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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SHASTA**

STEVEN GARRIGUS, individually, and on
behalf of all others similarly situated, and
on behalf of the State of California and
other aggrieved persons, and KYREN
CANNADAY, individually, and on behalf
of all others similarly situated,

Plaintiffs,

v.

BLACH BEVERAGE, LLC, a Nevada
limited liability company; and DOES 1
through 10, inclusive,

Defendant.

Case No.: 24CV-0206711

*[Assigned for All Purposes to the Honorable
Benjamin L. Hanna, Dept. 63]*

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

Preliminary Approval Hearing:

Date: September 28, 2026

Time: 8:30 a.m.

Dept.: 63

Action Filed: December 27, 2024

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

2 **PLEASE TAKE NOTICE** that on September 28, 2026, at 8:30 a.m., or as soon
3 thereafter as the matter may be heard in Department 63 of the Superior Court of California,
4 County of Shasta, located at 1515 Court Street, Redding, California 96001, Plaintiffs Steven
5 Garrigus and Kyren Cannaday (collectively, "Plaintiffs") will and hereby do move this Court for
6 an Order:

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

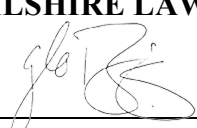
14 Pursuant to Code of Civil Procedure § 382 and California Rules of Court, Rule 3.769, et
15 seq., this Motion is made on the grounds that the proposed Settlement satisfies all criteria for
16 preliminary approval and falls well within the range of reasonableness. The Settlement was
17 reached through informed, arm's length bargaining between experienced attorneys with the
18 assistance of an experienced neutral, and Plaintiffs and Plaintiffs' Counsel will fairly and
adequately represent the Class.

19 This Motion is based on this Notice of Motion, the accompanying Memorandum of
20 Points and Authorities ("MPA"), the Declaration of Thiago M. Coelho, the Declarations of
21 Steven Garrigus and Kyren Cannaday, and on all records and documents on file, together with
22 such oral and documentary evidence that may be presented at the hearing on this matter.

23 Respectfully submitted,

24 Dated: August 27, 2026

WILSHIRE LAW FIRM, PLC

25 By: 

26 Thiago M. Coelho
27 Jennifer M. Leinbach
28 Lauren M. Lenzion
Giancarlo A. Recinos
Attorneys for Plaintiffs

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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Pursuant to Code of Civil Procedure § 382 and California Rules of Court, Rule 3.769, et seq., Plaintiffs seek 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 Blach Beverage, LLC (“Defendant”). The proposed Class is defined as all current and former non-exempt employees who worked for Defendant in California (“Class Members”) at any time during the period from December 27, 2020, through May 3, 2026 (“Class Period”). The main terms of the Settlement are as follows:

1. A Gross Settlement Amount of \$211,925.00, which will be distributed to approximately 133 Class Members on a pro rata basis according to the total workweeks worked by each Class Member during the Class Period;
2. Class Counsel Fee Payment of up to one third (1/3) of the Gross Settlement Amount (currently \$70,641.67) and up to \$25,000.00 in reimbursement of litigation costs to Plaintiffs’ Counsel;
3. Class Representative Service Payments of up to \$10,000.00 to each Plaintiff (\$20,000.00 total);
4. Administration Costs of \$6,250.00; and
5. Allocation of \$20,000.00 to PAGA penalties, sixty-five percent (65%) of which (\$13,000.00) will be paid to the Labor and Workforce Development Agency (“LWDA”), and thirty-five percent (35%) of which (\$7,000.00) will be paid to all current and former non-exempt employees who worked for Defendant in California (“Aggrieved Employees”) at any time during the period from December 21, 2023, through May 3, 2026 (“PAGA Period”).

The Settlement meets all criteria for preliminary approval and falls within the range of reasonableness given the risks and expenses of further litigation. The Settlement was reached through informed, arm’s length bargaining between experienced attorneys with the assistance of an experienced neutral. As such, Plaintiffs request that the Court grant preliminary approval of the

Settlement, conditionally certify the Class for settlement purposes only, appoint Plaintiffs as the Class Representatives, appoint Plaintiffs' Counsel as Class Counsel, appoint Phoenix Settlement Administrators, Inc. ("Phoenix") as the Administrator, authorize the Administrator to administer notice of the Settlement to the Class, and set a final approval hearing date.

II. PROCEDURAL HISTORY

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

On December 20, 2024, Plaintiff Garrigus provided written notice to the LWDA and Defendant of the specific provisions of the Labor Code alleged to have been violated, including the facts and theories in support. Coelho Decl. at ¶ 4, Exhibit 1. The LWDA did not notify Plaintiff that it intended to investigate within 65 days of this written notice. *Id.* Therefore, on April 15, 2025, Plaintiff Garrigus filed a First Amended Complaint in this Class Action adding a cause of action for civil penalties under PAGA. *Id.* On April 15, 2026, Plaintiff Garrigus filed a Second Amended Complaint that added Kyren Cannaday as an additional named Plaintiff. *Id.*

On February 2, 2026, the Parties participated in a private mediation with David Phillips, Esq. *Id.* at ¶ 5. The mediator made a proposal, which was accepted by the Parties. *Id.* The Parties negotiated the terms of the Settlement over the next several months, which was finalized on May 28, 2026. *Id.* at ¶ 6, Exhibit 2 ("Settlement Agreement"). On August 26, 2026, Plaintiffs submitted a copy of the Settlement Agreement to the LWDA. *Id.* at ¶ 7, Exhibit 3.

III. SUMMARY OF THE SETTLEMENT TERMS

A. Terms of the Proposed Settlement

The Parties have agreed to settle the claims alleged in this case for a Gross Settlement Amount of \$211,925.00. Settlement Agreement at § 3.1. Subject to Court approval, the following

1 payments will be deducted from the Gross Settlement Amount: (1) Class Representative Service
2 Payments of up to \$10,000.00 to each Plaintiff (\$20,000.00 total); (2) Class Counsel Fees Payment
3 of up to one third (1/3) of the Gross Settlement Amount (currently \$70,641.67) and reimbursement
4 of litigation costs of up to \$25,000.00 to Plaintiffs' Counsel; (3) Administration Costs of \$6,250.00
5 to Phoenix; (4) Individual Class Payments to Class Members; and (5) PAGA Penalties in the
6 amount of \$20,000.00, which will be allocated 65% to the LWDA (\$13,000.00) and 35% to
7 Aggrieved Employees (\$7,000.00). *Id.* at § 3.2 *et seq.* After all requested deductions are made, the
8 remaining Net Settlement Amount is currently estimated to be \$69,283.33.

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

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

18 Any deductions not approved by the Court will be retained by the Administrator in the Net
19 Settlement Amount. *Id.* at §§ 3.2.1, 3.2.2, 3.2.3, 3.2.5. Funds from any uncashed checks will be
20 transmitted by the Administrator to the California Controller's Unclaimed Property Fund in the
21 name of the Class Member. *Id.* at § 4.4.3. None of the Gross Settlement Amount will revert to
22 Defendant. *Id.* at § 3.1.

23 **B. Proposed Administrator**

24 The Parties' proposed Class Notice complies with the requirements of California Rules of
25 Court, Rule 3.766(d). *See* Exhibit A to Settlement Agreement. It provides information regarding
26 the nature of this lawsuit, a summary of the settlement terms, the formula used for calculating
27 individual class and PAGA payments and instructions to dispute the calculations, instructions on
28 how to opt-out of or object to the Settlement, the date, time, and location of the final approval

1 hearing, and the amounts sought for the class representative service payments, attorneys' fees and
2 litigation costs, and settlement administration costs. *See generally, id.* The Class Notice also
3 notifies Class Members that they do not need to submit a claim in order to participate in the
4 Settlement and receive a payment. *See id.* The Administrator will mail Class Members the Class
5 Notice by first-class mail in English and in Spanish. Settlement Agreement at § 7.4.2.

6 If a Class Notice is returned as undeliverable, the Administrator will re-mail the Class
7 Notice within five (5) business days to the forwarding address provided by the U.S. Postal Service.
8 Settlement Agreement at § 7.4.3. If no forwarding address is provided, the Administrator will
9 conduct a Class Member Address Search and re-mail the Class Notice to the most current address
10 obtained. *Id.* The deadline to opt-out of the Settlement or to submit an objection or dispute will be
11 extended by fourteen (14) days for all Class Members whose Class Notice was remailed. *Id.* at
12 §7.4.4.

13 **C. Proposed Release**

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

17 Released Class Claims:

18 All Participating Class Members on behalf of themselves and their respective former and
19 present representatives, agents, attorneys, heirs, administrators, successors, and assigns,
20 release, waive, discharge and settle all claims, rights, demands, liabilities, and causes of
21 action throughout the Class Period, whether known or unknown, arising from the same set
22 of operative facts, allegations and assertions as those alleged in the operative complaint,
23 including those claims which could have been asserted based on the facts alleged in the
24 operative complaint, which, without limitation, includes: (a) Failure to provide or pay
25 premium payments for meal periods (see Labor Code §§ 204, 223, 226.7, 512, 1198, 1194,
26 1197; IWC Wage Order No. 1-2001, § 11); (b) Failure to authorize and permit or pay
27 premium payments for rest periods (see Labor Code §§ 204, 223, 226.7, 512, 1198; IWC
28 Wage Order No. 1-2001, § 12); (c) any and all claims involving any alleged failure to pay
minimum wage, overtime, sick pay, or other amounts of wages for failing to compensate
"all hours worked" (see Cal Labor Code §§ 223, 227.3, 246, 510, 1194, 1197, 1198; IWC
Wage Order No. 1-2001, §§ 3-4); (d) Failure to pay wages due to discharged and quitting
employees (see Labor Code §§ 201-203); (e) Failure to timely pay wages during
employment (see Labor Code § 204); (f) Failure to provide accurate, itemized wage
statements (see Labor Code § 226(a)); (h) Failure to reimburse business expenses (see
Labor Code § 2800-2802); and (j) any unfair business practices with respect to claims

arising from the labor code violations released herein (see Bus. and Prof. Code § 17200, et seq.) (the “Released Class Claims”), and expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers’ compensation, and class claims outside of the Class Period.

Settlement Agreement at § 5.2.

Released PAGA Claims:

Plaintiffs, the LWDA, and interests held by the state of California are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint and the PAGA Notice, including, (a) Failure to provide or pay premium payments for meal periods (see Labor Code §§ 204, 223, 226.7, 512, 1198, 1194, 1197; IWC Wage Order No. 1-2001, § 11); (b) Failure to authorize and permit or pay premium payments for rest periods (see Labor Code §§ 204, 223, 226.7, 512, 1198; IWC Wage Order No. 1-2001, § 12); (c) any and all claims involving any alleged failure to pay minimum wage, overtime, sick pay, or other amounts of wages for failing to compensate “all hours worked” (see Cal Labor Code §§ 223, 227.3, 246, 510, 1194, 1197, 1198; IWC Wage Order No. 1-2001, §§ 3-4); (d) Failure to pay wages due to discharged and quitting employees (see Labor Code §§ 201-203); (e) Failure to timely pay wages during employment (see Labor Code § 204); (f) Failure to provide accurate, itemized wage statements (see Labor Code § 226(a)); and (h) Failure to reimburse business expenses (see Labor Code § 2800-2802), and expressly excluding PAGA claims outside of the PAGA Period.

Settlement Agreement at § 5.3.

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

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

A. Provisional Certification of the Class is Appropriate

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

836, 859 (2003).

1. The Proposed Class is Numerous and Ascertainable

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

The Class here consists of all current and former non-exempt employees who worked for Defendant in California at any time during the Class Period. See Settlement Agreement at § 1.5, 1.13. The Class is also readily ascertainable from Defendant’s business records, because all Class Members are or were employees of Defendant. *Id.* Defendant’s records show there are approximately 133 Class Members, making joinder of all Class Members impracticable. Coelho Decl. at ¶ 10.

2. A Well-Defined Community of Interest Exists

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

a. Common Questions Predominate

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

manageable. *Id.*

Plaintiffs have alleged that Defendant maintained common employment policies and/or practices that unlawfully deprived Class Members of wages, meal periods, rest periods, reimbursements for business expenses, accurate wage statements, and timely payment of wages upon separation of employment. Coelho Decl. at ¶ 10. These allegations present common factual and legal questions of, *inter alia*, whether Defendant applied the same scheduling, timekeeping, pay, meal period, rest period, and reimbursement policies to all Class Members, whether these policies and practices resulted in Labor Code violations, whether Defendant's conduct was intentional, and whether Class Members are entitled to damages and/or penalties. *Id.* These common questions could be resolved using Class Members' time records, payroll records, testimony from Defendant's designated representative(s), and Class Members' testimony. *Id.* Therefore, the Court can and should exercise its discretion to grant conditional class certification for settlement purposes.

b. Plaintiffs are Typical of the Class

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

Plaintiffs have alleged that they and Class Members were employed by the same Defendant and injured by Defendant's common wage and hour policies and practices, including Defendant's scheduling, timekeeping, pay, meal period, rest period, and reimbursement policies. *See* Coelho Decl. at ¶ 9. Through informal discovery, Plaintiffs confirmed that these challenged policies and practices applied to Plaintiffs and Class Members alike. *See id.* at ¶ 8. Therefore, Plaintiffs' claims and Class Members' claims arise from the same challenged employment policies and practices and are based on the same legal theories.

c. Plaintiffs and Plaintiffs' 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 Plaintiffs and proposed Class Counsel present no such conflict.

Plaintiffs’ interests are coextensive with Class Members’ interests. Declaration of Steven Garrigus in Support of Plaintiffs’ MPA (“Garrigus Decl.”) at ¶ 6. and Kyren Cannaday in Support of Plaintiffs’ MPA (“Cannaday Decl.”) at ¶ 6. Plaintiffs have demonstrated an ability to advocate for the interests of Class Members by initiating this lawsuit, providing information to their attorneys, meeting with their attorneys regarding the claims, making themselves available the day of mediation to answer questions, and reviewing the proposed Settlement. Garrigus at ¶ 11. and Cannaday at ¶ 11.

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

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

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

1 relief.

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

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

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

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

20 **a. The Settlement is the Result of Arm’s Length Negotiation**

21 Courts have recognized that the involvement of a respected mediator provides a high degree
22 of assurance that the settlement is the result of arm’s length bargaining. *See Chavez v. Netflix, Inc.*,
23 162 Cal.App.4th 43, 52-53 (2008). The Settlement in this matter was the product of a full-day
24 mediation session with a respected mediator. Coelho Decl. at ¶ 5. The negotiations were
25 adversarial, conducted at arm’s length, and tempered by the efforts of both sides to serve the
26 interests of their clients. *Id.*

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

28 Prior to attending mediation, Plaintiffs’ Counsel thoroughly investigated the claims,

1 applicable law, and potential defenses. Coelho Decl. at ¶ 8. Plaintiffs' Counsel assessed the value
2 to the class claims using the data and documents that Defendant produced in informal discovery,
3 including class data providing the number of Class Members, the number of workweeks in the
4 Class Period, and the number of pay periods in the PAGA Period, Plaintiffs' personnel
5 file/documents concerning Plaintiffs, Defendant's employee handbook(s), Defendant's written
6 wage-and-hour policies, job descriptions, and a random sampling of time and payroll records. *Id.*

7 *c. Plaintiffs' Counsel is Experienced in Similar Litigation*

8 Plaintiffs are represented by Wilshire Law Firm, PLC. Coelho Decl. at ¶ 21. Plaintiffs'
9 Counsel has extensive experience litigating wage and hour class actions on behalf of employees.
10 *See id.* at ¶¶ 22-32. Plaintiffs' Counsel has been involved as counsel in numerous class actions that
11 have resulted in millions of dollars in recovery. *See id.*

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

14 A settlement does not have to provide 100% of the damages sought to be considered fair
15 and reasonable. *See Rebney v. Wells Fargo Bank*, 220 Cal.App.3d 1117, 1139 (1991). Although
16 the exposure Plaintiffs' Counsel calculated is substantial, the various risks at succeeding at class
17 certification and through trial affected the valuation of the claims for settlement purposes. Coelho
18 Decl. at ¶ 11.

19 Minimum and Overtime Wages: Plaintiffs' unpaid minimum and overtime wage claims
20 were based on the allegation that Defendant required Class Members to perform work duties
21 while off the clock, without compensation. Coelho Decl. at ¶ 12. For example, Plaintiffs alleged
22 that Defendant required them and other Class Members to complete work-related tasks prior to
23 clocking in for the workday, through their meal periods, and after they clocked out. *Id.* For
24 purposes of calculating Defendant's liability based on a best-case scenario for Plaintiffs and the
25 Class, Plaintiffs' Counsel assumed that all unpaid worktime should have been paid at the overtime
26 rate of pay and conservatively estimated that Defendant is liable for one (1) hour of unpaid
27 worktime per workweek. *Id.* This results in potential exposure for this claim of approximately
28 \$279,613.85 (8,477 workweeks x \$21.99 average hourly rate of pay x 1 hour/workweek x 1.5

overtime rate). Because this claim would have relied heavily on Class Member testimony and would not be evidenced in Defendant's time and payroll records, the risk of succeeding at class certification and trial was substantial. Accordingly, Plaintiffs' Counsel applied a risk discount based on a 40% chance of succeeding at class certification and a 40% chance of succeeding at trial on the merits, yielding a realistic damage estimate of approximately \$44,738.22 ($\$279,613.85 \times 40\% \times 40\%$). *Id.*

Meal Periods: Plaintiffs' meal period claim was based on the allegation that Defendant failed to provide Class Members with legally compliant meal periods or pay meal period premiums in lieu thereof. Coelho Decl. at ¶ 13. For example, Plaintiffs alleged that Defendant required them and other Class Members to work through their meal periods or take late or shortened meal periods. *Id.* Additionally, Plaintiffs' Counsel's expert consultant determined there was a 70.9% meal period violation rate from the sampling of Defendant's time and payroll records, where meal periods were short, late, or missed. *Id.* Therefore, potential liability for the meal period claim is approximately \$509,916.30 (32,706 shifts over 5 hours x \$21.99 average hourly rate x 70.9% violation rate). *Id.* After taking into account the difficulty of certifying and proving meal period claims, as well as Defendant's contention that the claim lacks merit and that a 70.9% violation rate is unrealistic, Plaintiffs' Counsel discounted this figure based on a 50% chance of succeeding at class certification and a 40% chance of succeeding at trial, yielding a realistic damage estimate of approximately \$101,983.26 ($\$509,916.30 \times 50\% \times 40\%$). *Id.*

Rest Periods: Plaintiffs' rest period claim was based on the allegation that Defendant failed to provide Class Members with legally compliant rest periods or pay rest period premiums in lieu thereof. Coelho Decl. at ¶ 14. For example, Plaintiffs alleged that Defendant required them and other Class Members to work through their rest periods or take interrupted rest periods. *Id.* Based on Plaintiffs' allegations and Plaintiffs' and other Class Members' experience working for Defendant, Plaintiffs' Counsel applied a 100% violation rate to all qualifying shifts during the Class Period. Therefore, Defendant's potential liability for the rest period claim is approximately \$736,423.11 (33,489 shifts of 3.5 hours or longer x \$21.99 average hourly rate x 100% violation rate). However, Plaintiffs' Counsel discounted this figure to account for the difficulty of certifying

1 and proving rest period claims, particularly because rest periods do not have to be recorded, and to
2 account for the possibility of Class Members voluntarily choosing to forego a rest period. *Id.*
3 Because this claim would have relied exclusively on Class Member testimony, Plaintiffs' Counsel
4 discounted this claim based on a 30% chance of succeeding at class certification and a 20% chance
5 of succeeding at trial, yielding a realistic damage estimate of approximately \$44,185.39
6 ($\$736,423.11 \times 30\% \times 20\%$). *Id.*

7 Reimbursements: Plaintiffs' reimbursement claim was based on the allegation that
8 Defendant failed to indemnify Class Members for expenses incurred as a direct result of performing
9 their job duties for Defendant, such as mandatory purchase of work attire, work equipment,
10 personal protective equipment, use personal cell phones, and use personal vehicles for work
11 purposes. Coelho Decl. at ¶ 15. For purposes of calculating Defendant's liability based on a best-
12 case scenario for Plaintiffs and the Class, Plaintiffs' Counsel estimated that Defendant was liable
13 to each Class Member for \$7.50 per workweek in unreimbursed expenses, for a total amount of
14 approximately \$63,577.50 ($\$7.50 \times 8,477$ workweeks). *Id.* However, Defendant argued that these
15 expenses were not required by Defendant, and that it could not have known that these expenses
16 were being incurred. *Id.* Accordingly, Plaintiffs' Counsel discounted this claim based on a 30%
17 chance of succeeding at class certification and a 30% chance of succeeding at trial, yielding a
18 realistic damage estimate of approximately \$5,721.98 ($\$63,577.50 \times 30\% \times 30\%$). *Id.*

19 In sum, Plaintiffs' Counsel estimated that Plaintiffs' maximum recovery for the off-the-
20 clock claim, meal period violations, and rest period violations (i.e., the wage claims) is
21 approximately \$1,525,953.26. Coelho Decl. at ¶ 16. However, after factoring in the risk and
22 uncertainty of prevailing at certification and trial, Plaintiffs' Counsel estimates that Plaintiffs'
23 realistic, estimated recovery for these non-penalty wage claims is approximately \$190,906.87. *Id.*

24 Derivative Penalties: Plaintiffs alleged that as a result of Defendant's failure to pay all
25 wages owed, Defendant owed waiting time penalties and wage statement penalties. Coelho Decl.
26 at ¶ 17. With respect to Plaintiffs' derivative claims for statutory penalties, Plaintiffs' Counsel
27 estimated that Defendant's realistic potential liability is approximately \$40,365.27. *Id.* Defendant's
28 maximum potential liability for waiting time penalties is approximately \$515,654.51 ([81

employees x \$21.99 average hourly rate of pay x 8.00 hours/day x 30 days] + [81 employees x \$21.99 average hourly rate of pay x 1.1 hours of overtime/day x 1.5 overtime rate x 30 days]) based on approximately 81 formerly employed Class Members during the 3-year statute of limitations period and an average shift length of 9.1 hours. *Id.* Defendant's maximum potential liability for inaccurate wage statements is approximately \$157,100.00 ([70 employees x 1 initial violation/employee x \$50 for an initial violation] + [(1,606 pay periods - 70 initial violations) x \$100 for each subsequent violation]). *Id.* In light of the foregoing, Plaintiffs' Counsel believes that it would be unrealistic to expect the Court to award the full \$672,754.51 in statutory penalties given Defendant's defenses, the contested nature of Plaintiffs' claims, the challenges of establishing willfulness as applicable, and the discretionary nature of penalties. *Id.* Considering that the underlying wage claims are realistically estimated to be approximately \$190,906.87, such a disproportionate award would also raise due process concerns. *Id.* As such, Plaintiffs' counsel discounted these figures to account for the risk and uncertainty of obtaining class certification and prevailing at trial, resulting in a realistic evaluation of approximately \$30,939.27 for waiting time penalty claims (\$515,654.51 x 30% x 20%), and approximately \$9,426.00 for wage statement penalty claims (\$157,100.00 x 30% x 20%), or approximately \$40,365.27 total for statutory penalties. *Id.*

PAGA: For the PAGA claim, Plaintiffs' Counsel determined that Defendant's potential exposure could reach \$160,600.00, assuming the initial \$100 penalty would apply for each of the 1,606 pay periods in the PAGA Period. Coelho Decl. at ¶ 18. However, even assuming success on the merits of each claim, PAGA gives the Court discretion to reduce penalties for a variety of reasons, including where to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory. *Id.* As such, Plaintiffs' counsel discounted this figure to account for the risk and uncertainty of prevailing at trial, resulting in a realistic evaluation of approximately \$16,060.00 for PAGA penalties (\$160,600.00 x 10%). *Id.* The settlement allocates \$20,000.00 of the Gross Settlement Amount to PAGA, therefore the PAGA allocation amounts to 9.4% of the Gross Settlement Amount and approximately 125% of the realistic maximum damages for PAGA penalties (\$20,000.00 / \$16,060.00). *Id.*

1 Using these estimated figures, Plaintiffs' Counsel predicted that the realistic maximum
2 recovery for all claims, including penalties, would be approximately \$253,054.12. Coelho Decl. at
3 ¶ 19. This means that the realistic maximum recovery represents approximately 119.4% of the
4 gross settlement figure (\$253,054.12/\$211,925.00). *Id.* Considering the risk and uncertainty of
5 prevailing at class certification and at trial, this is an excellent result for the Class. *Id.* Indeed,
6 because of the proposed Settlement, Class Members will receive timely, guaranteed relief and will
7 avoid the risk of an unfavorable judgment. *Id.*

8 Based on the figures in the Settlement Agreement, the Net Settlement Amount available for
9 class settlement payments is currently estimated to be \$69,283.33 for approximately 133 Class
10 Members. Coelho Decl. at ¶ 20. As a result, each Settlement Class Member would be eligible to
11 receive an average net benefit of approximately \$520.93. *Id.* Based on the estimated Net Settlement
12 Amount available for individual class payments and there being approximately 8,477 workweeks
13 in the Class Period, the estimated weekly valuation for Individual Class Payments is \$8.17
14 (\$69,283.33/ 8,477 workweeks). *Id.*

15 **C. The Requested Service Payments are Reasonable**

16 Plaintiffs seek Class Representative Service Payments of up to \$10,000.00 (\$20,000.00
17 total) for accepting the responsibilities of representing the interests of the Class and potential costs
18 that were not borne by any other Class Member. Settlement Agreement at § 3.2.1. A named plaintiff
19 is eligible for payment that reasonably compensates the plaintiff for undertaking and fulfilling a
20 fiduciary duty to represent absent class members. *See Cellphone Termination Fee Cases*, 186
21 Cal.App.4th 1380, 1393 (2010); *Bell v. Farmers Ins. Exch.*, 115 Cal.App.4th 715, 726 (2004).

22 Throughout this case, Plaintiffs assisted counsel in providing information necessary to
23 prosecute the claims, meeting with counsel regarding the claims, maintaining regular contact with
24 counsel, making themselves available the day of mediation to answer questions, and reviewing the
25 Settlement to ensure it was fair to the Class. Garrigus Decl. at ¶ 11. and Cannaday Decl. at ¶ 11.
26 No action would likely have been taken by Class Members individually and no compensation
27 would have been recovered for them, but for Plaintiffs' services on behalf of the Class. By actively
28 pursuing this action, Plaintiffs furthered the California public policy goal of enforcing the State's

1 wage-and-hour laws. *See Sav-On*, 34 Cal.4th at 340. The requested Class Representative Service
2 Payments are reasonable and should be preliminarily approved. Plaintiffs have provided a
3 declaration regarding their work performed to date and will provide additional information as
4 requested or required by the Court at final approval.

5 **D. The Requested Class Counsel Fees Payment and Costs Are Reasonable**

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

12 Plaintiffs seek appointment of Wilshire Law Firm, PLC as Class Counsel. The attorneys
13 performed significant work and expended litigation costs in prosecuting this matter with no
14 guarantee of payment. Coelho Decl. at ¶ 21. Plaintiffs' Counsel seeks preliminary approval for up
15 to one third (1/3) of the Gross Settlement Amount in Class Counsel Fees Payment, currently
16 estimated to be \$70,641.67, and up to \$25,000.00 in reimbursement of litigation costs. Given the
17 work performed in this matter, the extensive information exchange, and the substantial recovery
18 obtained on behalf of the Class, Plaintiffs' Counsel achieved a settlement through efficient and
19 diligent work. *See generally*, Coelho Decl. At final approval, Plaintiffs' Counsel will fully brief
20 the merits of its request for the award of Class Counsel Fees Payment and litigation costs.

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

22 The Parties have agreed upon using Phoenix to administer this Settlement. Settlement
23 Agreement at §§ 1.2, 7.1. Plaintiffs seek preliminary approval of \$6,250.00 for Phoenix to
24 administer this Settlement pursuant to Phoenix's will-not-exceed bid. *See* Coelho Decl. at ¶ 35,
25 Exhibit 4. The services covered by this payment are extensive and necessary to carry out the
26 Settlement administration.

27 **V. CONCLUSION**

28 The Parties have negotiated a fair and reasonable settlement of the class claims in light of

1 the risks presented in this case. Plaintiffs have presented the materials and information necessary
2 to demonstrate that the requirements for preliminary approval have been met, and therefore
3 respectfully request that the Court preliminarily approve the Settlement and schedule a date for the
4 final approval hearing.

5
6 Respectfully submitted,

7 Dated: August 27, 2026

WILSHIRE LAW FIRM, PLC

8
9 By:  _____

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