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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF RIVERSIDE

ANDRES SENDIS and TELESE WALKER, individually, and on behalf of all others similarly situated,

Plaintiffs,

v.

GUCCI AMERICA, INC., a corporation; KERING AMERICAS, INC., a corporation; and DOES 1 through 10, inclusive,

Defendants.

Case No.: CVPS2404656
Consolidated with Case Nos. CVRI2401710 and CVRI2407345
Assigned to: Hon. Harold W. Hopp, Dept. 1

Complaint Filed: March 29, 2024
FAC Filed: November 17, 2025
Trial Date: Not set

CLASS & REPRESENTATIVE ACTION

MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF PLAINTIFFS' MOTION FOR FINAL APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT AND MOTION OF ATTORNEYS' FEES, COSTS AND CLASS REPRESENTATIVE ENHANCEMENT AWARDS

FINAL APPROVAL HEARING
Date: May 8, 2026
Time: 8:30 a.m.
Dept.: 1

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I. INTRODUCTION

Plaintiffs Andres Sendis and Telese Walker ("Plaintiffs") seek final approval of the Class Action and PAGA Settlement Agreement ("Settlement" or "Settlement Agreement") by and between Plaintiffs and Defendants Gucci America, Inc., and Kering Americas, Inc. (collectively, "Defendants"). The Settlement Agreement provides for a Gross Settlement Amount of $310,000, from which all Individual Settlement Payments, Individual PAGA Payments, Class Counsel Award, including Class Counsel's Fees Payment and Litigation Expenses Payment, Class Representative Enhancement Awards, Settlement Administrator Costs, and the PAGA Payment will be paid.

The history of this litigation was previously detailed in Plaintiffs' Motion for Preliminary Approval of Class Action and PAGA Settlement. The Court preliminarily approved the Settlement on January 16, 2026, directing distribution of the class notice and scheduling the hearing for final approval of the Settlement ("Preliminary Approval Order"). On February 17, 2026, the Settlement Administrator selected by the Parties, ILYM Group Inc. ("ILYM"), notified the parties that the escalator clause had been triggered, and that, pursuant to the Settlement Agreement, the Net Settlement amount would be increased from $52,816.67 to 53,480.72—representing a 0.21% or $644.05 increase. (Declaration of Amanda Howard on behalf of ILYM ["Admin. Decl."] ¶ 6)

As directed by the Court, ILYM distributed the Class Notice to 35 Class Members. Admin. Decl. ¶ 8) To date, there have been no requests for exclusions and no objections to the Settlement. (*Id.* ¶¶ 12-13.) As such, there is presently a 100% participation rate. Thus, in light of the lack of objections and opt-outs, an inference can be made that the Class supports the Court's Preliminary Approval Order finding that the Settlement Agreement is fair and reasonable. Accordingly, the Court should grant final approval of the Settlement Agreement.

II. THE NOTICE AND SETTLEMENT ADMINISTRATION PROCESS WAS COMPLETED PURSUANT TO THE COURT'S ORDER

As required by the Court's Preliminary Approval Order, Defendants provided the Class Data to ILYM. (Admin Decl., ¶ 5.) Before mailing the Class Notice, ILYM updated the Class Members' and PAGA Group Members' mailing addresses by processing them through the U.S. Postal Service's National Change of Address Database. (Id., ¶ 7.)

ILYM mailed the Class Notice to the Class Members and PAGA Group Members identified in the Class Data. (Admin Decl., ¶ 8.) The Class Notice advised Class Members how their estimated Individual Settlement Payments were calculated, their right to opt-out and to object, and of applicable deadlines and other events, including the Final Approval Hearing. (Ibid; Ex. A to Admin Decl.) Only two notices were initially returned. (Admin Decl. ¶ 9.) After conducting a skip trace for both class members, ILYM successfully remailed both notices. (*Id* ¶¶ 9–10.)

III. THE CLASS'S RESPONSE TO THE SETTLEMENT

Zero Class Members requested exclusion from the Settlement. (Admin Decl., ¶12.) Additionally, zero Class Members objected. (Id., ¶ 13.) Altogether, the 35 Participating Class Members will receive 100% of the Net Settlement Amount. ILYM estimates that the average Individual Settlement Payment is approximately $1,528.02, and the highest is approximately $2,715.00. (Id., ¶ 17.) The Individual Settlement Amount for each Plaintiff is estimated as follows: $571.58 to Plaintiff Sendis and $1,676.63 to Plaintiff Walker. (Id.).

The PAGA Group Members will each be paid a portion of the 25% of the PAGA Settlement Amount ($25,000) allocated to the 610 PAGA Group Members. (Admin Decl., ¶ 18.*)* The average Individual PAGA Payment is approximately $40.98 and the highest is approximately $86.88. (Id. ¶ 19.)

IV. THE COURT SHOULD GRANT FINAL APPROVAL OF THE SETTLEMENT

A. Standard for Final Approval of Settlement

A class action may not be dismissed, compromised, or settled without approval of the Court. (Cal. R. Ct. 3.769.) The Court's role in evaluating a proposed settlement is limited to ensuring that the agreement taken as a whole is fair and is within the range of reasonableness. (See *Hanlon*, 150 F.3d at 1027.) The Court has already found that the criteria for preliminary approval of the settlement, as being fair, adequate, and reasonable, have been demonstrated. Because the reaction by the Class has been overwhelmingly positive, without objections, the Court should now grant final approval. "Public policy generally favors the compromise of complex class action litigation." (*Cellphone Termination Fee Cases* (2009) 180 Cal.App.4th 1110, 1118; see also *7-Eleven Owners for Fair Franchising v. Southland Corp.* (2000) 85 Cal.App.4th 1135, 1151 ("voluntary conciliation and settlement are the preferred means of dispute resolution … [t]his is especially true in complex class action litigation …")). A class action may not be settled, however, without the approval of the Court. See Civil Code § 1781(f); Cal. R. Ct. 3.769. The decision to approve or reject a proposed settlement is committed to the sound discretion of the Court. (*Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 234-35, disapproved on another ground in *Hernandez v. Restoration Hardware, Inc.* (2018) 4 Cal.5th 260.)

In exercising its discretion, the court's overriding concern is to ensure that a proposed settlement is "fair, adequate, and reasonable." (*Dunk v. Ford Motor Co.* (1996) 448 Cal.App.4th 1794, 1801) A presumption of a class action settlement's fairness exists where: (1) the settlement is reached through arm's-length bargaining; (2) investigation and discovery are sufficient to allow counsel and the court to act intelligently; (3) counsel is experienced in similar litigation; and (4) the percentage of objectors is small. (*Wershba*, 91 Cal.App.4th at 245, citing *Dunk*, 48 Cal.App.4th at 1802.)

Even if a presumption of fairness exists, the court still must evaluate the fairness of the settlement. When determining a settlement's fairness, courts consider the following factors: the strength of Plaintiff's case, the risk, expense, and 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 … and the reaction of the class members to the proposed settlement." (*Dunk*, 48 Cal.App.4th at 1801.) "The list of factors is not exclusive and the Court is free to engage in a balancing and weighing of the factors depending on the circumstances of each case." (*Wershba*, 91 Cal.App.4th at 245.)

Further, "[i]n the context of a settlement agreement, the test is not the maximum amount plaintiffs might have obtained at trial on the complaint, but rather whether the settlement is reasonable under all of the circumstances." (*Wershba*, 91 Cal.App.4th at 250.) Because settlements inherently involve compromise, even settlements providing for substantially narrower relief than likely would be obtained if the suit were successfully litigated can be reasonable because "the public interest may indeed be served by a voluntary settlement in which each side gives ground in the interest of avoiding litigation." (*Ibid*, quoting *Air Line Stewards, etc., Local 550 v. Am. Airlines, Inc.* (7th Cir. 1972) 455 F.2d 101, 109 .)

By granting preliminary approval, this Court has already determined that the Settlement is fair, adequate and reasonable, subject to objections. With no objections to the Settlement, there is no reason to depart from the Court's preliminary conclusion that the proposed Settlement is fair, adequate, and reasonable. The Court should grant final approval.

B. The Settlement Is Entitled to a Presumption of Fairness

Application of the *Dunk/Wershba* factors, here, demonstrates the proposed Settlement is presumptively fair.

First, as previously detailed in the Declarations of James R. Hawkins and Tyler J. Woods in Support of Plaintiff's Motion for Preliminary Approval, the Settlement is the product of extensive arm's-length negotiations carried out in an adversarial context. (Declaration of James R. Hawkins [Hawkins Decl.], ¶ 5; Declaration of Tyler J. Woods [Woods Decl.], ¶ 8) The Parties participated in a full-day mediation with David Phillips of Signature Resolution, who is a skilled and experienced mediator, including handling mediations of wage-and-hour class actions. (Hawkins Decl., ¶ 5; Woods Decl. ¶ 8.) The Parties reached the Settlement following with continued assistance from the mediator. (Ibid.) The negotiations were at all times adversarial and at arm's length. (Ibid.).

Second, the investigation and informal discovery were sufficient to permit counsel and the Court to evaluate risk intelligently. (Hawkins Decl., ¶ 5; Woods Decl. ¶ 9.) Prior to mediation, the Parties exchanged data and documents from which the Parties could evaluate total class damages and the merits of their respective positions. (*Ibid*.)

Third, Class Counsel has substantial experience litigating wage-and-hour class actions and representative actions. (Hawkins Decl., ¶¶ 8–11, 17-20; Woods Decl. ¶¶ 27–47.)

Finally, after robust issuance of notice to the Class, to date, there have been no objections and no opt-outs in a group of 35 individuals. (Admin Decl., ¶¶ 12-13.)

Taken together, these factors clearly establish the presumption of fairness. (*Wershba*, 91 Cal.App.4th at 245.)

C. The Court Should Grant Final Approval of the Settlement Because It is Fair, Adequate and Reasonable

Application of the *Dunk/Wershba* factors, here, demonstrates the proposed Settlement is fair, adequate and reasonable.

1. <u>The Strength of Plaintiffs' Case</u>

The most important factor is the strength of the case for plaintiffs on the merits, balanced against the amount offered in settlement." (*Kullar v. Foot Locker Retail, Inc.* (2008) 1668 Cal.App.4th 116, 130.) However, "the merits of the underlying class claims are not a basis for upsetting the settlement of a class action, and the proposed settlement is not to be judged against a hypothetical or speculative measure of what might have been achieved had plaintiffs prevailed at trial." (*Wershba*, 91 Cal.App.4th at 246.) "In the context of a settlement agreement, the test is not the maximum amount plaintiffs might have obtained at trial on the complaint, but rather whether the settlement was reasonable under all of the circumstances." (*Id*., at 250.)

Nonetheless, Plaintiffs have provided "a meaningful and substantial explanation of the manner in which the factual and legal issues have been evaluated." (*Kullar*, 168 Cal.App.4th at 132-33.) Plaintiffs have discussed, in detail, the nature and magnitude of the claims at issue in this litigation and Plaintiffs' basis for concluding that the settlement is a reasonable compromise. (See James R. Hawkins Declaration filed in support of Preliminary Approval [Hawkins Prelim. Decl.]¶¶ 16-27; Tyler J. Woods Declaration filed in support of Preliminary Approval [Woods Prelim. Decl.] ¶¶ 16-31.)

2. <u>Risk, Expense, Complexity and Duration of Further Litigation</u>

In reaching this settlement, Plaintiff reasonably considered certain risks. Chief among them were the risks of Plaintiff prevailing on a motion to certify the Class across numerous locations, job positions, and, entities, among other risks, and the complexity, duration and expensive of litigation, discussed at length in Plaintiffs' Motion for Preliminary Approval. (Hawkins Prelim. Decl. ¶¶ 16-27; Woods Prelim. Decl. ¶¶ 16-31.) If the case had not settled, both Parties would have engaged in additional extensive formal discovery, and possible appeals. This settlement avoids those risks and the accompanying expense.

3. <u>Amount Offered in Settlement Given the Realistic Value of the Claims</u>

The monetary component of the settlement is, of course, a compromise, and in this case, it is a favorable one, given the value of Plaintiffs' claims and the risks involved. The Settlement provides $310,000 to fully resolve the claims in this case. Here, based on the data that Defendants provided, Plaintiffs calculated the realistic maximum class-wide recovery to be approximately $1,200,000. (Woods Prelim. Decl. ¶ 30.) The $310,000 Settlement thus represents approximately 25% of the realistic class-wide recovery, which is a fair and reasonable result. The Net Settlement Sum will be $53,480.72, such that the average Individual Settlement Payment is approximately $1,676.63, and the average Individual PAGA Share is approximately $40.98 (Admin Decl., ¶¶ 17, 19.)

Further, the $100,000 allocation for PAGA penalties is in line with, and often exceeds, the PAGA allocations routinely approved by other courts. (See *Del Toro Lopez v. Uber Techs., Inc.* (N.D. Cal. Nov. 14, 2018) 2018 WL 5982506, at *8 (granting final approval of $50,000 PAGA payment out of $10 million settlement fund); *Dearaujo v. Regis Corp.* (E.D. Cal. June 30, 2016) 2016 WL 3549473, at *3 (approving PAGA settlement of $7,500 out of a $1,212,500 settlement); *Franco v. Ruiz Food Prod., Inc.* (E.D. Cal. Nov. 27, 2012) 2012 WL 5941801, at *13 (approving settlement payment of $7,500 to the LWDA out of $2.5 million common-fund settlement); *Chu v. Wells Fargo Inves., LLC* (N.D. Cal. Feb. 16, 2011) 2011 WL 672645, at *1 (approving PAGA settlement payment of $7,500 to the LWDA out of $6.9 million-common fund settlement)).

4. <u>Investigation and Discovery Were Sufficient to Evaluate Risks</u>

As detailed in the Hawkins and Woods declarations filed in support of Preliminary Approval, the investigation and formal discovery were sufficient to permit counsel and the Court to evaluate risk intelligently. (Hawkins Decl., ¶ 5; Woods Decl. ¶ 9.)

5. <u>The Experience and Views of Counsel</u>

"Parties represented by competent counsel are better positioned than courts to produce a settlement that fairly reflects each party's expected outcome in litigation." (*In re Pacific Enterprises Securities Litigation* (9th Cir. 1995) 47 F.3d 373, 378.) Plaintiffs are represented by competent and experienced counsel who pressed Plaintiff's claims forward against reputable defense counsel well versed in class and representative actions. Plaintiffs' counsel possess extensive experience litigating class actions and representative actions. (Hawkins Decl., ¶¶ 8–11; Woods Decl. ¶¶ 27–48.) Based on that experience, Plaintiffs' counsel believe that the settlement is fair, reasonable, and adequate.

6. <u>The LWDA Has Not Objected to the Settlement</u>

Here, there is no governmental participant in this action per se. To the extent the Labor and Workforce Development Agency ("LWDA") is considered to be a governmental participant with respect to the PAGA claim, the fact that LWDA has not objected to the settlement or the PAGA allocation, after having received notice of the settlement, weighs in favor of granting final approval.

7. <u>The Positive Reaction of the Settlement Class Members Supports Final Approval</u>

The absence of a single objection or request for exclusion further supports the fairness, reasonableness, and adequacy of the settlement. (See *Carter v. City of Los Angeles* (2014) 224 Cal.App.4th 808, 822 ("small percentage [of objectors] indicates the settlement was fair"); *Williams v. Costco Wholesale Corp.* (S.D. Cal. July 7, 2010) 2010 WL 27214452, at *5 ("The absence of any objector strongly supports the fairness, reasonableness, and adequacy of the settlement."); *Nat'l Rural Telecomms. Coop. v. DIRECTV, Inc.* (C.D. Cal. 2004) 221 F.R.D. 523, 529 ("The absence of a single objection to the Proposed Settlement provides further support for final approval.") Here, there have been no objections to the settlement, and no requests for exclusion. (Admin Decl., ¶¶ 12-13.)

For all of these reasons, application of the *Dunk* factors weighs heavily in favor of granting final approval of the Settlement.

D. The Court-Ordered Class Notice Comports with Due Process

Due process requires that all class members "who can be identified through reasonable effort" be provided the "best notice practicable" under the circumstances. (*Eisen v. Carlisle & Jacquelin* (1974) 417 U.S. 156, 173.) This Court already approved the Class Settlement Notice and notice procedures proposed by the Parties in the Settlement.

Following preliminary approval, ILYM mailed the Class Notice to Class Members via First-Class U.S. Mail on February 25, 2026. (Admin Decl., ¶ 8.) Furthermore, no Class Members' Class Notices have been deemed undeliverable. (*Id.*, ¶ 11.)

For these reasons, Plaintiffs submit that the notice procedure implemented for this Settlement satisfies due process and Rule 3.766(e) of the California Rules of Court as the most reliable and cost-effective method of reaching the Class.

E. The Court Should Approve the PAGA Settlement

Pursuant to the Settlement, $100,000 from the Gross Settlement Amount has been allocated to the resolution of the PAGA claim, of which 75% ($75,000) will be paid directly to the LWDA, and the remaining 25% ($25,000) will be distributed to the PAGA Group Members. This result was reached after good-faith negotiation between the Parties, with input from the mediator. Where PAGA penalties are negotiated in good faith and "there is no indication that [the] amount was the result of self-interest at the expense of other Class Members," such amounts are generally considered reasonable. (*Hopson v. Hanesbrands Inc.* (N.D. Cal. Apr. 3, 2009), 2009 WL 928133, at *9 ; see also *Nordstrom Com. Cases* (2010) 186 Cal.App.4th 576, 579 ("[T]rial court did not abuse its discretion in approving a settlement which does not allocate any damages to the PAGA claims.")

The amount of the PAGA Settlement is fair, adequate, and reasonable and should be approved. Plaintiffs estimated that the PAGA Settlement could theoretically reach in excess of $164,000. (Woods Prelim. Decl. ¶¶ 29-30.) However, as noted in the preliminary approval briefing, it is unclear whether "stacking" of penalties for multiple Labor Code violations would be permitted, or whether the Court would reduce any penalties awarded, which would result in a much lower total exposure for this claim. (Ibid.)

Moreover, in light of the fact that large PAGA awards are often reduced in practice, courts have routinely approved lesser allocations for PAGA penalties in settlements that provide sufficient class-wide recovery. (See Labor Code §2699(e)(2) (authorizing reduction in PAGA penalties in trial court's discretion); *Thurman v. Bayshore Transit Mgmt., Inc*. (2012) 203 Cal. App. 4th 1112, 1135 (affirming reduction of PAGA penalties).) In *Fleming v. Covidien Inc.* (C.D. Cal. Aug. 12, 2011) 2011 WL 7563047, at *4, a federal court reduced PAGA penalties from $2,800,000 to $500,000, a reduction of 82.2%, because the court found maximum penalties "unjust" because the employees had suffered no injuries. Some trial courts have actually awarded no civil penalties, even when Labor Code violations are established. (See, e.g., *Cotter v. Lyft, Inc.* (N.D. Cal. 2016) 193 F.Supp.3d 1030 (indicating that a substantial reduction is warranted where good faith dispute exists in legal obligations); *In re Taco Bell Wage & Hours Actions* (E.D. Cal. Apr. 8, 2016) 2016 WL 2755938, at *13 (PAGA penalties denied after trial).) Similarly, in *Carrington v. Starbucks Corp.* (2018) 30 Cal.App.5th 504, the Court of Appeal affirmed a judgment after trial which only provided for a PAGA penalty of $5 per pay period (reduced from $50 per pay period).

Moreover, Plaintiff provided specific notice to the LWDA regarding the PAGA Settlement and the terms of this settlement. (Woods Decl., ¶ 12, Ex. 2.) Despite this specific notice, the State did not respond to the notice or submit any comments or objections to this Settlement. The State's silence on this settlement supports the Parties' contention here that the PAGA Settlement is adequate and weighs in favor of final approval.

F. The Court Should Approve the Settlement Administration Costs

The Settlement provides that the Court will approve the Settlement Administration Costs at the Final Approval Hearing. ILYM has promptly and properly distributed the Class Notice to all Class Members and completed its duties in that regard, in accordance with the settlement terms and the Court's preliminary approval Order. (See Admin Decl., generally.) Plaintiffs, thus, request that the Court finally approve the Settlement Administration Costs in the amount of $7,850.00. (Admin Decl., ¶ 20).

V. THE COURT SHOULD GRANT PLAINTIFFS' AND CLASS COUNSEL'S REQUEST FOR CLASS COUNSEL'S ATTORNEYS' FEES AND COSTS AND CLASS REPRESENTATIVE ENHANCEMENT AWARDS

A. The Request for Attorneys' Fees is Reasonable and Favors Approval

California state and federal courts have recognized that an appropriate method for determining award of attorneys' fees is based on a percentage of the total value of benefits to class members by the settlement. (*Wershba v. Apple Computer, Inc.* (2001) 91 Cal. App. 4th 224, 254; *Serrano v. Priest* (1977) 20 Cal. 3d 25, 34 [*Serrano III*]; *Boeing Co. v. Van Gemert* (1980) 444 U.S. 472, 478; *Vincent v. Hughes Air West, Inc.* (9th Cir. 1997) 557 F.2d 759, 769.) The purpose of this equitable doctrine is to avoid unjust enrichment to the class and to "spread litigation costs proportionally among all the beneficiaries so that the active beneficiary does not bear the entire burden alone." (*Vincent v. Hughes Air West, Inc.*, *supra*, 557 F.2d at p. 769.)

The California Supreme Court issued its ruling regarding the award of attorney's fees in wage and hour class action settlements in *Laffitte v. Robert Half Int'l* (2016) 1 Cal. 5th 480. Under California law, the award of attorneys' fees in common fund wage and hour class action settlements is proper under the percentage method. (*See Laffitte v. Robert Half Int'l* (2016) 1 Cal. 5th 480, 503 ("We join the overwhelming majority of federal and state courts in holding that when class action litigation establishes a monetary fund for the benefit of the class members, and the trial court in its equitable powers awards class counsel a fee out of that fund, the court may determine the amount of a reasonable fee by choosing an appropriate percentage of the fund created").) Under the percentage of the fund method, the Court's objective remains to "mimic the market" in fixing a reasonable fee. (*See Gaskill v. Gordon* (7th Cir. 1998) 160 F.3d 361, 363 (J. Posner) ("When a fee is set by a court rather than by contract, the object is to set it at a level that will approximate what the market will set.... The judge, in other words, is trying to mimic the market in legal services.")).)

Here, the fee award representing one-third of the fund clearly falls within that range and is consistent with other rulings of other courts and comprehensive surveys of class action settlements and fee awards. (*See Martin v. AmeriPride Servs.* (S.D. Cal. 2011) 2011 U.S. Dist. LEXIS 61796, 23 (recognizing that "courts may award attorney's fees in the 30-40% range in wage and hour class actions that result in recovery of a common fund under $10 million"); *see also* Eisenberg & Miller, *Attorney Fees in Class Action Settlements: An Empirical Study: 1993-2008* (2010) 7 J. of Empirical Leg. Stud. 248, 262, fn. 16 (independent studies of class action litigation nationwide conclude that fees in the range sought here are consistent with market rates).)

Further, "the response of the class members to attorneys' fee notice, though not decisive, is relevant to the...reasonable determination" regarding fees. (*Swedish Hospital v. Shalala* (D.C. Cir. 1993) 1 F.3d 1261, 1272.) A positive response rate tends to suggest that the court's "approximation of the market" for fees is well supported. (*Id.* at p. 1269.) In this case, the Class Notice specifically notified Class Members that Class Counsel would be seeking up to $103,333 in attorneys' fees. Counsel seek and will split fees according to the Joint Prosecution Agreement between James Hawkins PALC and Wilshire Law Firm PLC ("JPA"), attached as Exhibit 1 to the Declaration of James R. Hawkins. Pursuant to the JPA, Class Counsel have agreed to split fees as follows: James Hawkins APLC will receive $25,833.25 (25%), and Wilshire Law Firm PLC will received $77,499.75 (75%). Both Plaintiffs received written notice of this agreement and consented to it in writing, and it will in no way increase the amount approved to be allocated to class counsel from the Gross Settlement Amount. To date, no Class Member has objected to the settlement. This strong favorable response also supports the requested fees.

In addition, it is recognized that one of the primary factors justifying an enhanced attorney's fees reward is the attendant risks inherent in the litigation. As observed in *City of Detroit v. Grinnell Corp.*:

> No one expects a lawyer whose compensation is contingent upon his success to charge, when successful, as little as he would charge a client who had agreed to pay for his services, regardless of success. Nor, particularly in complicated cases producing large recoveries, is it just to make a fee depend solely on the reasonable amount of time expended.

(*City of Detroit v. Grinnell Corp* (2d Cir. 1974) 495 F.2d 448, 470.) Under this Settlement agreement in this case, a gross settlement amount of $310,000 has been designated as the entire amount to be paid out, without any reversions to Defendants. For Class Counsel, the fees here were wholly contingent in nature and the case presented far more risk than the usual contingent fee case. Among the risks was the cost inherent in class action litigation, as well as a potentially drawn-out battle with corporate Defendants.

As a secondary support for the percentage of the fund method, when fees are allocated by percentage method, courts have discretion to "cross-check" the fees awarded through the lodestar method. However, the *Laffitte* Court "emphasize[d] [that] the lodestar calculation, when used in this manner, does not override the trial court's primary determination of the fee as a percentage of the common fund and thus does not impose an absolute maximum or minimum on the potential fee award." *Laffitte*, 1 Cal. 5th at 505 (emphasis added); *In re Rite Aid Corp. Secs. Litig*. (3d Cir. 2005) 396 F.3d 294, 306-307 ("[The lodestar cross-check does not trump the primary reliance on the percentage of common fund method").

The Supreme Court in *Laffitte* stated: "If the multiplier calculated by means of a lodestar cross-check is extraordinarily high or low, the trial court should consider whether the percentage used should be adjusted so as to bring the imputed multiplier within a justifiable range, but the court is not necessarily required to make such an adjustment." *Id*. Thus, a lodestar cross-check is aimed at astronomical multipliers. Indeed, cross-checks are not required; in many cases, performing a cross-check "undermines" one of the primary reasons for using the percentage method: aligning counsel's incentives with the benefits delivered to the class and discouraging protracted litigation. *Id*. at 506 (finding trial courts "retain the discretion to forgo a lodestar cross-check"); *Report of the Third Circuit Task Force, Court Awarded Attorney Fees* (1985) 108 F.R.D. 237, 258; *Lealao v. Beneficial California, Inc.* (2000) 82 Cal. App. 4th 19, 29-30 (citing the recommendations of the Third Circuit Task Force with approval and observing that "[t]he criticisms of the lodestar approach set forth in this Report are now echoed by many authorities, who have been most vocal about the manner in which it exacerbates the problem of 'cheap settlements' and burdens already overworked trial judge").

Courts have defined reasonable multipliers on a lodestar cross-check to "range from 2 to 4 or even higher." *Wershba v. Apple Computer, Inc*. (2001) 91 Cal. App. 4th 224, 255; *see also, e.g., Sutter Health Uninsured Pricing Cases* (2009) 171 Cal. App. 4th 495, 512 (applying a 2.52 multiplier on a cross-check in an antitrust class action); *Chavez v. Netflix, Inc.* (2008) 162 Cal. App. 4th 43, 60 (applying a 2.5 multiplier on a lodestar cross-check); *City of Oakland v. Oakland Raiders* (1988) 203 Cal. App. 3d 78 (affirming a 2.34 multiplier without remand). The intermediate court in *Laffitte*, after finding that "2 to 4" is a reasonable range for multipliers on a cross-check, affirmed a 2.13 multiplier. *Laffitte v. Robert Half International, Inc.* (2014) 231 Cal. App. 4th 860, 881-82. The intermediate court opinion was affirmed in full by the California Supreme Court in its new decision guiding lower courts on assessing fees.

With respect to Class Counsel's lodestar, to date, approximately 181.3 hours have been expended by Class Counsel in this matter. (Hawkins Decl. ¶ 17–24; Woods Decl., ¶ 17–19) Moreover, Class Counsel expects to incur approximately 15 additional hours of attorney time in managing this Settlement, including responding to Class Members and implementing the Settlement with the Settlement Administrator. (Hawkins' Decl., ¶ 23; Woods Decl., ¶ 23.) As detailed in their declarations, Class Counsel request hourly rates of $450-$1,200, which is commensurate with each counsel's experience and mimics the market. (Hawkins Decl. ¶¶ 17-24; Woods Decl., ¶ 17–19) The courts are quite liberal in the evidence required to prove an attorney's hours. Detailed time records are not required. An attorney's testimony alone may suffice: "Testimony of an attorney as to the number of hours worked on a particular case is sufficient evidence to support an award of attorney fees, even in the absence of detailed time records." *Martino v. Denevi* (1986) 182 Cal. App. 3d 553, 559.

Reasonable hours include, in addition to time spent during litigation, the time spent before the action is filed, including time spent interviewing the clients, investigating the facts and the law, and preparing the initial pleadings. *New York Gaslight Club, Inc. v. Carey* (1980) 447 U.S. 54, 62. Further, the fee award should include fees incurred to establish and defend the attorneys' fee claim. *Serrano v. Unruh* (1982) 32 Cal. 3d 621, 639 [*Serrano IV*]. Thus, Class Counsel requests that the court find that these hours were reasonable in this litigation.

A reasonable hourly rate is the prevailing rate charged by attorneys of similar skill and experience in the relevant community. *PLCM Group, Inc. v. Drexler* (2000) 22 Cal. 4th 1084, 1095. The court may consider other factors when determining a reasonable hourly rate, *e.g.*, the attorney's skill and experience, the nature of the work performed, the relevant area of expertise and the attorney's customary billing rates. *Flannery v. California Highway Patrol* (1998) 61 Cal. App. 4th 629, 632-33.

Class Counsel's skill and experience justify the requested rate. As shown in the supporting declarations, Class Counsel have significant experience in the area of employment and wage and hour class actions. Specifically, Class Counsel's practice focuses on representing employees in employment matters, particularly wage and hour cases. (Hawkins Decl. ¶¶ 8–11, 17-20; Woods Decl. ¶¶ 27–48.) As such, based on the hours and applicable rate, the total lodestar expended by Class Counsel through finalizing this settlement will be approximately $138,231.00 (JH - $71,646.00; WLF – $66,585.00). (Hawkins Decl. ¶¶ 17-25; Woods Decl. 17–24.)

Once the court establishes the lodestar amount, it may enhance the fee award by a multiplier in order to make an appropriate fee award. *Serrano III*, 20 Cal. 3d at 48. The pertinent factors include the difficulty of the questions involved and the skill in presenting them, the contingent nature of the fee award, the extent to which the litigation precluded other employment, and the percentage-of-the-fund the attorney would have received on the fair market. *Id.*; *Lealao*, 82 Cal. App. 4th at 49. However, this list is not exhaustive and the court can consider other factors it deems important in setting the multiplier. *Ketchum v. Moses* (2001) 24 Cal. 4th 1122, 1139.

Lealao contains several factors justifying an enhancement based on the percentage-of-the-benefit, namely, no objections by class members, commendable conduct by counsel, and significant recoveries by class members, all of which were previously detailed above. *Lealao*, 82 Cal. App. 4th at 51-53. As in *Lealao*, Class Members were notified of the Settlement and attorney's fees with no objections. The extreme effort undertaken by counsel, as shown by their hours and the significantly high number of claims being paid out, shows commendable conduct.

It is also critical to note that prompt settlement cannot be used to diminish the fee or the enhancement based on a percentage-of-the-fund. *Lealao*, 82 Cal. App. 4th at 52 (the promptness of settlement "cannot be used to justify the refusal to apply a multiplier"). According to *Lealao*, courts placed "an extraordinarily high value" on settlement, and counsel should be rewarded, not punished, for achieving this goal in a timely fashion. *Id*.

The multiplier should be enhanced by the contingent nature of counsel's fee recovery. The risks in taking on a class action case are enormous, not the least of which is time and effort. As explained previously, Defendants maintained that there were significant obstacles to succeeding in this lawsuit.

Thus, the risk involved in this case was quite significant for Plaintiffs and their counsel, and in the face of such risks, the current Settlement was achieved by Class Counsel.

Here, Class Counsel's lodestar of $138,231.00 is well beyond the requested fees of $103,333.00, resulting in a negative multiplier of 0.74. Thus, the requested fees are reasonable and fair in light of the time and resources Counsel have expended on this case. This is important to note because when plaintiffs seek an amount in fees that is less than what they actually billed, the requested fee amount is generally considered reasonable. (*Chun-Hoon v. McKee Foods Corp.* (N.D. Cal. 2010) 716 F. Supp. 2d 848, 854 [finding that, if the court is asked to apply a negative multiplier, it “suggests the negotiated fee award is a reasonable and fair valuation of the services rendered to the class by Plaintiff’s Counsel.”].) Indeed, there is no reason for the Court to reduce Class Counsel’s lodestar with a negative multiplier. (*Roos v. Honeywell Int’l., Inc.* (2015) 241 Cal. App. 4th 1472, 1495 [“a trial court acts appropriately . . .when it accepts in a common-fund case a cap on fees . . . when the application of the cap results in a lower award than would be authorized under the lodestar method.”], disapproved on another ground in *Hernandez v. Restoration Hardware, Inc.* (2018) 4 Cal.5th 260.) *See also Wershba v. Apple Computer, Inc*. (2001) 91 Cal. App. 4th 224 (noting that courts using the lodestar method to calculate attorney fees awards in class actions typically apply multipliers in the range of 2 to 4); *Boyd v. Bank of Am. Corp*. (C.D. Cal. Nov. 18, 2014) 2014 U.S. Dist. LEXIS 162880 (awarding 33% of the common fund, based on a multiplier of 2.58, in a wage and hour class action settlement); *Vandervort v. Balboa Capital Corp*. (C.D. Cal. 2014) 8 F. Supp. 3d 1200, 1210 (awarding 33% of the common fund, based on a multiplier of 2.52).

As such, the requested fee award is fair and reasonable, and should be awarded in its entirety. Class Counsel risked not only a great deal of time, but also a great deal of expense to ensure the successful litigation of this action on behalf of all Class Members. For such reasons, Class Counsel's request for attorneys' fees in the amount of $103,333 is fair, reasonable, and adequate.

B. The Court Should Approve Class Counsel’s Costs

The request for reimbursement of costs in the amount of $25,975.77 ($3,158.79 [JH] + $23,616.23 [WLF]) is fair and reasonable. (Hawkins Decl. ¶ 26, Ex. 5; Woods Decl. ¶ 26 Ex. 3.) The Court preliminarily approved and the Class received notice that Plaintiffs' counsel may request up to $26,000 in reimbursement for costs. The difference of $24.23 will revert to the Net Settlement Amount for distribution to Participating Class Members. As set forth in Class Counsel's declarations, the costs were all directly incurred in the prosecution of this action, including but not limited to, filing fees, service of process costs, and mediation fees. As such, the requested costs should be approved as fair and reasonable (*Ibid.*).

C. The Court Should Approve Plaintiffs' Class Representative Enhancement Award

Plaintiffs request, and Class Counsel supports, that the agreed-upon enhancement award of $10,000 be awarded to each Plaintiff. As set forth in their declarations, Plaintiffs met with Class Counsel, had numerous discussions with Class Counsel and provided substantive information regarding Defendant's policies and practices at issue in this case. (Walker Decl. ¶¶ 4, 11–12; Sendis Decl. ¶¶ 5-8.) Accordingly, Plaintiffs provided invaluable information, evidence, and documents that directly contributed in this settlement.

In addition to the invaluable services that they provided, Plaintiffs also took significant risks, both professionally and monetarily, in acting as Class Representatives seeking benefits on behalf of the Class. ((Walker Decl. ¶¶ 7–10; Sendis Decl. ¶¶ 10-13.)) Because the claims alleged by the Class Representatives involved the payment of fees and costs to the prevailing party, Plaintiffs could have possibly faced paying the fees and costs of Defendants, had they not prevailed in this action. (*Id*.) Despite this, however, Plaintiffs agreed to pursue this case on behalf of the Class.

Also, given that future employers may be less likely to hire individuals who have filed employment-related lawsuits, particularly cases of this nature, Plaintiffs allege that they also could have faced potential risks in not being able to find suitable employment from prospective employers as a result of filing of this case against Defendants. Plaintiffs took these risks upon themselves to the benefit of the Class. (Walker Decl. ¶¶ 7–10; Sendis Decl. ¶¶ 10-13.) Class Members did not have to file individual lawsuits and bear the risks of payment of fees/costs if they did not prevail, nor did they have to face the potential risks to future employment had they filed a lawsuit, which is a public record, and therefore accessible by any prospective employers. These are significant benefits that weigh in favor of granting the requested enhancement.

Courts have routinely granted approval of settlements containing such enhancements. (*See Van Vranken v. Atlantic Richfield Co*. (N.D. Cal. 1995) 901 F. Supp. 294, 299-300 (incentive award of

$50,000); *In re Dun & Bradstreet Credit Servs. Customer Litig*. (S.D. Ohio 1990) 130 F.R.D. 366, 374 (two incentive awards of $ 55,000, and three incentive awards of $35,000); *Brotherton v. Cleveland* (S.D. Ohio 2001) 141 F. Supp. 2d 907, 913-14 (granting a $50,000 incentive award); *Enter. Energy Corp. v. Columbia Gas Transmission Corp*. (S.D. Ohio 1991) 137 F.R.D. 240, 251-52 ($50,000 awarded to each class representative); *Glass v. UBS Fin. Servs*. (N.D. Cal. Jan. 27, 2007) No. C-06-4068, 2007 U.S. Dist. LEXIS 8476, at *51-52 (awarding $25,000 incentive award in FLSA overtime wages class action); *Cook v. Niedert* (7th Cir. 1998) 142 F.3d 1004, 1016 (affirming $25,000 incentive award to class representative in ERISA case).) Here, the requested enhancement award of $10,000 to each Plaintiff is significantly less than these other court-approved amount. Thus, the Court should approve the Class Representative Enhancement Awards as part of its final approval of the Settlement.

VI. CONCLUSION

For the foregoing reasons, Plaintiffs respectfully submit that the standards for final approval have been met and the terms of the Settlement Agreement are fair, adequate, and reasonable and grant Plaintiffs' request for an award of attorneys' fees and costs and Class Representative Enhancement Awards.

Dated: April 15, 2026 **JAMES HAWKINS APLC**

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