

ZAKAY LAW GROUP, APLC
Shani O. Zakay (State Bar #277924)
Jackland K. Hom (State Bar #327243)
Julieann Alvarado (State Bar #334727)
5440 Morehouse Drive, Suite 3600
San Diego, CA 92121
Telephone: (619) 255-9047
Facsimile: (858) 404-9203
shani@zakaylaw.com
jackland@zakaylaw.com
julieann@zakaylaw.com

JCL LAW FIRM, APC
Jean-Claude Lapuyade (State Bar #248676)
5440 Morehouse Drive, Suite 3600
San Diego, CA 92121
Telephone: (619) 599-8292
Facsimile: (619) 599-8291
jlapuyade@jcl-lawfirm.com

Attorneys for PLAINTIFF ELISA ALVAREZ

SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF SAN LUIS OBISPO

ELISA ALVAREZ, an individual, on behalf of
herself and on behalf of all persons similarly
situated,

Plaintiff,

v.

SLO ARCHES, INC., a California Corporation;
IVERNIA, INCORPORATED, a California
Corporation; GOLDEN SENECA, INC., a
California Corporation; and DOES 1-50,
Inclusive,

Defendants.

Case No. 21CV-0533

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

Date: December 7, 2023

Time: 9:00 a.m.

Judge: Hon. Rita C. Federman

Dept.: D-2

TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	OVERVIEW OF THE LITIGATION	2
III.	THE SETTLEMENT BEFORE THE COURT	4
IV.	GENERAL STANDARDS APPLICABLE TO JUDICIAL REVIEW AND APPROVAL OF CLASS ACTION SETTLEMENTS	6-7
V.	THE SETTLEMENT IS FAIR, REASONABLE, AND ADEQUATE	7
	A. Class Counsel Conducted a Thorough Investigation	7
	B. The Parties Settled Following Mediation	8
	C. Class Counsel is Experienced in Similar Litigation	8
	D. The Class Responded Positively to the Settlement	9
	E. The Gross Settlement Amount is Fair and Reasonable	9
	F. The Strength of Plaintiff's Case and Risks of Continued Litigation	11
VI.	THE PENALTIES UNDER THE PRIVATE ATTORNEY GENERAL ACT OF 2004 ARE REASONABLE	14
VII.	CONCLUSION	15

TABLE OF AUTHORITIES
CASES

1		
2		
3	<i>7-Eleven Owners for Fair Franchising v. Southland Corp.</i>	
4	(2000) 85 Cal.App.4th 1135, 1150-51.....	6
5	<i>Ali v. U.S.A. Cab Ltd.</i>	
6	(2009) 176 Cal.App.4th 1333, 1341.....	12
7	<i>Barcia v. Contain-A-Way, Inc.</i>	
8	2009 U.S. Dist. LEXIS 17118, *9 (S.D. Cal. 2009).....	13
9	<i>Brinker</i>	
10		12
11	<i>Brown v. Fed Express Corp.</i>	
12	(C.D. Cal. 2008) 249 F.R.D. 580, 587-88.....	12
13	<i>Browning v. Yahoo!, Inc.</i>	
14	2007 U.S. Dist. LEXIS 86266, at *30 (N.D. Cal. 2007).....	13
15	<i>Campbell v. Best Buy Stores, L.P.,</i>	
16	(C.D. Cal. 2013) 2013 WL 5302217 at *11-13.....	12
17	<i>Dunk v. Ford Motor Co.</i>	
18	(1996) 48 Cal.App.4th 1794, 1801.....	6-7
19	<i>Dunleavy v. Nadler (In re Mego Fin. Corp. Sec. Litig.)</i>	
20	(9th Cir. 2000) 213 F.3d 454, 459.....	10
21	<i>Duran v. U.S. Bank National Association</i>	
22	(2014) 59 Cal.4th 1, 31, 59.....	12, 13
23	<i>Glass v. UBS Fin. Servs.</i>	
24	2007 WL221862.....	11
25	<i>Hanlon v. Chrysler Corp.</i>	
26	(9th Cir. 1998) 150 F.3d 1011, 1026.....	13
27	<i>Hopson v. Hanesbrands Inc.</i>	
28	No. CV-08-0844 EDL, 2009 WL 928133, at *1, 9, 19-20 (N.D. Cal. Apr. 3, 2009).....	12, 14
	<i>Huens v. Tatum</i>	
	(1997) 52 Cal.App.4th 259, 265.....	6
	<i>In re Austrian & German Bank Holocaust Litigation</i>	
	(S.D.N.Y. 2000)80 F.Supp.2d 164, 175.....	9
	<i>In re Newbridge Networks Sec. Litig.</i>	
	(D.D.C. Oct. 23, 1998) 1998 WL 765724, at *2.....	10
	<i>Jack v. Hartford Fire Ins. Co.</i>	
	No. 09cv1683 MMA (JMA), 2011 WL 4899942, at *6 (S.D. Cal. Oct. 13, 2011).....	14
	<i>Kullar v. Foot Locker Retail, Inc.</i>	
	(2008) 168 Cal.App.4th 116, 128-29.....	7, 9
	<i>Laskey v. Int'l Union</i>	
	(6th Cir. 1981) 638 F.2d 954.....	9
	<i>Leverage v. Traeger Pellet Grills, LLC</i>	
	(N.D. Cal. June 28, 2017, No. 16-CV-00784) 2017 WL 2797811, at *7.....	10
	<i>Louie v. Kaiser Foundation Health Plan, Inc.</i>	
	2008 U.S. Dist. LEXIS 78314, *14 (S.D. Cal. 2008).....	13
	<i>Magadia v. Wal-Mart Associates, Inc.</i>	
	(9 th Cir. 2021) 999 F.3d 668.....	12-13
	<i>Malibu Outrigger Bd. Of Governors v. Superior Court</i>	
	(1980) 103 Cal.App.3d 573, 578-579.....	6

1	<i>McKenzie v. Fed. Express Corp.</i>	
2	No. CV 10-02420 GAF (PLAx), 2012 WL 12882124, at *5 (C.D. Cal. Jan. 23, 2012).....	14
3	<i>Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles</i>	
4	(2010) 186 Cal.App.4th 399, 408.....	7
5	<i>O’Conner v. Uber Technologies, Inc.</i>	
6	(9 th Cir. 2018) 904 F.3d 1087, 1133.....	12, 13
7	<i>Officers for Justice v. Civil Serv. Comm’n</i>	
8	(9th Cir. 1982) 688 F. 2d 615, 625.....	7
9	<i>Rebney v. Wells Fargo Bank</i>	
10	(1990) 220 Cal.App.3d 1117, 1138.....	7
11	<i>Stoetznner v. U.S. Steel Corp.</i>	
12	(3d. Cir. 1990) 897 F.2d 115, 118-119.....	9
13	<i>Stovall-Gusman v. W.W. Granger, Inc.</i>	
14	2015 U.S. Dist. LEXIS 78671, at *12.....	10
15	<i>Tech-Bilt, Inc. v. Woodward-Clyde & Associates</i>	
16	38 Cal.3d 488, 499-500 (1985).....	9
17	<i>Tien v. Tenet Healthcare Corp.</i>	
18	(2012) 209 Cal.App.4th 1077, 1088.....	12
19	<i>Viceral v. Mistras Grp., Inc.</i>	
20	(N.D. Cal. Oct. 11, 2016, No. 15-CV-02198) 2016 WL 5907869, at *3, 7.....	10
21	<i>Wershba v. Apple Computer</i>	
22	(2001) 91 Cal.App.4th 224, 245-46, 250, 2246.....	6, 9

RULES, CODES, AND STATUTES

14	<i>Cal. Bus. & Prof. Code</i> §§ 17200.....	3
15	<i>Cal. Lab. Code</i> § 1194.....	3
16	<i>Cal. Lab. Code</i> § 1197.....	3
17	<i>Cal. Lab. Code</i> § 1197.1.....	3
18	<i>Cal. Lab. Code</i> § 201.....	3
19	<i>Cal. Lab. Code</i> § 202.....	3
20	<i>Cal. Lab. Code</i> § 203.....	3
21	<i>Cal. Lab. Code</i> §§ 2698 et seq.....	3
22	<i>Cal. Lab. Code</i> § 2802.....	3
23	<i>Cal. Lab. Code</i> § 226.....	3
24	<i>Cal. Lab. Code</i> § 226.7.....	3
25	<i>Cal. Lab. Code</i> §§ 510 et seq.....	3
26	<i>Cal. Lab. Code</i> § 512.....	3
27	<i>Cal. Code of Civ. Proc.</i> § 877.6.....	9

SECONDARY SOURCES

25	Newberg & Conte, <i>Newberg on Class Actions</i> , (3d ed. 1992) §11.41, pp. 11-91	
26		6

I. INTRODUCTION

Plaintiff ELISA ALVAREZ (hereinafter “Plaintiff”) seeks final approval of the Stipulation of Settlement of Class and PAGA Action Claims and Release of Claims (“Agreement”)¹, which if approved, would provide valuable monetary relief for 630 Settlement Class Members employed by Defendants SLO ARCHES, INC., a California Corporation; IVERNIA, INCORPORATED, a California Corporation; and GOLDEN SENECA, INC., a California Corporation (hereinafter, “Defendants”) during the Class Period.

In an order dated July 28, 2023, this Court preliminarily approved the Agreement and preliminarily certified the Class. Declaration of Jean-Claude Lapuyade (“JCL Dec.”), ¶ 5. On October 11, 2023, the Court-approved Class Notice was mailed to each Class Member via U.S. First Class Mail. Declaration of Cassandra Polites (“ILYM Dec.”), ¶ 8.

*As of the date of filing this motion, the Class greeted news of the Settlement with unanimous approval, as 100% of the Class Members have chosen to participate in the Settlement.*² There are zero objections and zero opt-outs to the Settlement. ILYM Dec., ¶¶ 12-13. The 100% approval by the Class evidences the clear fairness and reasonableness of the Settlement. JCL Dec., ¶ 8.

An objective evaluation of the proposed settlement of Seven Hundred Fifty Thousand Dollars and Zero Cents (\$750,000.00) (“Gross Settlement Amount”) confirms that the relief negotiated on behalf of the Settlement Class Members is fair, reasonable, and valuable. The Settlement is a product of informed, adversarial, and non-collusive negotiations, between experienced counsel, and presided over by mediator Steven J. Rottman, Esq. After deducting any Court-approved attorneys’ fees and costs, class representative Class Representative Service Award, administration costs, and the payments to the Labor & Workforce Development Agency (“LWDA”), the Net Settlement Amount shall be distributed to Settlement Class Members based on the number of Workweeks they were employed by Defendants during the Class Period. JCL Dec., ¶ 8.

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 date of filing this Motion, 62 notices were deemed undeliverable. ILYM Dec. at ¶ 11. The deadline for Class Members to opt-out or object is November 27, 2023. ILYM Dec., ¶ 12. Class Counsel will provide an updated declaration from the administrator following the expiration of the response deadline.

1 This Settlement provides substantial recovery for Defendants' alleged wage and hour violations.
2 Plaintiff estimates that the Settlement, if approved, would result in a Net Settlement Amount of
3 approximately \$417,200.00. This will result in an average Individual Settlement Payment of **\$662.22**
4 and high payment of **\$2,489.17**. JCL Dec., ¶ 9; ILYM Dec. at ¶ 17.

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

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

14 **II. OVERVIEW OF THE LITIGATION**

15 Defendants operate McDonald's restaurants in San Luis Obispo, where Plaintiff worked.
16 Plaintiff worked for Defendants in California from March of 2017 to March of 2019. At all times during
17 her employment, Plaintiff was denied legally compliant meal and rest periods, and minimum wages
18 and overtime compensation. Throughout her employment, Plaintiff was subject to Defendants' written
19 policies and procedures contained in, among other documents, the Employee Handbook. JCL Dec., ¶
20 12.

21 Generally, Plaintiff claims that Defendants failed to provide compliant meal and rest periods,
22 failed to pay for all time worked, and failed to pay all wages upon separation. Defendants forcefully
23 deny liability for each of Plaintiff's claims. Further, Defendants assert that they fully complied with
24 all applicable employment laws and raised several other significant defenses to Plaintiff's claims,
25 including but not limited to, asserting that they maintained facially compliant meal and rest period
26 policies, paid their employees for all hours worked, and timely paid all wages due upon separation of
27 employment. JCL Dec., ¶ 13.

28 On September 16, 2021, Plaintiff filed a class action complaint in the San Luis Obispo County

Superior Court, Case Number 21CV-0533 (“Action”). The Action alleged eight causes of action against Defendants for: (1) Unfair Competition in Violation of California Business and Professions Code §§ 17200; (2) Failure to Pay Overtime Wages in Violation of California Labor Code §§ 510 *et seq.*; (3) Failure to Pay Minimum Wages in Violation of California Labor Code §§ 1194, 1197 and 1197.1 (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 Accurate Itemized Wage Statements in Violation of Cal. Lab. Code §226; and (8) Failure to Provide Wages When Due in Violation of Cal. Lab. Code §§ 201, 202 and 203. JCL Dec., ¶ 14.

As part of the Settlement, on December 16, 2022, Plaintiff filed a Notice of Violations (“PAGA Notice”) with the Labor and Workforce Development Agency (“LWDA”) and served the same on Defendants. Plaintiff’s PAGA Notice set forth the facts and theories supporting Defendants’ alleged violations of various California Labor Code and applicable Industrial Welfare Commissions (“IWC”) Wage Order and of her intent to pursue claims under the California Labor Code Private Attorneys General Act, Cal. Lab. Code sections 2698, *et seq.* (“PAGA”). JCL Dec., ¶ 15.

Thereafter, on July 18, 2023, Plaintiff filed a First Amended Complaint adding a ninth cause of action for Violation of the Private Attorneys General Act [Labor Code §§ 2698 *et seq.*]. JCL Dec., ¶ 16.

Plaintiff and Defendants agreed to mediate the Action with Steven J. Rottman, Esq., an experienced wage and hour mediator. In anticipation of mediation, the Parties agreed to stay formal discovery and continue deadlines for class certification in the Action. To prepare for mediation, Defendants agreed to informally produce documents and data points subject to the mediation privilege, including but not limited to, a sample of the Class Members’ time and payroll records. As discussed *infra*, Plaintiff’s counsel retained the forensic consultants at Berger Consulting Group (“BCG”) to analyze Defendants’ time and payroll data. JCL Dec., ¶ 17.

On October 17, 2022, the Parties participated in a full day mediation with Mr. Rottman. After arms-length negotiations and bargaining, the Parties reached an agreement to settle and signed a

Memorandum of Understanding. Subsequently, the Parties drafted and negotiated a long-form settlement agreement, which is the subject of the instant motion. The Parties now seek approval of the entire Agreement. JCL Dec., ¶ 18.

On July 28, 2023, this Court granted preliminary approval of the Settlement. JCL Dec., ¶ 4. On October 11, 2023, the Settlement Administrator mailed Notice Packets to all 630 Class Members. ILYM Dec., ¶ 8. 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. As of the date of filing this motion, the response from the Class to the Settlement has been outstanding – 100% of the Class Members are participating in the Settlement. ILYM Dec., ¶ 12.

III. THE SETTLEMENT BEFORE THE COURT

The Court preliminarily approved an initial Gross Settlement Amount of Seven Hundred Fifty Thousand Dollars and Zero Cents (\$750,000.00) based on a total of an estimated 32,348 workweeks that the Class were employed during the Class Period. During the initial notice period, Defendants discovered that they had under-reported the number of workweeks, and that the actual number of workweeks was 38,783. The Agreement contains a provision allowing Defendants to elect whether to pay additional funds towards the settlement based on the increased number of workweeks, or to cut off the end date for the Class Period on the date the number of workweeks reached 32,348. Agreement at ¶ III(A)(2). Defendants elected to cut off the end date for the Class Period on the date the number of workweeks reached 32,348, which was May 28, 2021. As such, the Class Period (and release period) for the Settlement is from September 16, 2017 to May 28, 2021. The Gross Settlement Amount shall be used: (1) to satisfy Individual Settlement Payments; (2) to satisfy the Class Representative Service Award; (3) to satisfy the Class Counsel Award; (4) to satisfy the PAGA Settlement; and (5) to satisfy the Settlement Administration Costs incurred in this action. JCL Dec., ¶ 19.

Defendants will fund the Settlement by transferring the Gross Settlement Amount into a Qualified Settlement Fund within ten (10) calendar days after the Effective Date (“Funding Date”). Agreement, ¶ I(O). The Settlement Administrator shall disburse the Individual Settlement Payments to the Settlement Class Members no later than fifteen (15) calendar days after the Funding Date. Agreement, ¶ III(M)(7). The Settlement Administrator will calculate Individual Settlement Payments by adding up

the total number of Workweeks for all Class Members. The respective Workweeks for each Class Member will be divided by the total Workweeks for all Class Members, resulting in the Payment Ratio for each Class Member. Each Class Member's Payment Ratio is then multiplied by the Net Settlement Amount to calculate each Class Members's estimated Individual Settlement Payments. Agreement, ¶ III(M)(1). The estimated average Individual Class Settlement Payment is approximately \$662.22. ILYM Dec., ¶ 17.

In exchange for the valuable consideration, as of the funding of the Gross Settlement Amount, the Settlement Class Member will release the Released Parties from the Released Class Claims that accrued during the Class Period. Agreement, ¶ III(B).

ILYM Group, Inc. was appointed as the Settlement Administrator for the Class. The Settlement Administration Costs include those expenses of effectuating and administering the Settlement, i.e., the costs incurred by the Settlement Administrator, the costs of giving notice to the Class, the costs of administering and disbursing the Individual Settlement Payments, and the fees of the Settlement Administrator approved for reimbursement by the court. The Settlement Administration Costs are \$15,300. ILYM Dec., ¶¶ 15, 20. These expenses shall be paid from the Gross Settlement Amount. Agreement, ¶ III(M)(12).

Subject to Court approval, Class Counsel shall seek a Class Counsel Award in the amount of \$270,000.00 comprised of attorneys' fees equal to one-third (33.33%) of the Gross Settlement Amount estimated to be at least \$250,000.00 and up to \$20,000 for actually incurred litigation expenses. Agreement, ¶ III(M)(10). Plaintiff's counsel is to split the fees 50% to the JCL Law Firm, APC, and 50% to the Zakay Law Group, APLC. Agreement, ¶ I(E). The Agreement also provides for a Class Representative Service Award in the amount of \$10,000 for Plaintiff, in consideration of her time, risk, and efforts as the Class Representative on behalf of the Class. Agreement, ¶ III(M)(9).

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 unanimous approval of the Settlement by the Class, the absence of any objections to the Settlement and the average Individual Settlement Payment of \$662.22. ILYM Dec., ¶¶ 14, 17; JCL Dec., ¶ 20.

///

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

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

8 “[T]o prevent fraud, collusion or unfairness to the class, the settlement or dismissal of a class
9 action requires court approval.” *Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1801 *citing*
10 *Malibu Outrigger Bd. Of Governors v. Superior Court* (1980) 103 Cal.App.3d 573, 578-579. The court
11 must decide whether the proposed settlement falls within the range of reasonable settlements,
12 considering that settlements are compromises between the parties reflecting subjective, unquantifiable
13 judgments concerning the risks and possible outcomes of litigation. See also *Wershba v. Apple*
14 *Computer* (2001) 91 Cal.App.4th 224, 2246 (The proposed settlement is not to be judged against a
15 hypothetical or speculative measure of what might have been achieved had plaintiffs prevailed at trial.”).
16 In *Wershba*, appellants argued that the settlement was too low given the “clear” liability, however, the
17 Court rejected this argument and held that “the merits of the underlying class claims are not a basis for
18 upsetting the settlement of a class action.” *Wershba, supra*, at 246; *see also 7-Eleven, supra*, at 1150.

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

27 The essential evaluation is whether, given the risks of litigation and the range of probable results,
28 the settlement, taken as a whole, is fair, reasonable, and adequate to all concerned. Here, the facts and

1 circumstances compel the conclusion that the proposed settlement satisfies that standard.

2 **V. THE SETTLEMENT IS FAIR, REASONABLE, AND ADEQUATE**

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

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

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

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

26 **A. Class Counsel Conducted a Thorough Investigation.**

27 As detailed in the motion for preliminary approval, Class Counsel thoroughly investigated the
28 proposed Class Members' claims, applicable law, and potential defenses. Specifically, Class Counsel

1 assessed the value of the class claims using data and documents provided by Defendants through formal
2 and informal discovery. Class Counsel obtained time, payroll, and policy records, as well as data
3 regarding the number of Class Members, workweeks, and average rate of pay to assess damages before
4 mediation. Class Counsel retained BCG to analyze Defendants' time and payroll data to formulate
5 damage models estimating Defendants' liability exposure. Class Counsel's investigation, research,
6 experience, and damage models informed and guided the mediated negotiations that resulted in this
7 settlement. Accordingly, Plaintiff's Counsel fully understood the strengths and weaknesses of the class
8 claims before the parties reached a settlement. JCL Dec., ¶ 21-28.

9 **B. The Parties Settled Following Mediation.**

10 On October 17, 2022, the Parties conducted a full day mediation with Steven J. Rottman, Esq.,
11 an experienced wage and hour mediator. Mediator Rottman helped to manage the Parties' expectations
12 and provided a useful, neutral analysis of the issues and risks to both sides. The Parties made substantial
13 progress with Mediator Rottman's assistance. Namely, the Parties exchanged information regarding
14 their respective claims and defenses, including their respective evaluations of the damages. After more
15 than eight hours of arm's length and adversarial negotiations, the mediation concluded with a
16 settlement. The amount of the Class Representative Service Award was not negotiated until after the
17 parties agreed to the Gross Settlement Amount and many other terms. JCL Dec., ¶ 28. No action would
18 likely have been taken by Class Members individually, and no compensation would have been
19 recovered for them, but for Plaintiff's service on behalf of the Class.

20 **C. Class Counsel is Experienced in Similar Litigation.**

21 Class Counsel in this matter has extensive class action experience in multiple fields and has
22 represented tens-of-thousands of persons in class actions. Counsel has previously litigated similar wage
23 and hour class actions involving similar claims. Class Counsel has been approved as class counsel in
24 similar wage and hour class actions throughout the State of California. As such, courts throughout
25 California have deemed Class Counsel experienced and knowledgeable in this area of law. Class
26 Counsel has participated in every aspect of the settlement discussions and has concluded the settlement
27 is fair, adequate, and reasonable and in the best interests of the Class. JCL Dec., ¶¶ 30-36; Declaration
28 of Shani Zakay ("Zakay Dec."), ¶¶ 1-3.

1 **D. The Class Responded Positively to the Settlement.**

2 The reaction of the Class unequivocally supports approval of the Settlement. Significantly, after
3 dissemination of the notice to the Class, which provided each class member with the terms of the
4 Settlement, including the specific estimated Individual Settlement Payments, as of the date of filing
5 this motion, zero of the 630 members of the Class opted out of the Settlement. Moreover, there are zero
6 objections. Stated differently, as of the date of filing this motion, 100% of the Class chose to participate
7 in the Settlement. JCL Dec., ¶ 8; ILYM Dec., ¶¶ 12-14.

8 The unanimous approval by the Class strongly supports a finding that the Settlement is fair,
9 reasonable, and adequate. *See In re Austrian & German Bank Holocaust Litigation* (S.D.N.Y. 2000) 80
10 F.Supp.2d 164, 175 ("If only a small number of objections are received, that fact can be viewed as
11 indicative of the adequacy of the settlement."); *Stoetznier v. U.S. Steel Corp.* (3d. Cir. 1990) 897 F.2d
12 115, 118-119 (29 objections out of 281 member class "strongly favors settlement"); *Laskey v. Int'l*
13 *Union* (6th Cir. 1981) 638 F.2d 954 (The fact that 7 out of 109 class members objected to the proposed
14 settlement should be considered when determining fairness of settlement.). Consequently, Class
15 Counsel respectfully requests the Court to follow the unanimous approval of the Class and grant final
16 approval of the Settlement.

17 **E. The Gross Settlement Amount is Fair and Reasonable.**

18 The Gross Settlement Amount of Seven Hundred Fifty Thousand Dollars and Zero Cents
19 (\$750,000.00) in this case is fair and well within the range of recognized reasonableness. The *Kullar*
20 court acknowledged that "as the court does when it approves a settlement as in good faith under Code
21 of Civil Procedure section 877.6, the court must at least satisfy itself that the class settlement is within
22 the 'ballpark' of reasonableness." *Kullar, supra*, at 129; *See Tech-Bilt, Inc. v. Woodward-Clyde &*
23 *Associates*, 38 Cal.3d 488, 499-500 (1985.).

24 Here, the Settlement is clearly within the "ballpark" of reasonableness because the Settlement
25 provides a sizeable recovery to the Settlement Class Member and need not necessarily obtain 100 percent
26 of the damages sought to be fair, reasonable, and ultimately, meaningful. *Wershba*, 91 Cal.App.4th at
27 250. While the Gross Settlement Amount of Seven Hundred Fifty Thousand Dollars and Zero Cents
28 (\$750,000.00) represents a discount on Defendants' potential exposure if Plaintiff established liability

1 on all claims and was awarded the full amount of the estimated damages at trial, this compromise is
2 reasonable because (1) the formidable defenses raised by Defendants presented a risk that could award
3 significantly less in damages than Plaintiff's estimate and (2) any theoretical post-trial recovery may
4 require many more years of litigation, resulting in added fees and costs without any guarantee of
5 recovery for the Class. JCL Dec., ¶ 37.

6 As detailed at the time of preliminary approval, the Gross Settlement Amount is fair and
7 reasonable considering the nature and magnitude of the claims being settled and the various potential
8 impediments to recovery. Class Counsel developed varied economic damages models measuring
9 Defendants' liability exposure while accounting for the uncertainties of continued litigation. The various
10 models were informed by Class Counsel's investigation, including the analysis of a significant sample
11 of time and payroll data. Detailed in greater depth during the preliminary approval process, Class
12 Counsel projected a range of Defendants' liability exposure for the claims asserted on behalf of the
13 Class. The Gross Settlement Amount represents approximately 18.15% of Defendants' *class-wide*
14 liability exposure as estimated by Class Counsel at the time of mediation. JCL Dec., ¶ 38.

15 In *Stovall-Gusman v. W.W. Granger, Inc.*, 2015 U.S. Dist. LEXIS 78671, at * 12, the District
16 Court for the Northern District of California granted final approval in a wage and hour misclassification
17 action and found that the Gross Settlement Amount representing 10% of the estimated trial award was
18 within the "range of reasonableness." In *Dunleavy v. Nadler (In re Mego Fin. Corp. Sec. Litig.)* (9th Cir.
19 2000) 213 F.3d 454, 459, the Ninth Circuit approved a settlement representing "roughly one-sixth of the
20 potential recovery." Given the amount of the settlement here as compared to potential value of the
21 claims, particularly the strength of Plaintiff's action, the settlement is clearly fair and reasonable.³

22 The calculation methodology used to compensate the Settlement Class Members for the alleged
23 damages was negotiated at the time of the Settlement. More importantly, the methodology is fair,
24

25 ³ See also *Viceral v. Mistras Grp., Inc.* (N.D. Cal. Oct. 11, 2016, No. 15-CV-02198) 2016 WL 5907869, at *3, 7 (approving
26 a California wage and hour settlement where the class received 11.6% of the estimated total liability, or approximately \$29
27 per work week); *Leverage v. Traeger Pellet Grills, LLC* (N.D. Cal. June 28, 2017, No. 16-CV-00784) 2017 WL 2797811, at
28 *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.").

objective, and impartial. The calculation methodology is based on the number of Workweeks each Settlement Class Member was employed for Defendants during the Class Period. The number of Workweeks for the Settlement Class Member is established through Defendants' data and documented compensation records. The Settlement Administrator is responsible for calculating the Individual Settlement Payments by multiplying the Workweek Value for each Settlement Class Member by the Net Settlement Amount. The Settlement Administrator will calculate the payment ratio by dividing the total Workweeks for all Class Members by the respective Workweeks for each Class Member. Agreement, ¶ III(M)(1). This process establishes an objectively fair and reasonable procedure to compensate the Class. JCL Dec., ¶ 40.

The settlement also provides significant relief to the Settlement Class Members. After deductions for the Class Counsel Award, Settlement Administration Costs, the PAGA Settlement, and the Class Representative Service Award, the Net Settlement Amount is currently estimated to be \$417,200.00. ILYM Dec., ¶ 15. The average settlement payment is approximately \$662.22, and the highest is approximately \$2,489.17. ILYM Dec., ¶ 17. Additionally, Defendants must separately fund their share of any employer side payroll taxes. Agreement, ¶ III(A)(1). JCL Dec., ¶ 41.

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., ¶ 42.

F. The Strength of Plaintiff's Case and Risks of Continued Litigation

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., ¶ 43. 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

1 would have faced the expense and uncertainty of litigating an appeal. The
2 expense and possible duration of the litigation should be considered in
evaluating the reasonableness of [a] settlement.

3 With respect to the most immediate challenge, i.e., class certification, the risks attendant to the
4 certification of similar wage and hour claims are demonstrated by *Magadia v. Wal-Mart Associates,*
5 *Inc.* (9th Cir. 2021) 999 F.3d 668. There, the Ninth Circuit, vacated reversed and remanded a \$110
6 million judgement against an employer for, *inter alia*, inaccurately paying overtime, and directed the
7 trial court to enter judgement in favor of the employer. *See also O’Conner v. Uber Technologies, Inc.*
8 (9th Cir. 2018) 904 F.3d 1087 (decertification of wage and hour misclassification action); *see also*
9 *Duran v. U.S. Bank National Association* (2014) 59 Cal.4th 1, 31 (reversing a trial verdict in favor
10 plaintiffs in a wage and hour class action)); *Tien v. Tenet Healthcare Corp.* (2012) 209 Cal.App.4th
11 1077, 1088 (“[T]he reason, if any, that employees might not take their breaks were predominantly
12 individualized questions of fact not susceptible to class treatment.”); *Ali v. U.S.A. Cab Ltd.* (2009) 176
13 Cal.App.4th 1333, 1341 (affirming denial of certification because employees’ declarations attesting to
14 having taken meal and rest breaks demonstrated that individualized inquiries were required to show
15 harm); *Campbell v. Best Buy Stores, L.P.*, (C.D. Cal. 2013) 2013 WL 5302217 at *11-13 (following
16 *Brinker* and denying certification of proposed off-the-clock and rest and meal break classes due to lack
17 of uniform policy); *Brown v. Fed Express Corp.* (C.D. Cal. 2008) 249 F.R.D. 580, 587-88 (denying
18 certification of driver meal and rest period claims based on the predominance of individual issues).
19 Collectively, the examples cited above illustrate the uncertain nature of class litigation. Consequently,
20 the uncertainty of obtaining certification through a contested motion is a significant risk factor favoring
21 settlement. JCL Dec., ¶ 43.

22 Although Plaintiff is confident about the strength of her claims, Plaintiff nevertheless recognizes
23 that Defendants have factual and legal defenses that, if successful, would potentially defeat or impair
24 the value of the lawsuit. Legally, the fast-changing landscape of wage and hour litigation can drastically
25 affect the value of Plaintiff’s claims and, in fact, already has. JCL Dec., ¶ 44.

26 In a similar wage and hour case, the federal district court in *Hopson v. Hanesbrands Inc.*, 2009
27 U.S. Dist. LEXIS 33900 at * 19-20 (N.D. Cal. 2009), granted approval of an overtime class action
28 settlement and explained:

1 **Plaintiffs may have a strong case, but the risks inherent in continued**
2 **litigation are great.** Defendants strongly deny liability for Plaintiffs'
3 principal claim that full-time Service Associates were misclassified as
4 exempt. In addition to the uncertainties raised by Defendants at the
5 preliminary stage regarding Plaintiffs' chance of success in this case,
6 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.

7 *See also Browning v. Yahoo!, Inc.*, 2007 U.S. Dist. LEXIS 86266, at *30 (N.D. Cal. 2007) (“In
8 considering the strength of Plaintiffs’ case, legal uncertainties at the time of settlement - particularly
9 those which go to fundamental legal issues - favor approval.”).

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

11 **The potential complexity and possible duration of trial also weigh in**
12 **favor of granting final approval.** Plaintiffs acknowledge the difficulties
13 of proving damages, recognize the uncertainty of outcome, and believe
14 defendant would appeal in the event of adverse judgment. A post-judgment
15 appeal would require many years to resolve and delay payment to class
16 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.

17 *Barcia v. Contain-A-Way, Inc.*, 2009 U.S. Dist. LEXIS 17118, *9 (S.D. Cal. 2009); see also *Louie v.*
18 *Kaiser Foundation Health Plan, Inc.*, 2008 U.S. Dist. LEXIS 78314, *14 (S.D. Cal. 2008).

19 In sum, while other cases have approved class certification in wage and hour claims, class
20 certification in this action would have been hotly disputed and was by no means a foregone conclusion.
21 Where both sides face significant uncertainty, as here, the attendant risks favor settlement. *Hanlon v.*
22 *Chrysler Corp.* (9th Cir. 1998) 150 F.3d 1011, 1026.)

23 As demonstrated by the decisions in *Magadia, supra*, 999 F.3d 668, *O’Conner v. Uber*
24 *Technologies* (N.D. Cal. 2018) 82 F.Supp.3d 1133 and *Duran v. U.S. Bank National Assn.* (2014) 59
25 Cal.4th 1, the complexities and duration of further litigation cannot be overstated. There is little doubt
26 that if Defendants faced a large adverse judgement, Defendants undoubtedly have the resources to post
27 a bond and appeal. A post-judgment appeal by Defendants would have required many more years to
28 resolve, assuming the judgment was affirmed. If the judgment was not affirmed in total, then the case

1 could have dragged on for years after the appeal. The benefits of a guaranteed recovery today outweigh
2 an uncertain result three or more years in the future. JCL Dec., ¶ 45.

3 Class Representative and Class Counsel recognize the expense and length of a trial against
4 Defendants through possible appeals which could take another three years. In arriving at their informed
5 belief that the present settlement is fair and adequate, Class Counsel accounted for the uncertain outcome
6 and risk inherent in complex actions such as this one. Class Counsel is also mindful of and recognize
7 the inherent problems of proof under, and alleged defenses to, the claims asserted in the litigation.
8 Moreover, post-trial motions and appeals would have been inevitable. Costs would have increased, and
9 recovery would have been delayed if not denied, thereby reducing the benefits of an ultimate victory.
10 Class Representative and Class Counsel believe that the Settlement confers substantial monetary and
11 non-monetary benefits upon the Class. Based upon their evaluation, Class Representative and Class
12 Counsel have determined that the Settlement set forth in the Agreement is in the best interest of the
13 Class, is fair, reasonable, and adequate, and should be granted final approval. JCL Dec., ¶ 46.

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

16 Where settlements “negotiate a good faith amount” for PAGA penalties and “there is no
17 indication that this amount was the result of self-interest at the expense of class members,” such
18 amounts are generally considered reasonable. *Hopson v. Hanesbrands Inc.*, No. CV-08-0844 EDL,
19 2009 WL 928133, at *9 (N.D. Cal. Apr. 3, 2009). Courts routinely approve of amounts for PAGA
20 penalties in the range of zero to two percent of the settlement. *See id.* at *1, 9 (approving a PAGA
21 payment of 0.3%); *Jack v. Hartford Fire Ins. Co.*, No. 09cv1683 MMA (JMA), 2011 WL 4899942, at
22 *6 (S.D. Cal. Oct. 13, 2011) (approving a PAGA payment of 0.25%); *McKenzie v. Fed. Express Corp.*,
23 No. CV 10-02420 GAF (PLAx), 2012 WL 12882124, at *5 (C.D. Cal. Jan. 23, 2012) (acknowledging
24 that courts approve PAGA claim settlements in the range of zero to two percent of the total settlement).

25 Here, Plaintiff and Defendants negotiated a good faith PAGA Settlement in the amount of
26 \$37,500 which is 5% of the Gross Settlement Amount. As illustrated above, this amount falls well
27 within the range of approved PAGA settlements. Seventy-Five percent (75%) of the PAGA Settlement
28 (\$28,125.00) will be paid to the LWDA with the remaining twenty-five percent (25%) of the PAGA

1 Settlement (\$9,375.00) to be distributed to the Aggrieved Employees, which is within the range of
2 PAGA penalties approved by courts and should be approved. JCL Dec., ¶ 47.

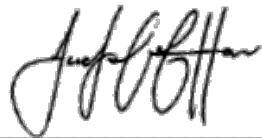
3 Class Counsel gave the LWDA notice of this Settlement and proposed allocation by filing a
4 copy of the Settlement, the Motion for Preliminary Approval, and this motion seeking final approval
5 with the LWDA. JCL Dec., ¶¶ 5-6. By not registering an objection with either Class Counsel or the
6 Court, the LWDA has accepted and approved of the proposed PAGA Settlement.

7 **VII. CONCLUSION**

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

11
12 Dated: November 9, 2023

ZAKAY LAW GROUP, APLC

13
14 By: 
15 Jackland K. Hom Esq.

16 Attorney for Plaintiff
17
18
19
20
21
22
23
24
25
26
27
28