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SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF SAN DIEGO

JOSEPH GONZALEZ, KEVIN CLEMENTE, JAMES HARDEN, and GHAZI SANKARI individuals, on behalf of themselves and on behalf of all persons similarly situated,

Plaintiff,

v.

OREMOR AUTOMOTIVE GROUP, LLC; OREMOR EUROPEAN, LLC D/B/A MERCEDES BENZ OF EL CAJON; ROMERO AUTOMOTIVE, INC.; OREMOR DEVELOPMENT, LLC; OREMOR FINANCIAL SERVICES, LLC; OREMOR OF CAPISTRANO, LLC; OREMOR OF FONTANA, LLC; OREMOR OF FRESNO, LLC; OREMOR OF GLENDALE, LLC; OREMOR OF ITALY II, LLC; JEEP CHRYSLER OF ONTARIO, INC.; OREMOR OF ONTARIO EN, LLC; OREMOR OF ONTARIO JCDR, LLC; OREMOR OF RIVERSIDE RC, LLC; OREMOR OF RIVERSIDE, LLC; OREMOR OF TEMECULA LX LLC; OREMOR OF TEMECULA, LLC; OREMOR OF TUSTIN, LLC; OREMOR OF VICTORVILLE, LLC; OREMOR OF WOODLAND HILLS, LLC; OREMOR ONTARIO DODGE, INC.; ROMERO MOTORS, LLC; OREMOR MANAGEMENT & INVESTMENT COMPANY; ROMERO MOTORS CORPORATION; J. MCCULLOUGH CORP; UNITED RECOVERY, INC.; ACQUIRECORP'S NORWALK AUTO

Case No. 37-2024-00019752-CU-OE-CTL

MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF MOTION FOR FINAL APPROVAL OF CLASS AND PAGA ACTION SETTLEMENT

Date: August 14, 2026
Time: 9:00 a.m.

Judge: Hon. Michael D. Washington
Dept.: C-73

AUCTION; and DOES 1 through 50, inclusive,

Defendants.

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I. INTRODUCTION

Plaintiffs JOSEPH GONZALEZ ("Plaintiff Gonzalez"), KEVIN CLEMENTE ("Plaintiff Clemente"), JAMES HARDEN ("Plaintiff Harden"), and GHAZI SANKARI ("Plaintiff Sankari") (hereinafter, collectively "Plaintiffs") seek final approval of the Amended Class Action and PAGA Action Settlement ("Agreement")[1], which if approved, would provide valuable monetary relief for 2,336 Participating Class Members employed by Oremor Automotive Group, LLC, Oremor European, LLC, Romero Automotive, Inc., Oremor Development, LLC, Oremor Financial Services, LLC, Oremor of Capistrano, LLC, Oremor of Fontana, LLC, Oremor of Fresno, LLC, Oremor of Glendale, LLC, Oremor of Italy II, LLC, JEEP Chrysler of Ontario, Inc. Oremor of Ontario EN, LLC, Oremor of Ontario JCDR, LLC, Oremor of Riverside RC, LLC, Oremor of Riverside, LLC, Oremor of Temecula LX LLC, Oremor of Temecula, LLC, Oremor of Tustin IN, LLC, Oremor of Victorville, LLC, Oremor of Woodland Hills, LLC, Oremor of Ontario Ridge, Inc., Romero Motors, LLC, Oremor Management and Investment Company, Romero Motors Corporation, J. McCullough CORP, United Recovery, Inc., and Acquirecorp's Norwalk Auto Auction ("Defendants") during the Class Period. Plaintiffs and Class Counsel also seek approval of the Attorneys' Fees and Litigation Costs in the amount of **$358,333.33**, comprised of $308,333.33 (one-third of the Gross Settlement Amount) and up to $50,000.00 for reimbursement of actually incurred Litigation Costs.[2]

An objective evaluation of the proposed settlement of $925,000.00 ("Gross Settlement Amount") confirms that the relief negotiated on behalf of the 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 Kevin Barnes, Esq., an experienced mediator. JCL Dec., ¶ 8. Plaintiffs estimate that the Settlement, if approved, would result in a Net Settlement Amount of approximately $468,676.67, an average Individual Settlement Payment of **$210.12**, high payment of **$467.55**, and a low payment of **$6.49**. Aggrieved Employees will receive an estimated average gross payment of **$4.27**, a high payment of **$9.49**, and a low payment of **$0.13.** Declaration of Beth Paris

[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] Currently Class Counsel's actually incurred Litigation Costs are $27,330.97 Class Counsel will provide an updated total at the time of hearing on this motion.

(“Apex Dec.”), ¶¶ 16, 18.

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)*. As discussed below, the proposed Settlement satisfies all criteria for final settlement approval under California law and falls well within the range of reasonableness. JCL Dec., ¶ 9.

II. OVERVIEW OF THE LITIGATION

Defendants own and operate car dealerships throughout California, including San Diego County. Plaintiff Clemente worked for Defendants from December 2022 to November 2023. Declaration of Kevin Clemente (“Clemente Dec.”) at ¶ 3. Plaintiff Harden worked for Defendants from October 2019 to October 2025. Declaration of James Harden (“Harden Dec.”) at ¶ 3. Plaintiff Gonzalez worked for Defendants from September 2021 to April 2023. Declaration of Joseph Gonzalez (“Gonzalez Dec.”) at ¶ 3. Plaintiff Sankari worked for Defendants from February 2024 to April 2024. Declaration of Ghazi Sankari (“Sankari Dec.”) at ¶ 3. Plaintiffs were employed by Defendants as non-exempt employees. Plaintiffs allege that they were denied legally compliant meal and rest periods, and minimum wages and overtime compensation at all times during their employment. Throughout their employment, Plaintiffs were subject to Defendants’ written policies and procedures contained in, among other documents, the “Team Member Handbook.” JCL Dec., ¶ 11.

Generally, Plaintiffs claim that Defendants failed to provide compliant meal and rest periods, failed to pay for all time worked, including time spent undergoing COVID-19 screenings, failed to pay overtime and meal period premiums at the correct regular rate of pay, failed to furnish accurate itemized wage statements, failed to reimburse for mandatory business expenses, and failed to pay all wages upon separation. Defendants deny liability for each of Plaintiffs’ claims. Further, Defendants assert that they fully complied with all applicable employment laws and raised several other significant defenses to Plaintiffs’ claims, including, but not limited to, facially compliant meal and rest period policies, compliant wage statements, compliant reimbursement practices, and timely paid all wages due upon separation of employment. JCL Dec., ¶ 12.

On August 23, 2023, Plaintiff Gonzalez served Defendants and the Labor and Workforce Development Agency (“LWDA”) with a Notice of Violations (“PAGA Notice”). On February 20, 2024, Plaintiff Clemente served the LWDA with a PAGA Notice. On July 29, 2024, Plaintiff Sankari served the LWDA with a PAGA Notice. On January 31, 2025, Plaintiff Gonzalez and Plaintiff Harden served an amended PAGA Notice to the LWDA. Plaintiffs' PAGA Notice set forth the facts and theories supporting Defendants' alleged violations of various provisions of the California Labor Code and applicable Industrial Welfare Commissions ("IWC") Wage Order and of their intent to pursue claims under California Labor Code Private Attorneys General Act, Cal. Lab. Code Sections 2698 *et seq* ("PAGA"). JCL Dec., ¶ 13.

On November 28, 2023, Plaintiff Gonzalez filed a representative action complaint in San Bernardino County Superior Court, Case No. CIVSB2331022. JCL Dec., ¶ 14.

On April 26, 2024, Plaintiff Clemente filed a separate representative action complaint in the San Diego County Superior Court, Case No. 37-2024-00019752-CU-OE-CTL ("Action") alleging a single cause of action for violations of PAGA. JCL Dec., ¶ 15.

The Parties participated in formal discovery at the beginning of the Action, including the exchange of Special Interrogatories with potential witnesses and other information and documents pertinent to each side's claims and defenses. After the initial round of discovery, the Parties agreed to mediate the Action. JCL Dec., ¶ 16.

The Parties also agreed to continue discovery, but on an informal basis, to prepare for mediation. Such discovery included production of additional documents and data points subject to the mediation privilege, including but not limited to, the Class Members' time data and certain payroll data points. As discussed *infra,* Plaintiffs' counsel retained the forensic consultants at Berger Consulting Group ("BCG") to analyze Defendants' time and payroll data. JCL Dec., ¶ 17.

Plaintiffs thereafter filed a First Amended Class and Representative Action Complaint in the Action, adding James Harden, Joseph Gonzalez, and Ghazi Sankari as additional Plaintiffs, adding Defendants Romero Motors Corporation; J. McCullough Corp., United Recovery, Inc., and Acquirecorp's Norwalk Auto Auction and additional claims: 1) Unfair Competition in Violation of California Business & Professions Code §17200 et seq; 2) Failure to Pay Minimum Wages in Violation of California Labor Code §§ 1194, 1197 & 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

California Labor Code §§ 226.7 & 512; 5) Failure to Provide Required Rest Periods in Violation of California Labor Code §§ 226.7 & 512; 6) Failure to Provide Accurate Itemized Statements in Violation of California Labor Code § 226; 7) Failure to Provide Wages When Due in Violation of California Labor Code §§ 201, 202 and 203; 8) Failure to Reimburse Employees for Required Expenses in Violation of California Labor Code §2802; 9) Illegal restrictions on disclosures. JCL Dec., ¶ 18.

On March 28, 2025, the Parties participated in a full-day mediation with wage and hour and PAGA mediator Kevin Barnes, Esq. The Parties contested key issues, worked through the mediator to understand respective risks and strengths, before ultimately agreeing upon principal settlement terms. Negotiations were adversarial but professional. The Parties worked diligently to negotiate and finalize the remaining settlement terms in the fully executed Settlement, which is attached to JCL Dec. as **Exhibit 1**. JCL Dec., ¶¶ 3, 19.

On March 16, 2026, this Court granted preliminary approval of the Settlement. JCL Dec., ¶¶ 4, 20. Shortly thereafter, on April 20, 2026, the Settlement Administrator mailed Notice Packets to all 2,344 Class Members. Apex Dec., ¶ 7. The mailing of the Notice Packets triggered a forty-five (45) day Response Deadline for the Class to submit requests for exclusion or objections to the Settlement. Agreement, ¶ 6.5.1. In response, 99.65% of the Class Members are participating in the Settlement. Apex Dec., ¶ 14.

III. THE SETTLEMENT BEFORE THE COURT

The Court preliminarily approved a Gross Settlement Amount of $925,000.00. The Gross Settlement Amount is all-in with no reversion to Defendants. Agreement, ¶¶ 3, 5. The Net Settlement Amount shall be used for the payment of all Individual Class Payments to satisfy all Released Class Claims. The Administrator will calculate Individual Settlement Payments by (a) dividing the Net Settlement Amount by the total number of Class Pay Periods worked by all Participating Class Members during the Class Period; and (b) multiplying the result by each Participating Class Member's Class Pay Periods. Agreement, ¶ 2.2.5. The Administrator estimates the average Individual Settlement Payment is **$210.12**, the highest Individual Settlement Payment is **$467.55**, and the lowest Individual Settlement Payment is **$6.49**. Apex Dec., ¶ 16.

In exchange for the valuable consideration, as of the funding of the Gross Settlement Amount, the Class Members will release the Released Parties from the Released Class Claims for the Class Period. Agreement, ¶ 4.

Apex Class Action LLC was appointed as the Administrator for the Class. The Administration Expenses are $17,990.00. Apex Dec., ¶ 15. These expenses shall be paid from the Gross Settlement Amount. Agreement, ¶¶ 2.2.3, 6.1.

Subject to Court approval, Class Counsel shall seek Attorneys' Fees and Litigation Costs in the amount of $358,333.33, comprised of Attorneys' Fees equal to one-third of the Gross Settlement Amount estimated to be at least $308,333.33 and up to $50,000.00 for actually incurred Litigation Costs. Agreement, ¶ 2.2.2.

Subject to Court approval, the Agreement provides for a Service Payment in the amount of $10,000 for each of the Plaintiffs in consideration of their time, risk, and efforts as the Class Representatives on behalf of the Class Members. Agreement, ¶ 2.2.1.

As set forth in the Agreement, $40,000 of the Gross Settlement Amount has been allocated for civil penalties under the PAGA ("PAGA Payment"). Seventy-Five percent of the PAGA Payment will be paid to the California Labor Workforce and Development Agency ("LWDA Payment"). The Settlement Administrator shall distribute the remaining 25% of the PAGA Payment to the Aggrieved Employees ("Net PAGA Payment"). Agreement, ¶ 1.33.

As explained in further detail below, the Settlement is fair, adequate, and reasonable to the Class and should be granted final approval. Given the complexities of this case, the defenses asserted, and the uncertainty of class certification, along with the uncertainties of proof at trial and appeal, the proposed settlement is fair, reasonable, and adequate, and should be granted final approval. JCL Dec., ¶ 21.

IV. <u>GENERAL STANDARDS APPLICABLE TO JUDICIAL REVIEW AND APPROVAL OF CLASS ACTION SETTLEMENTS</u>

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).

"[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, considering 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). 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. 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.

V. <u>THE SETTLEMENT IS FAIR, REASONABLE AND ADEQUATE</u>

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. <u>Class Counsel Conducted a Thorough Investigation.</u>

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 Defendants through formal and informal discovery. Class Counsel obtained time, payroll, and policy records for the Class Members, aggregate workweek and pay period data, and copies of applicable handbooks containing, *inter alia*, compensation, timekeeping, and meal and rest period policies. Class Counsel retained BCG to analyze Defendants' time and payroll data to formulate damage models estimating Defendants' liability exposure. Class Counsel's investigation, research, experience, and damage model informed and guided the mediated negotiations that resulted in this settlement. JCL Dec., ¶¶ 23-29.

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

The Settlement is the product of a mediation session with a respected mediator and subsequent negotiations over the terms of the Settlement. The negotiations were adversarial, conducted at arms-length and tempered by the efforts of both sides to serve the interests of their clients. In the end, the Parties over weeks of negotiating were able to agree on the terms of the Settlement. JCL Dec., ¶¶ 30-32.

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C. Class Counsel is Experienced in Similar Litigation.

Class Counsel in this matter has extensive class action experience in multiple fields and has represented tens-of-thousands of persons in class actions. Class Counsel's experience is summarized in their concurrently filed declarations. Class Counsel has concluded the settlement is fair, adequate, and reasonable and in the best interests of the Class. JCL Dec., ¶¶ 7, 33-39; Declaration of Shani O. Zakay ("Zakay Dec.") ¶ 3; and Declaration of Nicholas J. Ferraro ("Ferraro Dec") ¶¶ 3-14.

D. The Class Responded Positively to the Settlement

The reaction of the Class unequivocally supports approval of the Settlement. To date, only eight of the 2,344 Class Members of the Class opted-out of the Settlement. Moreover, there are ***zero*** objections. Stated differently, **99.65%** of the Class chose to participate in the Settlement. JCL Dec., ¶ 8; Apex Dec., ¶¶ 10-14.

The high approval by the 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) Consequently, Class Counsel respectfully request the Court to follow the high approval of the Class and grant final approval of the Settlement.

E. The Risk, Expense, Complexity and Duration of Further Litigation Favor Settlement.

Although Plaintiffs and Class Counsel believe that this case has merit, they recognized the potential risks both sides would face if litigation of this action continued. JCL Dec., ¶¶ 40-44. 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 *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. Consequently, the uncertainty of obtaining certification through a contested motion is a significant risk factor favoring settlement. JCL Dec., ¶ 42.

Although Plaintiffs are confident about the strength of their claims, Plaintiffs nevertheless recognize that Defendants have 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 Plaintiffs' claims and, in fact, already has. JCL Dec., ¶ 43.

In a similar wage and hour case, the federal district court in *Hopson v. Hanesbrands Inc.*, 2009 U.S. Dist. LEXIS 33900 at * 19-20 (N.D. Cal. 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 Total 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**.

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 Defendants 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., 2009 U.S. Dist. LEXIS 17118, *9 (S.D. Cal. 2009);

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).

Plaintiffs and Class Counsel recognize the expense and length of a trial against Defendants through possible appeals which could take another three years. In arriving at their informed belief that the present settlement is fair and adequate, Class Counsel accounted for the uncertain outcome and risk inherent in complex actions such as this one. Class Counsel are also mindful of and recognize the inherent problems of proof under, and alleged defenses to, the claims asserted in the litigation. Moreover, post-trial motions and appeals would have been inevitable. Costs would have mounted, and recovery would have been delayed if not denied, thereby reducing the benefits of an ultimate victory. Plaintiffs and Class Counsel believe that the Settlement confers substantial monetary and non-monetary benefits upon the Class. Based upon their evaluation, Class Representatives 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., ¶ 44.

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

The Gross Settlement Amount of $925,000.00 in this case is fair and well within the range of recognized reasonableness. 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 Defendants' 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 Defendants' liability exposure for the claims asserted on behalf of the Class. The Gross Settlement Amount represents nearly 57.74% of the reasonable value of class claims ($925,000/$1,602,161.20), and is within the "ballpark" of reasonableness. JCL Dec., ¶ 45.

In *Stovall-Gusman v. W.W. Granger, Inc.,* 2015 U.S. Dist. LEXIS 78671, at * 12, the District Court for the Northern District of California granted final approval in a wage and hour misclassification action and found that the total settlement representing 10% of the estimated trial award was within the "range of reasonableness." In *Dunleavy v. Nadler (In re Mego Fin. Corp. Sec. Litig.)*, 213 F.3d 454, 459 (9th Cir. 2000), 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 Plaintiffs' action, the settlement is clearly fair and reasonable.

The settlement provides significant relief to the Participating Class Members. The average settlement payment is approximately **$210.12**, the highest is approximately **$467.55**, and the lowest is approximately **$6.49**. Apex Dec., ¶ 16. This average net recovery is greater than 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).

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 entitled to final approval. JCL Dec., ¶ 46.

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

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, Plaintiffs and Defendants negotiated a good faith PAGA Payment in the amount of $40,000 which is 4.3% of the Gross Settlement Amount. This amount falls well within the range of approved PAGA Payment. Seventy-Five percent (75%) of the PAGA Payment ($30,000) will be paid to the LWDA ("LWDA Payment") with the remaining twenty-five percent (25%) of the PAGA Payment ($10,000) to be distributed to the Aggrieved Employees, which is within the range of PAGA Payment approved by courts and should be approved. JCL Dec., ¶ 47.

Further, on October 15, 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 July 20, 2026, Plaintiffs gave the LWDA notice of this motion seeking final approval of this settlement. JCL Dec., ¶¶ 5-6, 48. By not registering an objection with either Class Counsel or the Court, the LWDA has accepted and approved of the proposed PAGA Payment.

VII. CONCLUSION

Plaintiffs respectfully submit 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 requests entry of the Final Approval Order and Judgment submitted herewith.

Dated: July 20, 2026

JCL LAW FIRM, APC

By: ____________________________
Jean-Claude Lapuyade, Esq.
Attorney for Plaintiffs