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SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF SAN DIEGO

CRYSTAL JOURDEN, an individual, on behalf of herself, and on behalf of all persons similarly situated, Plaintiff, v. 7-ELEVEN, INC., a Texas corporation; and DOES 1-50, Inclusive, Defendants.	Case No. STK-CV- UOE-2022-0007604 **MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF MOTION FOR FINAL APROVAL OF CLASS ACTION SETTLEMENT** Date: October 31, 2025 Time: 10:15 a.m. Judge: Hon. Wendy M. Behan Dept.: 66

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I. INTRODUCTION

Plaintiff CRYSTAL JOURDEN (hereinafter "Plaintiff") seeks final approval of the Class Action and PAGA Settlement Agreement and Amendment No. 1 to the Class Action and PAGA Settlement Agreement (hereinafter collectively the "Agreement")[1], which if approved, would provide valuable monetary relief for approximately 6,388 Settlement Class Members employed by defendant 7-ELEVEN, INC., (hereinafter "Defendant") during the Class Period.

In an order dated April 28, 2025, this Court preliminarily approved the Agreement and preliminarily certified the Settlement Class. Declaration of Jean-Claude Lapuyade ("JCL Dec."), ¶ 4.

On July 2, 2025, the Administrator delivered notice of the proposed settlement to the Settlement Class. Declaration of Stacey Shim ("Apex Dec."), ¶ 7.

The Class greeted news of the Settlement with nearly unanimous approval.[2] There were zero objections and only one opt-out to the Settlement. Apex Dec., ¶¶ 11-12. The 99.98% approval by the Settlement Class evidences the clear fairness and reasonableness of the Settlement. JCL Dec., ¶ 8.

An objective evaluation of the proposed settlement of $1,900,000.00 ("Gross Settlement Amount") confirms that the relief negotiated on behalf of the Settlement Class is fair, reasonable, and valuable. The Settlement is a product of informed, adversarial, and non-collusive negotiations, between experienced counsel, guided by the wisdom and experience of the Brandon McKelvey, Esq., a respected and experienced mediator of wage and hour class and PAGA actions. After deducting any Court-approved Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expense Payment, Administration Expenses Payment and the PAGA Penalties, the Net Settlement Amount shall be distributed to the Settlement Class Members based on the number of Workweeks they worked while employed by Defendant during the Class Period. JCL Dec., ¶ 8.

This Settlement provides substantial recovery to Class Members. Plaintiff estimates that the Settlement, if approved, would result in a Net Settlement Amount of approximately **$1,061,916.67**. This will result in an average Individual Settlement Payment of **$166.24**, with the estimated highest gross payment being **$961.87** and the lowest gross payment being **$7.82**. Aggrieved Employees will receive an

[1] The Agreement is attached as Ex "1" to the Declaration of Jean-Claude Lapuyade ("JCL Dec.") at ¶ 3. All citations to the Agreement incorporate by this reference a citation to the JCL Dec., ¶ 3. Further, unless indicated otherwise, capitalized terms used herein have the same meaning as those defined by the Agreement.
[2] As of the filing date of this Motion, 197 Notices were deemed undeliverable.

estimated average gross payment of **$3.91**, with the estimated highest gross payment being **$20.45** and the lowest gross payment being **$0.35.** Apex Dec., ¶ 16-17; JCL Dec., ¶ 9.

The relief offered by the Settlement is immediate and is particularly impressive when viewed against the difficulties encountered by plaintiffs pursuing similar wage and hour cases (*see infra)*. Indeed, by settling now rather than proceeding to trial, the Settlement Class will not have to wait (possibly years) for relief, nor will they have to bear the risks associated with prolonged and uncertain litigation. JCL Dec., ¶ 10.

As discussed below, the proposed Settlement satisfies all criteria for final settlement approval under California law and falls well within the range of reasonableness. Accordingly, Class Representatives and Class Counsel respectfully request this Court grant final approval of the Agreement and, entry of the proposed Final Approval Order and Judgment. JCL Dec., ¶ 11.

II. OVERVIEW OF THE LITIGATION

Defendant owns, operates, and/or manages, hundreds of convenience stores throughout California, including in the City and County of San Diego, where Plaintiff worked. This action asserts claims on behalf of all persons who are or previously were employed by Defendant in its California stores and classified as non-exempt employees at any time during the Class Period. At all times during her employment, Plaintiff earned an hourly wage and was entitled to legally compliant meal and/or rest periods, and minimum, regular and overtime wages for all hours worked. Throughout her employment, Plaintiff was subject to Defendant's written policies and procedures contained in, among other documents, the "7-11 Employee Handbook." JCL Dec., ¶ 12.

On October 19, 2023, Plaintiff served Defendant and the Labor and Workforce Development Agency ("LWDA") with a Notice of Violations ("PAGA Notice"). Plaintiff's PAGA Notice set forth the facts and theories supporting Defendant's alleged violations of various provisions of the California Labor Code and applicable Industrial Welfare Commissions ("IWC") Wage Order and of her intent to pursue claims under California Labor Code Private Attorneys General Act, Cal. Lab. Code Sections 2698 et seq ("PAGA"). JCL Dec., ¶ 13.

On the same date, Plaintiff filed a wage and hour class action in the San Diego Superior Court entitled *Jourden v. 7-11, Inc.*, Case Number 37-2023-00045550-CU-OE-CTL ("*Jourden* State Court

Class Action"). The *Jourden* State Court Class Action asserted claims for (1) Unfair Competition in Violation of California Business and Professions Code §§ 17200; (2) Failure to Pay Minimum Wages in Violation of California Labor Code §§ 1194, 1197 and 1197.1; (3) Failure to Pay Overtime Wages in Violation of California Labor Code §§ 510 *et seq*.; (4) Failure to Provide Required Meal Periods in Violation of Cal. Lab. Code §§ 226.7 and 512; (5) Failure to Provide Required Rest Periods in Violation of Cal. Lab. Code §§ 226.7 and 512; (6) Failure to Reimburse Employees for Required Expenses in Violation of Cal. Lab. Code §2802; (7) Failure to Provide Wages When Due in Violation of Cal. Lab. Code §§ 201, 202 and 203; and (8) Failure to Provide Accurate Itemized Wage Statements in Violation of Cal. Lab. Code §226. JCL Dec., ¶ 14.

Defendant answered the *Jourden* State Court Class Action on November 11, 2023, and then promptly removed the action to the United States District Court for the Southern District of California case number 23-cv-2156-GPC-DEB ("*Jourden* Federal Class Action"). JCL Dec. ¶ 15.

On December 27, 2023, Plaintiff filed the instant action in the San Diego Superior Court case number 37-2023-00055846-CU-OE-CTL ("*Jourden* PAGA Action"). Initially, Plaintiff alleged a single cause of action in her representative capacity on behalf of the State of California and the Aggrieved Employees against Defendant for violations of PAGA. Defendant answered the *Jourden* PAGA Action on March 27, 2023. JCL Dec., ¶ 16.

Thereafter, the Parties engaged in extensive litigation across both the *Jourden* Federal Class Action and the *Jourden* PAGA Action, including but not limited to, propounding and responding to multiple sets of Special Interrogatories, Requests for Production of Documents and Requests for Admission. Additionally, the Parties exchanges mandatory Federal Rule of Civil Procedure Rule 26 disclosures. The parties also participated in Early Neutral Evaluation ("ENE") before Federal Magistrate Judge Daniel E. Butcher. JCL Dec. ¶ 17.

Following the ENE, the Parties agreed to participate in a private mediation with respected wage and hour mediator Brandon McKelvey, Esq. To prepare for mediation, Defendant agreed to informally produce additional documents and data points subject to the mediation privilege, including but not limited to, a 15% anonymized sampling of the Class Members' time and payroll data, and pertinent written wage and hour policies. As discussed *infra,* Plaintiff's counsel retained the forensic consultants at Berger

Consulting Group ("BCG") to analyze Defendant's time and payroll data. JCL Dec., ¶ 18.

Prior to the mediation, Plaintiff's counsel learned of several other pending class and PAGA representative actions against Defendant. Those actions are: (1) *Jose Lugo Verdugo v. 7-Eleven, Inc..,* Sacramento Superior Court class action with Case No. 23CV011003, removed to USDC Eastern District of California as Case No. 2:23cv3001, and Sacramento Superior Court PAGA action with Case No. 23CV011524 (collectively "*Verdugo* Actions"), (2) *Michelle Renee Rezentes v. 7-Eleven, Inc*., Contra Costa County Superior Court PAGA action with Case No. C23-02329 and Contra Costa Superior Court class action with Case No. C-24-00149 (collectively "*Rezentes* Actions"), (3) *Kimberly Persson v. 7-11, Inc.,* Sacramento Superior Court, class and PAGA representative action with Case Number 24-CV000862, removed to USDC Eastern District with Case No. 2:24-CV-00569 ("*Persson* Action"). Thereafter, Counsel for Plaintiff Jourden coordinated with all counsel and scheduled a global mediation with mediator Brandon McKelvey, Esq. JCL Dec. ¶ 19.

On May 16, 2024, the Parties participated in a full day mediation with the Brandon McKelvey, Esq. After arms-length negotiations and bargaining, the Parties accepted a Mediator's proposal to resolve all the claims asserted in the *Jourden* Federal Class Action, *Jourden* State Court Class Action and the *Jourden* PAGA Action.[3] After reaching an agreement in principle, the parties negotiated a long-form settlement agreement, which is the subject of the instant motion. JCL Dec., ¶ 20.

As part of the Agreement, on September 19, 2024, Plaintiff filed the operative First Amended Complaint in the *Jourden* PAGA Action, adding the class claims asserted in the *Jourden* State Court Class Action and the *Jourden* Federal Class Action (since dismissed, without prejudice). JCL Dec., ¶ 21.

On April 28, 2025, this Court preliminarily approved the Settlement. JCL Dec., ¶ 22. On July 2, 2025, the Administrator mailed Notice Packets to all 6,389 Class Members. Apex Dec., ¶ 7. The mailing of the Notice Packets triggered a forty-five (45) day Response Deadline for the Settlement Class to submit requests for exclusion or objections to the Settlement. The response from the Settlement Class to the Settlement was outstanding – 99.98% of the Class Members are participating in the Settlement. Apex Dec., ¶ 14.

[3] Separately, Mediator McKelvey resolved the *Verdugo* Actions, *Rezentes* Actions and the *Perssons* Action on an individual basis.

III. THE SETTLEMENT BEFORE THE COURT

The Court preliminarily approved a Gross Settlement Amount of $1,900,000.00 based on a total of approximately 126,000 Workweeks worked by the Settlement Class during the Class Period. The Gross Settlement Amount shall be used: (1) to satisfy Individual Settlement Payments; (2) to satisfy the Class Representative Service Payment; (3) to satisfy the PAGA Penalties; (4) to satisfy the Administration Expenses Payment; and (5) to satisfy the Class Counsel Fees Payment and Class Counsel Litigation Expense Payment. The remainder, the Net Settlement Amount, shall be used for the payment of all Individual Settlement Payments to satisfy all Released Claims. JCL Dec., ¶ 23.

Defendant shall fully fund the Gross Settlement Amount, and the amounts necessary to fully pay Defendant's share of payroll taxes, by transmitting the funds to the Administrator no later than 28 days after the Effective Date. The Effective Date is defined as the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur. Agreement at §§ 4.3; 1.18.

Within 14 days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments. Agreement at § 4.4.

The Administrator will calculate the total number of workweeks worked by each Class Member during the Class Period. Individual Class Payments will be calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks. Agreement at §

3.2.4. The estimated average Individual Settlement Payment is approximately **$166.24**. JCL Dec., ¶ 9.

In exchange for valuable consideration, as of the funding of the Gross Settlement Amount, the Class Members who do not exclude themselves by properly opting-out of the Settlement will fully release and discharge the Released Parties from the Released Claims for the entire Class Period. The Aggrieved Employees will release the Released Parties from the Released PAGA Claims for the PAGA Period. Agreement at § 5.

Apex Class Action LLC was appointed as the Administrator for the Class. The Administrator Expenses Payment includes those expenses of effectuating and administering the Settlement, i.e., the costs incurred to the Administrator, the costs of giving notice to the Class, the costs of administering and disbursing the Individual Settlement Payments, and the fees of the Administrator approved for reimbursement by the court. The Administrator Expenses Payment is $39,750.00. Apex Dec., ¶ 19. These expenses shall be paid from the Gross Settlement Amount. Agreement at § 1.3.

Subject to Court approval, Class Counsel shall seek an award in the amount of up to $693,333.33, comprised of the Class Counsel Fees Payment in the amount of $633,333.33 (one-third of the Gross Settlement Amount) ***and*** the Class Counsel Litigation Expenses Payment in the amount of up to $60,000.00 for actually incurred litigation expenses. Plaintiff reviewed the terms of the Agreement, including the monetary terms and releases, and executed the Agreement. Declaration of Crystal Jourden ("Jourden Dec.") at ¶ 11. The Agreement also provides for Class Representative Service Payment in the amount of $10,000.00 in consideration of Plaintiff's time, risk, and efforts as the Class Representative on behalf of the Settlement Class. Agreement, § 3.2.1.

As explained in further detail below, the Settlement is fair, adequate, and reasonable to the class and should be granted final approval. This is evidenced by the near unanimous approval of the Settlement by the Settlement Class and absence of any objections to the Settlement and the average Individual Settlement Payment of **$166.24**. Apex Dec., ¶ 16; JCL Dec., ¶ 24.

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IV. GENERAL STANDARDS APPLICABLE TO JUDICIAL REVIEW AND APPROVAL OF CLASS ACTION SETTLEMENTS

Settlements of disputed claims are favored by the courts. *Huens v. Tatum*, 52 Cal. App. 4th 259, 265 (1997). In evaluating settlements, the courts have long recognized that compromise is particularly appropriate since such litigation is difficult and notoriously uncertain. *7-Eleven Owners for Fair Fran. V. Southland Corp.*, 85 Cal. App. 4th 1135, 1151 (2000) ("voluntary conciliation and settlement are the preferred means of dispute resolution. This is especially true in complex class action litigation").

"[T]o prevent fraud, collusion or unfairness to the class, the settlement or dismissal of a class action requires court approval." *Dunk v. Ford Motor Co.*, 48 Cal. App. 4th 1794, 1801 (1996) *citing Malibu Outrigger Bd. Of Governors v. Superior Court*, 103 Cal. App. 3d 573, 578-579 (1980). The court must decide whether the proposed settlement falls within the range of reasonable settlements, taking into account that settlements are compromises between the parties reflecting subjective, unquantifiable judgments concerning the risks and possible outcomes of litigation. See also *Wershba v. Apple Computer*, 91 Cal. App. 4th 224, 246 (2001) ("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."). In *Wershba*, appellants argued that the settlement was too low given the "clear" liability, however, the Court rejected this argument and held that "the merits of the underlying class claims are not a basis for upsetting the settlement of a class action." *Wershba*, *supra*, at 246; *see also 7-Eleven*, *supra*, at 1150.

In these cases, Courts have repeatedly emphasized that there is a strong initial presumption that the compromise is fair and reasonable. *Wershba*, 91 Cal. App. 4th at 245. Courts should not substitute their judgment for that of the parties who negotiated the settlement. *Id.* At 246. The presumption of fairness exists where: (1) investigation and discovery are sufficient to allow counsel and the court to act intelligently; (2) the settlement is reached through arm's-length bargaining; (3) counsel is experienced in similar litigation; and (4) the percentage of objectors is small. *Dunk*, 48 Cal. App. 4th at 1801, citing Newberg & Conte, *Newberg on Class Actions*, (3d ed. 1992) §11.41, pp. 11-91. Here, all of these factors support a presumption of fairness.

The essential evaluation is whether, given the risks of litigation and the range of probable results, the settlement, taken as a whole, is fair, reasonable and adequate to all concerned. Here, the facts and circumstances compel the conclusion that the proposed settlement satisfies that standard.

V. THE SETTLEMENT IS FAIR, REASONABLE AND ADEQUATE

The court must determine whether the settlement is fair, adequate, and reasonable. *Dunk v. Ford Motor Co.*, 48 Cal. App. 4th 1794, 1801 (1996); *see also Officers for Justice v. Civil Service Com'n*, 688 F. 2d 615, 625 (9th Cir. 1982). The purpose of the requirement is "the protection of those class members, including the named plaintiffs, whose rights may not have been given due regard by the negotiating parties." *Dunk*, *supra*, at 1801.

The trial court has broad discretion to determine whether the settlement is fair. *Rebney v. Wells Fargo Bank*, 220 Cal. App. 3d 1117, 1138 (1990). "The well-recognized factors that the trial court should consider in evaluating the reasonableness of a class action settlement agreement include 'the strength of plaintiffs' case, the risk, expense, complexity and likely duration of further litigation, the risk of maintaining class action status through trial, the amount offered in settlement, the extent of discovery completed and the stage of the proceedings, the experience and views of counsel, the presence of a governmental participant, and the reaction of the class members to the proposed settlement.' [Citations.]" *Kullar v. Foot Locker Retail, Inc.*, 168 Cal. App. 4th 116, 128 (2008); see also *Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles*, 186 Cal. App. 4th 399, 408 (2010).

The list of factors is not exhaustive and should be tailored to each case. *Dunk*, *supra*, at 1801. Due regard should be given to what is otherwise a private consensual agreement between the parties. *Id.* The inquiry "must be limited to the extent necessary to reach a reasoned judgment that the agreement is not the product of fraud or overreaching by, or collusion between, the negotiating parties, and that the settlement, taken as a whole, is fair, reasonable and adequate to all concerned." *Id.* "Ultimately, the [trial] court's determination is nothing more than 'an amalgam of delicate balancing, gross approximations and rough justice.' [Citation omitted.]" *Id.*

These factors are analyzed seriatim below and all support final approval of the class action settlement before this Court.

A. Class Counsel Conducted a Thorough Investigation.

As detailed in the motion for preliminary approval, Class Counsel thoroughly investigated the proposed Class Members' claims, applicable law, and potential defenses. Specifically, Class Counsel assessed the value of the class claims using data and documents provided by Defendant in informal discovery. Class Counsel obtained anonymized time and pay records, sample wage statements, documents regarding its wage and hour policies and practices during the class period, and information on the total number of current and former employees, the estimated total amount of workweeks and pay periods, their average hourly rate, and other relevant data. Class Counsel then retained the statisticians and economists at BCG to evaluate the Class Members' payroll and time data to formulate damage models estimating Defendant's liability exposure. Class Counsel's investigation, research, experience and damage models, informed and guided the mediated negotiations that resulted in this Settlement. Accordingly, Class Counsel fully understood the strengths and weaknesses of the class claims before the parties reached a settlement. JCL Dec., ¶ 25-32.

B. <u>The Parties Settled at Mediation</u>.

On May 16, 2024, the Parties participated in mediation presided over by Brandon McKelvey, Esq., a respected and experienced mediator of wage and hour class and PAGA actions. Mediator McKelvey helped to manage the Parties' expectations and provided a useful, neutral analysis of the issues and risks to both sides. The Parties made substantial progress with Mediator McKelvey's assistance. Namely, the Parties exchanged information regarding their respective claims and defenses, including their respective evaluations of the damages. At the conclusion of the mediation, Mediator McKelvey issued a mediator's proposal for settlement. The Parties ultimately accepted Mediator McKelvey's proposal. The complete and final terms of the Parties' settlement are now set forth in the Agreement. Class Counsel submits that the Settlement constitutes a fair, adequate, and reasonable compromise of the claims at issue. JCL Dec., ¶ 33

As discussed above, the Parties subsequently negotiated the terms of the Agreement based on Defendants' representations and Mediator McKelvey's recommendation. No action would likely have been taken by Class Members individually, and no compensation would have been recovered for them, but for Plaintiff's services on behalf of the Class. JCL Dec., ¶ 34.

C. <u>Class Counsel is Experienced in Similar Litigation.</u>

Class Counsel in this matter has extensive class action experience in multiple fields and has represented tens-of-thousands of persons in class actions. Counsel has previously litigated similar wage and hour class actions involving similar claims. Class Counsel has been approved as class counsel in similar wage and hour class actions throughout the State of California. As such, courts throughout the California have deemed Class Counsel experienced and knowledgeable in this area of law. Class Counsel has participated in every aspect of the settlement discussions and has concluded the settlement is fair, adequate and reasonable and in the best interests of the Class. JCL Dec., ¶¶ 35-41; Declaration of Shani Zakay ("Zakay Dec."), ¶¶ 1-3; Declaration of Manny Starr ("Starr Dec.") at ¶¶ 15-17; Declaration of Sepideh Ardestani ("Ardestani Dec.") at ¶¶ 15-20; and Declaration of Roman Otkupman ("Otkupman Dec.") at ¶¶ 2-10).

D. <u>The Settlement Class Responded Positively to the Settlement.</u>

The reaction of the Settlement Class unequivocally supports approval of the Settlement. The notice sent to the Settlement Class provided each class member with the terms of the Settlement, including the specific estimated Individual Settlement Payments. To date, only one of the 6,389 members of the Settlement Class opted out of the Settlement. Moreover, there are ***<u>zero</u>*** objections. Thus, 99.98% of the Settlement Class chose to participate in the Settlement. JCL Dec., ¶ 9; Apex Dec., ¶¶ 11-14.

The near unanimous approval by the Settlement Class strongly supports a finding that the Settlement is fair, reasonable and adequate. *See In re Austrian & German Bank Holocaust Litigation*, 80 F. Supp. 2d 164, 175 (S.D.N.Y. 2000) ("If only a small number of objections are received, that fact can be viewed as indicative of the adequacy of the settlement."); *Stoetzner v. U.S. Steel Corp.*, 897 F.2d 115, 118-119 (3d. Cir. 1990) (29 objections out of 281 member class "strongly favors settlement"); *Laskey v. Int'l Union*, 638 F.2d 954 (6th Cir. 1981) (The fact that 7 out of 109 class members objected to the proposed settlement should be considered when determining fairness of settlement.). Consequently, Class Counsel respectfully request the Court to follow the unanimous approval of the Settlement Class and grant final approval of the Settlement.

E. <u>The Gross Settlement Amount is Fair and Reasonable</u>

The Gross Settlement Amount of One Million Nine Hundred Thousand Dollars and Zero Cents ($1,900,000.00) in this case is fair and well within the range of recognized reasonableness. The *Kullar* court acknowledged that "as the court does when it approves a settlement as in good faith under Code of

Civil Procedure section 877.6, the court must at least satisfy itself that the class settlement is within the 'ballpark' of reasonableness." *Kullar*, *supra,* at 129; *See Tech-Bilt, Inc. v. Woodward-Clyde & Associates*, 38 Cal.3d 488, 499-500 (1985).)

Here, the Settlement is clearly within the "ballpark" of reasonableness because the Settlement provides a sizeable recovery to the Settlement Class and need not necessarily obtain 100 percent of the damages sought to be fair, reasonable, and ultimately, meaningful. *Wershba*, 91 Cal.App.4th at 250. While the Gross Settlement Amount represents a discount on Defendant's potential exposure if Plaintiff established liability on all claims and was awarded the full amount of the estimated damages at trial, this compromise is reasonable because (1) the formidable defenses raised by Defendant presented a risk that could award significantly less in damages than Plaintiff's estimate and (2) any theoretical post-trial recovery may require many more years of litigation, resulting in added fees and costs without any guarantee of recovery for the Class. JCL Dec., ¶ 42.

As detailed at the time of preliminary approval, the Gross Settlement Amount is fair and reasonable considering the nature and magnitude of the claims being settled and the various potential impediments to recovery. Class Counsel developed varied economic damages models measuring Defendant's liability exposure while accounting for the uncertainties of continued litigation. The various models were informed by Class Counsel's investigation, including the analysis of a significant sample of time and payroll data. As detailed in greater depth during the preliminary approval process, Class Counsel projected a range of Defendant's liability exposure for the claims asserted on behalf of the Settlement Class. The Gross Settlement Amount represents approximately 34% of Defendants' *class-wide* liability exposure for damages and 7% of Defendants' maximum *class-wide* exposure inclusive of penalties, as estimated by Class Counsel at the time of mediation. JCL Dec., ¶ 43.

In *Stovall-Gusman v. W.W. Granger, Inc.,* 2015 U.S. Dist. LEXIS 78671, at * 4, the District Court for the Northern District of California granted final approval in a wage and hour misclassification action and found that the Gross Settlement Amount representing 10% of the estimated trial award was within the "range of reasonableness." In *Dunleavy v. Nadler (In re Mego Fin. Corp. Sec. Litig.)* (9th Cir. 2000) 213 F.3d 454, 459, the Ninth Circuit approved a settlement representing "roughly one-sixth of the potential recovery." Given the amount of the settlement here as compared to potential value of the claims, particularly the strength of Plaintiff's action, the settlement is clearly fair and reasonable[4].

The calculation methodology used to compensate the Settlement Class for the alleged damages was negotiated at the time of the Settlement. More importantly, the methodology is fair, objective, and impartial. The calculation methodology is based on the number of Workweeks each Settlement Class Member worked for Defendant during the Class Period. The number of Workweeks for the Settlement Class Members is established through Defendant's data and documented compensation records. The Administrator is responsible for calculating the Individual Class Payments by dividing the Net Settlement Amount by the total number of Workweeks worked by all Settlement Class Members during the Class Period and then multiplying the result by each Settlement Class Member's Workweeks worked during the Class Period. Agreement at § 3.2.4. This process establishes an objectively fair and reasonable procedure to compensate the Settlement Class.

The settlement also provides significant relief to the Settlement Class Members. After deductions for Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expense Payment, Administration Expenses Payment and the PAGA Penalties, the Net Settlement Amount is currently estimated to be $1,061,916.67. Apex Dec., ¶ 15. The average Individual Class Payment is approximately $169.07, the highest is approximately $961.87, and the lowest payment is approximately $7.82. Apex Dec., ¶ 16. This average net recovery is on par with many wage and hour class action settlements approved by California state and federal courts. *See, e.g., Palencia v. 99 Cents Only Stores,* No. 34-2010-00079619 (Sacramento County Super. Ct) (average net recovery of approximately $80); *Fukuchi v. Pizza Hut,* Case No. BC302589 (LA. County Super. Ct.) (average net recovery of approximately $120); *Contreras v. United Food Group, LLC,* Case No. BC389253 (L.A. County Super. Ct.) (average net recovery of approximately $120); *Ressler v. Federated Department Stores, Inc.,* Case No. BC335018 (L.A. County Super. Ct.) (average net recovery of approximately $90);

[4] *See also Viceral v. Mistras Grp., Inc*. (N.D. Cal. Oct. 11, 2016, No. 15-CV-02198) 2016 WL 5907869, at *3, 7 (approving a California wage and hour settlement where the class received 11.6% of the estimated total liability, or approximately $29 per work week); *Leverage v. Traeger Pellet Grills, LLC* (N.D. Cal. June 28, 2017, No. 16-CV-00784) 2017 WL 2797811, at *7 (Approving a California wage and hour settlement where the class received 18% of the estimated total liability); *see also In re Newbridge Networks Sec. Litig.* (D.D.C. Oct. 23, 1998) 1998 WL 765724, at *2 ("Courts have not identified a precise numerical range within which a settlement must fall in order to be deemed reasonable; but an agreement that secures roughly six to twelve percent of a potential trial recovery, while preventing further expenditures and delays and eliminating the risk that no recovery at all will be won, seems to be within the targeted range of reasonableness.").

Doty v. Costco Wholesale Corp., Case No. CV05-3241 FMC-JWJx (C.D. Cal. May 14, 2007) (average net recovery of approximately $65); *Sorenson v. PetSmart, Inc.,* Case No. 2:06-CV-02674-JAM-DAD (ED. Cal.) (average net recovery of approximately $60); *Lim v. Victoria's Secret Stores, Inc.,* Case No. 04CC00213 (Orange County Super. Ct.) (average net recovery of approximately $35); and *Gomez v. Amadeus Salon, Inc.,* Case No. BC392297 (L.A. Super. Ct.) (average net recovery of approximately $20). Additionally, Defendant must separately fund its share of any employer side payroll taxes. Agreement at § 3.1.

Clearly the goal of this litigation to obtain redress for the class has been met by this Settlement. Given the amount of the Settlement, the risks of litigation and the arm's length negotiations between experienced counsel, the settlement is fair and reasonable, and is therefore entitled to final approval. JCL Dec., ¶ 44.

F. <u>The Strength of Plaintiff's Case and Risks of Continued Litigation</u>

Although Class Counsel believes strongly in Plaintiff's claims, it would be misguided to ignore the asserted defenses. If successful on any one of its defenses, Defendants could defend the action or, at least, drastically undercut Plaintiff's claims. JCL Dec., ¶ 45. As the federal court in *Glass v. UBS Fin. Servs.*, 2007 WL221862 held, where the parties faced uncertainties similar to those in this litigation:

> ***"In light of the above-referenced uncertainty in the law, the risk, expense, complexity, and likely duration of further litigation likewise favors the settlement.*** Regardless of how this Court might have ruled on the merits of the legal issues, the losing party likely would have appealed, and the parties would have faced the expense and uncertainty of litigating an appeal. The expense and possible duration of the litigation should be considered in evaluating the reasonableness of [a] settlement."

With respect to the most immediate challenge, i.e., class certification, the risks attendant to the certification of similar wage and hour claims are demonstrated by *Ali v. U.S.A. Cab Ltd.* (2009) 176 Cal.App.4th 1333, 1341. There, the Court of Appeal affirmed the Trial Court's denial of class certification because employees' declarations attesting to having taken meal and rest breaks demonstrated that individualized inquiries were required to show harm. *See also Campbell v. Best Buy Stores, L.P.*, (C.D.

Cal. 2013) 2013 WL 5302217 at *11-13 (following *Brinker* and denying certification of proposed off-the-clock and rest and meal break classes due to lack of uniform policy); *Brown v. Fed Express Corp.* (C.D. Cal. 2008) 249 F.R.D. 580, 587-88 (denying certification of driver meal and rest period claims based on the predominance of individual issues). JCL Dec., ¶ 46.

Further, even if a class is certified, liability remains uncertain. The risks attendant to the issue of Defendant's liability in similar wage and hour actions are demonstrated by *Duran v. U.S. Bank National Association* (2014) 59 Cal.4th 1, 31. There, the Court reversed a trial verdict in favor plaintiffs in a wage and hour class action. *See also Tien v. Tenet Healthcare Corp.* (2012) 209 Cal.App.4th 1077, 1088 ("[T]he reason, if any, that employees might not take their breaks were predominantly individualized questions of fact not susceptible to class treatment."). JCL Dec., ¶ 47.

Finally, even if a class is certified and Defendant is found liable for the class claims alleged, post-certification risks remain, including a reversal of a favorable judgment for Plaintiff and decertification of the class. These post-certification risks are demonstrated by *Magadia v. Wal-Mart Associates, Inc.* (9th Cir. 2021) 999 F.3d 668. There, the Ninth Circuit vacated reversed and remanded a $110 million judgement against an employer for, *inter alia*, inaccurately paying overtime, and directed the trial court to enter judgement in favor of the employer. *See also O'Conner v. Uber Technologies, Inc.* (9th Cir. 2018) 904 F.3d 1087 (decertification of wage and hour misclassification action). JCL Dec., ¶ 48.

Collectively, the examples cited above illustrate the uncertain nature of class litigation. Consequently, the uncertainty of obtaining certification through a contested motion is a significant risk factor favoring settlement. JCL Dec., ¶ 49.

Although Plaintiff is confident about the strength of her claims, Plaintiff nevertheless recognizes that Defendant has factual and legal defenses that, if successful, would potentially defeat or impair the value of the lawsuit. Legally, the fast-changing landscape of wage and hour litigation can drastically affect the value of Plaintiff's claims and, in fact, already has. JCL Dec., ¶ 50.

In a similar wage and hour case, the federal district court in *Hopson v. Hanesbrands Inc.*, No. CV-08-0844 EDL, 2009 WL 928133 (N.D. Cal. Apr. 3, 2009) granted approval of an overtime class action settlement and explained:

Plaintiffs may have a strong case, but the risks inherent in continued

> **litigation are great**. Defendants strongly deny liability for Plaintiffs' principal claim that full-time Service Associates were misclassified as exempt. In addition to the uncertainties raised by Defendants at the preliminary stage regarding Plaintiffs' chance of success in this case, Defendants notes that the question of an employer's duty to provide rest and meal periods is an open one, signaling even less certainty for Plaintiffs.....[**T]he gross settlement amount and the Class Members' expected net recovery, after fees and other costs are deducted, appear to be a reasonable compromise, in light of the risks of litigation**.

*See also Browning v. Yahoo! Inc., No. C04-01463 HRL, 2007 WL 4105971, at *10 (N.D. Cal. Nov. 16, 2007)* ("In considering the strength of Plaintiff's case, legal uncertainties at the time of settlement—particularly those which go to fundamental legal issues—favor approval.").

As recognized in a federal decision approving settlement of an overtime wage class action:

> **The potential complexity and possible duration of trial also weigh in favor of granting final approval**. Plaintiffs acknowledge the difficulties of proving damages, recognize the uncertainty of outcome, and believe defendant would appeal in the event of adverse judgment. A post-judgment appeal would require many years to resolve and delay payment to class members. Plaintiffs believe the benefits of a guaranteed recovery today outweigh an uncertain future result. Accordingly, plaintiffs argue, and the Court agrees, the actual recovery confers substantial benefits on the class that outweigh the potential recovery through full adjudication.

*Barcia v. Contain-A-Way, Inc., No. 07CV938-IEG-JMA, 2009 WL 587844, at *3 (S.D. Cal. Mar. 6, 2009); see also Louie v. Kaiser Found. Health Plan, Inc.,* No. 08CV0795 IEG RBB, 2008 WL 4473183 (S.D. Cal. Oct. 6, 2008).

In sum, while other cases have approved class certification in wage and hour claims, class certification in this action would have been hotly disputed and was by no means a foregone conclusion. Where both sides face significant uncertainty, as here, the attendant risks favor settlement. *Hanlon v.*

Chrysler Corp., 150 F. 3d 1011, 1026 (9th Cir. 1998).)

As demonstrated by the decisions in *Magadia, supra,* 999 F.3d 668 and *O'Conner v. Uber Technologies*, 82 F. Supp. 3d 1133 (N.D. Cal. 2018) and *Duran v. U.S. Bank National Assn.,* 59 Cal. 4th 1 (2014), the complexities and duration of further litigation cannot be overstated. There is little doubt that if Defendant faced a large adverse judgement, Defendant undoubtedly has the resources to post a bond and appeal. A post-judgment appeal by Defendant would have required many more years to resolve, assuming the judgment was affirmed. If the judgment was not affirmed in total, then the case could have dragged on for years after the appeal. The benefits of a guaranteed recovery today outweigh an uncertain result three or more years in the future. JCL Dec., ¶ 51.

Class Representative and Class Counsel believe that the Settlement confers substantial monetary and non-monetary benefits upon the Class. Based upon their evaluation, Class Representative and Class Counsel have determined that the Settlement set forth in the Agreement is in the best interest of the Class, is fair, reasonable and adequate, and should be granted final approval. JCL Dec., ¶ 52.

VI. THE PENALTIES UNDER THE PRIVATE ATTORNEY GENERAL ACT OF 2004 ARE REASONABLE

Where settlements "negotiate a good faith amount" for PAGA penalties and "there is no indication that this amount was the result of self-interest at the expense of class members," such amounts are generally considered reasonable. *Hopson v. Hanesbrands Inc.,* No. CV-08-0844 EDL, 2009 WL 928133, at *9 (N.D. Cal. Apr. 3, 2009). Courts routinely approve of amounts for PAGA penalties in the range of zero to two percent of the settlement. *See id.* at *1, 9 (approving a PAGA payment of 0.3%); *Jack v. Hartford Fire Ins. Co.*, No. 09cv1683 MMA (JMA), 2011 WL 4899942, at *6 (S.D. Cal. Oct. 13, 2011) (approving a PAGA payment of 0.25%); *McKenzie v. Fed. Express Corp.*, No. CV 10-02420 GAF (PLAx), 2012 WL 12882124, at *5 (C.D. Cal. Jan. 23, 2012) (acknowledging that courts approve PAGA claim settlements in the range of zero to two percent of the total settlement).

Here, Plaintiff and Defendant negotiated good faith PAGA Penalties in the amount of $95,000.00 which is 5% of the Gross Settlement Amount. This amount falls well within the range of approved PAGA Penalties. Seventy-five percent (75%) of the PAGA Penalties ($71,250.00) will be paid to the LWDA ("LWDA PAGA Payment") with the remaining twenty-five percent (25%) ($23,750.00) to be distributed to the Aggrieved Employees, which is within the range of PAGA penalties approved by courts and should be approved. JCL Dec., ¶ 53.

Further, on January 9, 2025, Class Counsel gave the LWDA notice of this Settlement and proposed allocation by filing a copy of the Settlement and the Motion for Preliminary Approval with the LWDA. On October 7, 2025, Plaintiff gave the LWDA notice of this motion seeking final approval of this settlement. JCL Dec., ¶¶ 6, 54. By not registering an objection with either Class Counsel or the Court, the LWDA has accepted and approved of the proposed PAGA Penalties.

VII. CONCLUSION

Plaintiff respectfully submits that the proposed settlement satisfies the standard of fairness established in California law and should therefore be finally approved as fair, reasonable and adequate and request entry of the Final Approval Order and Judgment submitted herewith.

Dated: October 7, 2025

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