficulty of certifying and
24 proving meal period claims, as well as Defendant's contention that the claim lacks merit and that
25 a 9% violation rate is unrealistic, Plaintiff's Counsel discounted this figure based on a 50% chance
26 of succeeding at class certification and a 50% chance of succeeding at trial, yielding a realistic
27 damage estimate of approximately \$13,244.03 (\$52,976.10 x 50% x 50%). *Id.*

28 Rest Periods: Plaintiff's rest period claim was based on the allegation that Defendant failed

1 to provide Class Members with legally compliant rest periods or pay rest period premiums in lieu
2 thereof. Coelho Decl. at ¶ 15. For example, Plaintiff alleged that Defendant required him and other
3 Class Members to work through their rest periods due to workload and understaffing, as well as
4 pressure by supervisors. *Id.* Based on Plaintiff's allegations and Plaintiff's and other Class
5 Members' experience working for Defendant, Plaintiff's Counsel applied a 100% violation rate to
6 all qualifying shifts during the Class Period. *Id.* Therefore, Defendant's potential liability for the
7 rest period claim is approximately \$604,814.80 (24,280 shifts of 3.5 hours or longer x \$24.91
8 average hourly rate x 100% violation rate). *Id.* However, Plaintiff's Counsel discounted this figure
9 to account for the difficulty of certifying and proving rest period claims, particularly because rest
10 periods do not have to be recorded, and to account for the possibility of Class Members voluntarily
11 choosing to forego a rest period. *Id.* Because this claim would have relied exclusively on Class
12 Member testimony, Plaintiff's Counsel discounted this claim based on a 50% chance of succeeding
13 at class certification and a 40% chance of succeeding at trial, yielding a realistic damage estimate
14 of approximately \$120,962.96 (\$604,814.80 x 50% x 40%). *Id.*

15 Reimbursements: Plaintiff's reimbursement claim was based on the allegation that
16 Defendant failed to indemnify Class Members for expenses incurred as a direct result of performing
17 their job duties for Defendant, such as mandatory use of personal cell phones for timekeeping and
18 personal vehicles for work purposes. Coelho Decl. at ¶ 16. For purposes of calculating Defendant's
19 liability based on a best-case scenario for Plaintiff and the Class, Plaintiff's Counsel estimated that
20 Defendant was liable to each Class Member for \$12.50 per workweek in unreimbursed expenses,
21 for a total amount of approximately \$75,687.50 (\$12.50 x 6,055 workweeks). However, Defendant
22 argued that these expenses were not required by Defendant, and that it could not have known that
23 these expenses were being incurred. Accordingly, Plaintiff's Counsel discounted this claim based
24 on a 40% chance of succeeding at class certification and a 40% chance of succeeding at trial,
25 yielding a realistic damage estimate of approximately \$12,110.00 (\$75,687.50 x 40% x 40%). *Id.*

26 In sum, Plaintiff's Counsel estimated that Plaintiff's maximum recovery for the off-the-
27 clock claim, meal period violations, and rest period violations (i.e., the wage claims) is
28 approximately \$884,035.98. Coelho Decl. at ¶ 17. However, after factoring in the risk and

1 uncertainty of prevailing at certification and trial, Plaintiff's Counsel estimates that Plaintiff's
2 realistic estimated recovery for these non-penalty wage claims is approximately \$190,768.26. *Id.*

3 Derivative Penalties: Plaintiff alleged that as a result of Defendant's failure to pay all wages
4 owed, Defendant owed waiting time penalties and wage statement penalties. Coelho Decl. at ¶ 18.
5 With respect to Plaintiff's derivative claims for statutory penalties, Plaintiff's Counsel estimated
6 that Defendant's realistic potential liability is approximately \$302,785.25. *Id.* Defendant's
7 maximum potential liability for waiting time penalties is approximately \$297,275.94 (51
8 employees x \$24.91 average hourly rate of pay x 7.8 hours/day x 30 days) based on approximately
9 51 formerly employed Class Members during the 3-year statute of limitations period and an
10 average shift length of 7.8 hours. *Id.* Defendant's maximum potential liability for inaccurate wage
11 statements is approximately \$70,050.00 ([37 employees x 1 initial violation/employee x \$50 for
12 an initial violation] + [(719 pay periods - 37 initial violations) x \$100 for each subsequent
13 violation]) based on approximately 37 Class Members who worked during the 1-year statute of
14 limitations period and approximately 719 pay periods in that statutory timeframe. *Id.* In light of
15 the foregoing, Plaintiff's Counsel believes that it would be unrealistic to expect the Court to award
16 the full \$302,785.25 in statutory penalties given Defendant's defenses, the contested nature of
17 Plaintiff's claims, the challenges of establishing willfulness as applicable, and the discretionary
18 nature of penalties. Considering that the underlying wage claims are realistically estimated to be
19 approximately \$190,768.26, such a disproportionate award would also raise due process concerns.
20 As such, Plaintiff's counsel discounted these figures to account for the risk and uncertainty of
21 obtaining class certification and prevailing at trial, resulting in a realistic evaluation of
22 approximately \$74,318.99 for waiting time penalty claims (\$297,275.94 x 50% x 50%), and
23 approximately \$11,208.00 for wage statement penalty claims (\$70,050.00 x 40% x 40%), or
24 approximately \$85,526.99 total for statutory penalties. *Id.*

25 PAGA: For the PAGA claim, Plaintiff's Counsel determined that Defendant's potential
26 exposure could potentially reach \$71,900, assuming the initial \$100 penalty would apply for each
27 of the 719 pay periods in the PAGA Period. Coelho Decl. at ¶ 19. However, even assuming success
28 on the merits of each claim, PAGA gives the Court discretion to reduce penalties for a variety of

1 reasons, including where to do otherwise would result in an award that is unjust, arbitrary and
2 oppressive, or confiscatory. *Id.* As such, Plaintiff's counsel discounted this figure to account for
3 the risk and uncertainty of prevailing at trial, resulting in a realistic evaluation of approximately
4 \$14,380.00 for PAGA penalties (\$71,900 x 20%). *Id.* The settlement allocates \$12,110 of the Gross
5 Settlement Amount to PAGA, therefore the PAGA allocation amounts to 5% of the Gross
6 Settlement Amount and 84% of the realistic maximum damages for PAGA penalties
7 (\$12,110.00/\$14,380.00). *Id.*

8 Using these estimated figures, Plaintiff's Counsel predicted that the realistic maximum
9 recovery for all claims, including penalties, would be approximately \$302,785.25. *Id.* at ¶ 20. This
10 means that the gross settlement amount represents 80% of the realistic maximum recovery
11 (\$242,200.00 / \$302,785.25). *Id.* Considering the risk and uncertainty of prevailing at class
12 certification and at trial, this is an excellent result for the Class. *Id.* Indeed, because of the proposed
13 Settlement, Class Members will receive timely, guaranteed relief and will avoid the risk of an
14 unfavorable judgment. *Id.*

15 Based on the figures in the Settlement Agreement, the Net Settlement Amount available for
16 class settlement payments is currently estimated to be \$114,388.38 for approximately 113 Class
17 Members. Coelho Decl. at ¶ 21. As a result, each Settlement Class Member would be eligible to
18 receive an average net benefit of approximately \$1,012.29. Based on the estimated Net Settlement
19 Amount available for individual class payments and there being approximately 6,055 workweeks
20 in the Class Period, the estimated weekly valuation for Individual Class Payments is \$18.89
21 (\$114,388.38/ 113 workweeks). *Id.*

22 **C. The Requested Service Payment is Reasonable**

23 Plaintiff seeks a Class Representative Service Payment of up to \$10,000.00 for accepting
24 the responsibilities of representing the interests of the Class and potential costs that were not borne
25 by any other Class Member. Settlement Agreement at § 3.2.1. A named plaintiff is eligible for
26 payment that reasonably compensates the plaintiff for undertaking and fulfilling a fiduciary duty
27 to represent absent class members. *See Cellphone Termination Fee Cases*, 186 Cal.App.4th 1380,
28 1393 (2010); *Bell v. Farmers Ins. Exch.*, 115 Cal.App.4th 715, 726 (2004).

1 Throughout this case, Plaintiff assisted counsel in providing information necessary to
2 prosecute the claims, meeting with counsel regarding the claims, maintaining regular contact with
3 counsel, making himself available the day of mediation to answer questions, and reviewing the
4 Settlement to ensure it was fair to the Class. Hipsher Decl. at ¶ 11. No action would likely have
5 been taken by Class Members individually and no compensation would have been recovered for
6 them, but for Plaintiff's services on behalf of the Class. By actively pursuing this action, Plaintiff
7 furthered the California public policy goal of enforcing the State's wage-and-hour laws. *See Sav-*
8 *On*, 34 Cal.4th at 340. The requested Class Representative Service Payment is reasonable and
9 should be preliminarily approved. Plaintiff has provided a declaration regarding his work
10 performed to date and will provide additional information as requested or required by the Court at
11 final approval.

12 **D. The Requested Attorneys' Fees and Costs Are Reasonable**

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

19 Plaintiff seeks appointment of Wilshire Law Firm, PLC as Class Counsel. The attorneys
20 performed significant work and expended litigation costs in prosecuting this matter with no
21 guarantee of payment. Coelho Decl. at ¶ 22. Plaintiff's Counsel seeks preliminary approval for up
22 to one third (1/3) of the Gross Settlement Amount in attorneys' fees, currently estimated to be
23 \$80,733.33, and up to \$19,051.49 in reimbursement of litigation costs. Given the work performed
24 in this matter, the extensive information exchange, and the substantial recovery obtained on behalf
25 of the Class, Plaintiff's Counsel achieved a settlement through efficient and diligent work. *See*
26 *generally*, Coelho Decl. At final approval, Plaintiff's Counsel will fully brief the merits of its
27 request for the award of attorneys' fees and litigation costs.
28

1 **E. The Administration Costs Are Reasonable**

2 The Parties have agreed upon using Phoenix to administer this Settlement. Settlement
3 Agreement at §§ 1.2, 7.1. Plaintiff seeks preliminary approval of \$5,950.00 for Phoenix to
4 administer this Settlement pursuant to Phoenix's will-not-exceed bid. *See* Coelho Decl. at ¶ 32,
5 Exhibit 4. The services covered by this payment are extensive and necessary to carry out the
6 Settlement administration.

7 **V. CONCLUSION**

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

13
14
15 Dated: August 28, 2026

Respectfully submitted,

WILSHIRE LAW FIRM, PLC

16
17 By: _____


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