

1 **NICHOLAS & TOMASEVIC, LLP**

Craig M. Nicholas (SBN 178444)

2 cnicholas@nicholaslaw.org

Shaun Markley (SBN 291785)

3 smarkley@nicholaslaw.org

Jordan Belcastro (SBN 339570)

4 jbelcastro@nicholaslaw.org

225 Broadway, 19th Floor

5 San Diego, California 92101

Tel: (619) 325-0492

6 Fax: (619) 325-0496

7 Attorneys for PLAINTIFFS

8 *Additional counsel is listed on the following page.*

9 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

10 **IN AND FOR THE COUNTY OF LOS ANGELES**

11 KIMBERLY COSTLEY, MICHELLE
12 VAUGHN, JEANETTE GOMES, MARIE
13 HOVIS, and GENARO MENDOZA,
individuals, on behalf of themselves, and on
behalf of all persons similarly situated,

14 Plaintiffs,

15 vs.

16 HOMEAGLOW INC., a Delaware
17 corporation; and DOES 1 through 30,
Inclusive,

18 Defendants.

Case No. 22STCV27159

Assigned for all purposes to:
Hon. Alison Mackenzie, Dept. 515

**MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT OF
PLAINTIFFS' MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

Date: October 8, 2026

Time: 8:30 a.m.

Department: Dept. 515

Reservation ID: 604829996987

FAC Filed: 5/22/2026

Trial Date: None Set

1 **ZAKAY LAW GROUP, APLC**

Shani O. Zakay (State Bar #277924)

2 shani@zakaylaw.com

Jackland K. Hom (State Bar #327243)

3 jackland@zakaylaw.com

Jaclyn Joyce (State Bar #285124)

4 jaclyn@zakaylaw.com

3110 Camino Del Rio S, Suite 308

5 San Diego, CA 92108

Telephone: (619) 255-9047

6 **JCL LAW FIRM, APC**

7 Jean-Claude Lapuyade (State Bar #248676)

8 jlapuyade@jcl-lawfirm.com

5440 Morehouse Drive, Suite 3600

San Diego, CA 92121

9 Telephone: (619) 599-8292

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

1	<u>TABLE OF CONTENTS</u>	
2		
3	I. <u>INTRODUCTION</u>	1
4	II. <u>SUMMARY OF THE LITIGATION, INCLUDING PROCEDURAL HISTORY</u>	1
5	A. The <i>Hovis</i> PAGA Action.	1
6	B. The <i>Hovis</i> Class Action.	2
7	C. The <i>Gomes</i> Class Action.	2
8	D. The <i>Vaughn</i> PAGA Action.	2
9	E. The Present <i>Costley</i> Class and PAGA Action.	3
10	F. Mediation.	3
11	III. <u>INVESTIGATION AND DISCOVERY PRIOR TO SETTLEMENT</u>	3
12	IV. <u>THE SETTLEMENT TERMS</u>	4
13	V. <u>PRELIMINARY APPROVAL SHOULD BE GRANTED</u>	6
14	A. Plaintiffs Obtained a Fair Percentage of the Maximum Realistic Recovery.	7
15	B. Risk, Expense, Complexity and the Likely Duration of Further Litigation.	9
16	C. The Views of Counsel.	10
17	D. The Attorneys' Fees and Costs in the Settlement Are Reasonable On their Face in Light of the Net Settlement Benefits.	10
18		
19	VI. <u>CONDITIONAL CERTIFICATION OF THE CLASS IS WARRANTED</u>	11
20	A. There is a Numerous and Ascertainable Class.	12
21	B. There is a Well-Defined Community of Interest Among the Class Members.	12
22	1. Common Issues of Law and Fact Predominate.	12
23		
24		
25		
26		
27		
28		

1	2. <i>Plaintiffs' Claims Are Typical.</i>	13
2	3. <i>Plaintiffs and Counsel Have and Will Adequately Represent</i>	
3	<i>the Class.</i>	13
4	VII. <u>THE PROPOSED CLASS NOTICE IS ADEQUATE</u>	13
5	VIII. <u>THE PAGA PENALTIES COMPONENT SHOULD BE APPROVED</u>	
6	<u>FOR THE SAME REASONS.</u>	14
7	IX. <u>CONCLUSION</u>	15
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		

TABLE OF AUTHORITIES

CASES

<i>Addvensky v. Corporate Express Delivery Systems-West Coast, Inc.</i> (Super. Ct. S.D. County, No. 720794)	11
<i>B.W.I. Custom Kitchen v. Owens-Illinois, Inc.</i> (1987) 191 Cal.App.3d 1341	13
<i>Benton v. Telecom Network Specialists, Inc.</i> (2013) 220 Cal. App. 4th 701	12
<i>Cartt v. Superior Court</i> (1975) 50 Cal. App. 3d 960	13
<i>Cellphone Termination Fee Cases</i> (2009) 180 Cal. App. 4th 1110	7
<i>Cho v. Seagate Technology Holdings, Inc.</i> (2009) 177 Cal. App. 4th 734	13
<i>Dunk v. Ford Motor Co.</i> (1996) 48 Cal. App. 4th 1794	7
<i>Haralson v. U.S. Aviation Servs. Corp.</i> (N.D. Cal. 2018) 383 F. Supp. 3d 959	8
<i>Hines v. Food 4 Less Holdings, Inc.</i> (Super. Ct. L.A. County No. BC202728)	11
<i>In re Consumer Privacy Cases</i> (2009) 175 Cal.App.4th 545, n. 13	11
<i>In re Mego Fin. Corp. Secs. Litig.</i> (9th Cir.2000) 213 F.3d 454	8
<i>In re Microsoft I-V Cases</i> (2006) 135 Cal. App. 4th 706	6, 7
<i>Kerr v. Snap-On Tools Co.</i> (Super. Ct. Santa Clara County, No. CV758116)	11
<i>Kullar v. Foot Locker Retail, Inc.</i> (2008) 168 Cal. App. 4th 116	7
<i>Kung v. Food 4 Less Holdings, Inc.</i> (Super. Ct. L.A. County, No. BC188014)	11
<i>Laffitte v. Robert Half Int'l Co.</i> (2016) 1 Cal.5th 480	11

1	<i>Linder v. Thrifty Oil Co.</i>	
2	(2000) 23 Cal.4th 429	11, 12
3	<i>Marler v. E.M. Johansing, LLC</i>	
4	(2011) 199 Cal. App. 4th 1450	12
5	<i>Martinez v. Flower Foods, Inc.</i>	
6	(C.D. Cal. Feb. 1, 2016) 2016 WL 10746664	9
7	<i>McGhee v. Crocker-Citizens Nat. Bank</i>	
8	(1976) 60 Cal. App. 3d 442	13
9	<i>Moniz v. Adecco USA, Inc.</i>	
10	(Cal. App. 2021) 72 Cal.App.5th 56, 76	15
11	<i>Ramirez v. Benito Valley Farms, LLC</i>	
12	(N.D. Cal. Aug. 25, 2017) 2017 WL 3670794	8
13	<i>Salinas v. Cornwell Quality Tools Co.</i>	
14	(C.D. Cal. 2022) 635 F. Supp. 3d 954	13
15	<i>Van Ba Ma v. Covidien Holding Inc.</i>	
16	(C.D. Cal. Jan. 31, 2014, No. 8:12-cv-02161) ECF No. 26	8
17	<i>Wershba v. Apple Computer, Inc.</i>	
18	(2001) 91 Cal. App. 4th 224	6, 7
19	STATUTES	
20	Civ. Proc. Code, § 382	11
21	Lab. Code, § 1194	11
22	Lab. Code, § 203	8
23	Lab. Code, § 226	8
24	Lab. Code, § 226.7	7
25	Lab. Code, § 2699	14
26	Lab. Code, § 2802	7
27	Lab. Code, § 510	7
28	Lab. Code, § 512	7
	Lab. Code, §§ 2776-2783	10
	RULES	
	Rules of Court, rule 3.766(d)	14
	Rules of Court, rule 3.769(b)	10

1 **I. INTRODUCTION**

2 Plaintiffs Kimberly Costley, Michelle Vaughn, Jeanette Gomes, Marie Hovis and Genaro
3 Mendoza (“Plaintiffs”) seek preliminary approval of the Class and PAGA Representative
4 Settlement Agreement (“Settlement”)¹ they entered into with Defendant Homeaglow, Inc.
5 (“Defendant” or “Homeaglow”). Homeaglow is an on-demand cleaning services company. The
6 Settlement resolves the class and representative actions brought by the five Plaintiffs across
7 multiple separate actions. The Settlement resolves disputed claims that Defendant misclassified its
8 “cleaners” as independent contractors rather than employees and failed to properly pay wages,
9 reimburse business expenses, and comply with other California labor laws.

10 The Settlement, which resulted from the parties’ negotiations during and after a full day
11 mediation, provides for \$2,600,000.00 to be paid to approximately 10,920 Class Members who
12 performed cleaning services in the State of California as independent contractors during the Class
13 Period. For the reasons explained below, the Court should grant preliminary approval.

14 **II. SUMMARY OF THE LITIGATION, INCLUDING PROCEDURAL HISTORY**

15 This is an independent contractor misclassification case seeking class and representative
16 action relief under the Labor Code and Unfair Competition Law. (*See* First Amended Complaint
17 [“FAC”], filed May 22, 2026.) The Settlement resolves related claims against Homeaglow pursued
18 through three separate federal and state court actions consolidated into one before this Court. (*Id.*)

19 **A. The *Hovis* PAGA Action.**

20 On November 11, 2022, Plaintiffs Hovis and Mendonza served Defendant and the Labor
21 and Workforce Development Agency (“LWDA”) with a Private Attorneys General Act (“PAGA”) Notice (“PAGA Notice”), explaining their intent to seek civil penalties against Homeaglow for
22 alleged wage and hour violations committed against them and others. (*See* Markley Decl., ¶ 3, Ex.
23 2.) On December 2, 2022, Plaintiffs submitted an amended PAGA Notice. (*Id.*, ¶ 3, Ex. 3.)

24 On March 14, 2023, Plaintiffs Hovis and Mendoza filed a PAGA representative action
25 against Homeaglow in the Los Angeles County Superior Court. (Markley Decl., ¶ 4, Ex. 4 [*Hovis*
26

27 ¹ *See* Declaration of Shaun Markley (“Markley Decl.”), ¶ 2, Ex. 1 (Class and PAGA Representative
28 Settlement Agreement [“Settlement”]). Unless otherwise stated herein, all capitalized terms in this Motion are the same as set forth in the Settlement.

1 *et al. v. Homeaglow, Inc.*, No. 23STCV05600 (L.A. Super. Ct. Apr. 14, 2023)].) On October 7,
2 2024, the Superior Court granted Defendant’s motion to compel arbitration. (*Id.*, ¶ 4.)

3 **B. The *Hovis* Class Action.**

4 On December 5, 2022, Plaintiffs Hovis and Mendoza filed a class action complaint against
5 Homeaglow in the San Diego County Superior Court alleging the same violations on behalf of
6 cleaners in California (the “*Hovis* Class Action”). The *Hovis* Class Action included claims for
7 failure to reimburse business expenses, failure to provide accurate wage statements, failure to pay
8 minimum wages, failure to provide overtime, failure to provide meal and rest breaks, and others.
9 (Markley Decl., ¶ 5, Ex. 5 [*Hovis et al. v. Homeaglow, Inc.*, No. 37-2022-00048618 (S.D. Super.
10 Ct. Dec. 5, 2022)].) On January 10, 2023, Homeaglow removed the action to the Southern District
11 of California. (Markley Decl., ¶ 5.) On August 4, 2023, that court granted Defendant’s motion to
12 compel arbitration regarding whether the arbitration clauses are enforceable and dismissed
13 Plaintiffs’ class action claims without prejudice. (Markley Decl., ¶ 5.)

14 **C. The *Gomes* Class Action.**

15 On January 28, 2022, Plaintiff Gomes served Defendant and the LWDA with a PAGA
16 Notice. Plaintiff Gomes’ PAGA Notice set forth the facts and theories supporting Defendant’s
17 alleged violations of various provisions of the California Labor Code and of her intent to pursue
18 claims under the California Labor Code Private Attorneys General Act, Lab. Code sections 2698,
19 *et seq.* (Declaration of Shani Zakay [“Zakay Decl.”], ¶ 4, Ex. B.)

20 On April 12, 2022, Plaintiff Gomes filed a class and representative action complaint in San
21 Joaquin County Superior Court alleging claims similar to those at issue in the *Hovis* Class Action
22 in addition to a PAGA claim. (Zakay Decl., ¶ 5, Ex. C [*Gomes v. Homeaglow, Inc.*, No. STK-CV-
23 UOE-2022-2619 (S.J. Super. Ct. Apr. 12, 2022)].)

24 On May 17, 2022, Defendant removed the action to the Eastern District of California.
25 (Zakay Decl., ¶ 6.) On July 28, 2022, Gomes dismissed without prejudice. (*Id.*, ¶ 6.)

26 **D. The *Vaughn* PAGA Action.**

27 On August 19, 2022, Plaintiff Vaughn served Defendant and the LWDA with a PAGA
28 Notice. Plaintiff Vaughn’s PAGA Notice set forth the facts and theories supporting Defendant’s

1 alleged violations of various provisions of the California Labor Code and of her intent to pursue
2 claims under PAGA. (Zakay Decl., ¶ 7, Ex. D.) On May 12, 2023, Plaintiff Vaughn filed a
3 representative action complaint in San Francisco County Superior Court alleging a single PAGA
4 cause of action. (Zakay Decl., ¶ 7, Ex. E [*Vaughn v. Homeaglow, Inc.*, No. CGC-23-606524 (S.F.
5 Super. Ct. May 12, 2023)].)

6 **E. The Present *Costley* Class and PAGA Action.**

7 On June 16, 2022, Plaintiff Costley served Defendant and the LWDA with a PAGA Notice.
8 (Zakay Decl., ¶ 8, Ex. F.) Plaintiff Costley’s PAGA Notice set forth the facts and theories
9 supporting Defendant’s alleged violations of various provisions of the California Labor Code and
10 of her intent to pursue claims under PAGA. On August 22, 2022, Plaintiff Costley filed a
11 representative action complaint in Los Angeles County Superior Court alleging a single cause of
12 action under PAGA. (Zakay Decl., ¶ 8.)

13 As part of the Settlement, the Parties agreed that Plaintiffs would file the operative First
14 Amended Complaint (“FAC”) in this *Costley* Action, consolidating their claims in this Court and
15 to pursue a global Settlement through this Court. (Markley Decl., ¶ 6; Zakay Decl., ¶ 8.) As such,
16 the operative FAC was filed on May 22, 2026. Plaintiffs now seek preliminary approval of their
17 global settlement resolving all claims in the FAC. (Markley Decl., ¶ 6; Zakay Decl., ¶ 8.)

18 **F. Mediation.**

19 On March 1, 2024, the Parties participated in a full-day mediation before Tripper Ortman,
20 an experienced labor and employment mediator and well respected expert in class action litigation.
21 (Markley Decl., ¶ 7.) The Parties were unable to reach agreement at mediation. However, after it
22 concluded, the Parties had further settlement discussions over the following months and agreed to
23 the class and PAGA settlement terms documented in a memorandum of understanding (“MOU”)
24 which was executed in October 2025. (*Id.*, ¶ 8.) Later, the parties executed the Settlement,
25 incorporating and expanding on the terms of the MOU. (*See* Settlement.)

26 **III. INVESTIGATION AND DISCOVERY PRIOR TO SETTLEMENT**

27 Plaintiffs had ample information on which to make an informed and positive settlement
28 decision for this group of Homeaglow cleaners at the time of settlement. Prior to filing this case,

1 Plaintiffs’ counsel performed substantial investigation and obtained a host of helpful documents.
2 Apart from documents provided by named Plaintiffs, counsel also visited Homeaglow’s website,
3 where it advertises its cleaner opportunities, which contains information on each opportunity, the
4 process to secure cleaning assignments, and the documents cleaners must sign. (Markley Decl., ¶¶
5 12-13.) Homeaglow also extensively advertises both cleaning and cleaner opportunities providing
6 additional information about its business and it has a multitude of online reviews that provide
7 further context and insight into its operations. (*Id.*, ¶ 14.)

8 Furthermore, prior to the mediation, Plaintiffs received information from Homeaglow
9 regarding usual mediation-related data points, such as: the number of putative class members; a
10 breakdown of current versus former putative class members; the duration and extent of work
11 performed by the putative class (*e.g.*, workweeks); the number of cleaner jobs completed by
12 putative class members during the class period; and other relevant information. (*Id.*, ¶ 15.)
13 Plaintiffs also received a sampling of the data Homeaglow maintains for its cleaners showing
14 things like how long a cleaning job took, pay for the job, and related inputs which helped to analyze
15 key variables like whether there were minimum wage violations, the “regular rate of pay” for
16 overtime and other forms of pay, and the like. Plaintiffs analyzed the information to reach what
17 Plaintiffs’ experienced counsel feel is good value for this type of gig economy case. (*Id.*, ¶ 16.)

18 Finally, Plaintiffs’ counsel surveyed damages figures for claims like overtime, expenses,
19 and deductions from various putative class members to assess the scope of damages that would
20 not appear in Defendant’s records like overtime and business expenses incurred. (*Id.*, ¶ 17.)

21 Plaintiffs’ counsel had ample information to draw upon to fully evaluate this case. (Markley
22 Decl., ¶ 18.) Counsel also drew upon their extensive experience in litigating independent
23 contractor misclassification cases in California. (Markley Decl., ¶¶ 27-40; Declaration of Jean-
24 Claude Lapuyade [“Lapuyade Decl.”], ¶ 3; Zakay Decl., ¶ 3, Ex. A.)

25 **IV. THE SETTLEMENT TERMS**

26 The Settlement covers approximately 10,920² individuals who performed cleaning services

27 ² Pursuant to the Settlement “Escalator” clause, if the actual amount Class Members during the
28 Class Period exceeds the 10,920 by more than 10%, then Homeaglow will increase the Gross

1 in California through Homeaglow's platform as an independent contractor during the Class Period
2 of April 12, 2018 through March 22, 2025. (Markley Decl., ¶ 9; Settlement, § I.14.) Defendant
3 will pay a Gross Settlement Amount of \$2,600,000.³ (Settlement, § III.1.)

4 Other notable settlement provisions include:

- 5 • Of the \$2.6 million, the following amounts are set to come out under the Settlement
6 subject to court approval:
 - 7 ○ Class Counsel's attorneys' fees of 1/3 the common fund, or \$866,666.67
8 (Settlement, § III.1.A);
 - 9 ○ Class Counsel's costs not to exceed \$40,000 (Settlement, § III.1.A);
 - 10 ○ Plaintiffs' enhancement awards of up to \$15,000 for Plaintiff Vaughn,
11 \$10,000 for Plaintiff Gomes, and \$7,500 each for Plaintiffs Costley, Hovis,
12 and Mendoza, for a total \$47,500 (Settlement, § III.1.B);
 - 13 ○ A PAGA Settlement of \$150,000, 75% of which shall be paid to the LWDA
14 (Settlement, § III.1.C);
 - 15 ○ Class administration fees not to exceed \$40,500.00 (Settlement, § III.1.D);
16 and
- 17 • This leaves a net settlement to be distributed to the class of \$1,455,333.33 or just
18 over \$133 per class member on average.
- 19 • Distribution of class member and PAGA member funds will be pro rata based on
20 number of cleaning service jobs completed. (Settlement, § V.2-3.)
- 21 • Released Class Claims are those that could have been pleaded from the facts and
22 allegations contained in the various Complaints and LWDA notices resolved
23 through the Settlement. (Settlement, §§ I.49, VIII.3-7.) Release of PAGA Claims
24 are all PAGA claims that could have been pleaded from the facts and allegations
25 contained in the various Complaints and LWDA notices resolved through the
26 Settlement. (Settlement, §§ I.50.)

27 The settlement will be administered by CPT Group, Inc. (Settlement, § III.1.D.)

28 Based on the terms of the Settlement Agreement, the following sets forth the proposed

25 Settlement amount proportionate to the increase in the Class Members during this time period over
26 10% (e.g., if the actual Class Members during this time period is 12% greater than 10920, then
27 the Gross Settlement Amount will increase by 2%. (Settlement, § III.2.)

28 ³ Homeaglow will pay the Gross Settlement Amount in five installments. The first, in the amount
of \$850,000.00, was deposited into an account established by CPT Group, Inc. on January 12,
2026. The remaining four installments of \$437,500.00 each are tied to entry of the Final Approval
Order and Judgment: the second is due no later than fourteen days after entry, and the third, fourth,
and fifth are due every thirty days thereafter. (Settlement, § III.3.)

1 schedule of events to occur with respect to the effectuation of the settlement:

2	Event	Date
3	Deadline for Defendant to provide Class Data to Settlement Administrator	Within fifteen (15) calendar days of preliminary approval
4	Deadline to mail Notice of Settlement to Class Members	Within thirty (30) calendar days of receipt of class data from Defendant
5	Deadline to dispute workdays, opt out of or object to Settlement	Within forty-five (45) calendar days after the Administrator's mailing of the Class Notice
6	Deadline for Settlement Administrator to provide counsel with Declaration of Compliance and report regarding notice and exclusion process	Not later than fourteen (14) calendar days before the date by which Plaintiffs are required to file the Motion for Final Approval
7	Deadline to file motion for final approval of the Settlement and award of attorneys' fees and costs	Not later than sixteen (16) court days before final approval hearing
8	Hearing on motion for final approval of the settlement, granting of final approval, and entry of judgment	TBD
9	Deadline for Defendant to deliver funds to Settlement Administrator	Within thirty (30) calendar days after the Effective Date Defendant shall transmit the first half of the funds
10		Within two hundred and ten (210) calendar days after the Effective Date Defendant shall transmit the second half of the funds
11	Deadline for the Settlement Administrator to distribute settlement funds	Within fourteen (14) days of receipt of the funds from Defendant

12 **V. PRELIMINARY APPROVAL SHOULD BE GRANTED**

13 Approval of a class settlement is committed to the sound discretion of the Court. (*See*
14 *Wershba v. Apple Computer, Inc.* (2001) 91 Cal. App. 4th 224, 234-35.) Public policy and the law
15 generally favor settlement, particularly in class actions where substantial resources can be
16 conserved by avoiding the time, cost, and rigors of formal litigation. (*See In re Microsoft I-V Cases*
17 (2006) 135 Cal. App. 4th 706, 723, n.14.) A court's class settlement inquiry "must be limited to
18 the extent necessary to reach a reasoned judgment that the agreement is not the product of fraud
19 or overreaching by, or collusion between, the negotiating parties, and that the settlement, taken as
20 a whole, is fair, reasonable and adequate to all concerned.'" (*Dunk v. Ford Motor Co.* (1996) 48

1 Cal. App. 4th 1794, 1801; *see also*, *In re Microsoft I–V Cases*, 135 Cal. App. 4th at 723; *Cellphone*
2 *Termination Fee Cases* (2009) 180 Cal. App. 4th 1110, 1117–18; *Kullar v. Foot Locker Retail,*
3 *Inc.* (2008) 168 Cal. App. 4th 116, 128.)

4 In determining whether a settlement is fair, adequate, and reasonable, courts consider
5 several factors, including “the strength of plaintiffs’ case [compared with] the risk, expense,
6 complexity and likely duration of further litigation [and] the risk of maintaining class action status
7 through trial. . . .” (*See Dunk*, 48 Cal. App. 4th at 1801; *see also*, *In re Microsoft I–V Cases*, 135
8 Cal. App. 4th at 723.) Considering all the relevant factors, and as discussed further below, this
9 Settlement is certainly in the “range of possible [final] approval.” (*See Wershba*, 91 Cal. App. 4th
10 at pp. 244-45.) Thus, the Court should grant preliminary approval.

11 **A. Plaintiffs Obtained a Fair Percentage of the Maximum Realistic Recovery.**

12 The total Settlement Fund – reached only after a day of mediation and further negotiations
13 spanning several months – is \$2,600,000.00. There are roughly 10,920 class members who
14 completed approximately 375,000 gigs for Homeaglow. (Settlement, § III.1; Markley Decl., ¶ 9).
15 Using these numbers, the total recovery is approximately \$7 in additional pay per shift and nearly
16 \$240 per class member on average. This is a strong recovery considering the cleaner class around
17 \$20/hour for their cleaning work so the increase in pay – whether viewed per shift or per worker
18 – is meaningful.

19 This compares favorably with the maximum amount of realistic recovery at stake here. As
20 with most independent contractor misclassifications cases, the driving elements of damages are:

- 21 • Expense Reimbursement (Lab. Code, § 2802): assuming \$20 per workweek in
22 expenses for supplies based on class member interviews and related information
23 obtained over roughly 150,000 workweeks available in the mediation-related data
24 from Defendant equates to \$3,000,000.
- 25 • Unpaid overtime (Lab. Code, § 510): is relatively minimal given that most cleaning
26 jobs do not last 8 hours or more and most workers do not work for Homeaglow on
27 a full-time basis. From the data sampling Plaintiffs obtained, estimated overtime
28 exposure is only about \$120,000.
- Meal and rest breaks (Lab. Code, §§ 226.7, 512): are also relatively small given
that the cleaning work often is accomplished in a few hours or less and that the data
did not provide information regarding potential breaks taken within the cleaning

time periods available. From the data provided and with appropriate extrapolations, Plaintiffs estimated approximately \$1,325,000 in premiums due to the class.

- Waiting time penalties (Lab. Code, § 203): are also somewhat difficult to estimate because work is obtained through the Homeaglow application which cleaners may stop using but maintain access to for future potential work. Plaintiffs assumed that 25% of the workers over the relevant 3 year period, or about 2,500 cleaners were “former” employees who did not receive all wages due upon termination. With an average rate of pay around \$20/hour exposure for waiting time penalties is roughly \$6,000,000 (2,500 x \$20 x 4 hour shift x 30 days).
- Wage statement (Lab. Code, § 226): were calculated on a weekly basis for those in the eligible one-year statutory period which contains nearly 80,000 pay periods at a \$50 “initial violation rate” which makes exposure just shy of \$4,000,000.
- PAGA exposure, assuming no “stacking” of penalties would be eligible for \$100 per the nearly 80,000 pay periods within the relative one-year statutory period for additional exposure of \$8,000,000.

Adding all of these together, Plaintiffs believed there was approximately \$22,445,000 in maximum exposure for the claims settled here. Setting aside the more challenging penalty claims which are subject to heightened willfulness and knowing standards or are otherwise discretionary, the exposure for the unpaid wage claims (overtime, expenses, meal/rest) is \$4,445,000. The Settlement amount of \$2.6 million represents approximately 12% of the maximum recovery at issue here or 58% of the core wage claim exposure at issue. (Markley Decl., ¶ 10-11.) This is well within, and likely above, normal ranges for a class settlement. (*See, e.g., Haralson v. U.S. Aviation Servs. Corp.* (N.D. Cal. 2018) 383 F. Supp. 3d 959, 972-74 [citing cases reflecting approval of settlements at 0.2% to 1.1% of the potential verdict value]; *Ramirez v. Benito Valley Farms, LLC* (N.D. Cal. Aug. 25, 2017) 2017 WL 3670794, at *5 [approving settlement paying less than 4.5% of maximum]; *In re Mego Fin. Corp. Secs. Litig.* (9th Cir.2000) 213 F.3d 454, 459 [holding that class action settlement recovering 16% of potential exposure was fair and reasonable; “[i]t is well-settled law that a cash settlement amounting to only a fraction of the potential recovery does not per se render the settlement inadequate or unfair. Rather, the fairness and the adequacy of the settlement should be assessed relative to risks of pursuing the litigation to judgment”]; *Van Ba Ma v. Covidien Holding Inc.* (C.D. Cal. Jan. 31, 2014, No. 8:12-cv-02161) ECF No. 26 [court granted preliminary approval of wage and hour class settlement which obtained only 9.1% of projected

1 damages, given the risks of continued litigation].)

2 This case also compares very favorably to other gig economy cases which tend to have
3 large class sizes with limited recovery per worker. In a case addressing misclassification of gig
4 workers, Uber paid just over \$5 per worker. (Markley Decl., ¶ 19, Ex. 6 [Uber final PAGA
5 settlement order] and Ex. 7 [Uber motion to approve PAGA settlement].) In another gig worker
6 misclassification case, as part of a hybrid settlement of class and PAGA claims, DoorDash agreed
7 to pay \$12,500,000 towards PAGA which would go to roughly 973,345 drivers providing services
8 for DoorDash in California. (Markley Decl., ¶ 20, Ex. 8 [Final Approval Order and Judgment in
9 *Marko v. DoorDash, Inc.*] at ¶¶ 11, 16 [reflecting amounts paid to settle PAGA and the number
10 individuals that would receive the PAGA distribution].) This is a value of only \$12.84 per PAGA
11 group member. Finally, in a public enforcement lawsuit against Handy Technologies, Inc. for
12 misclassifying their gig economy cleaning and other handyman service providers, Handy agreed
13 to pay \$4.8 million in restitution to 25,000 statewide workers to settle misclassification claims
14 (\$192/worker). (Markley Decl., ¶ 21, Ex. 9 [Press Release] and Ex. 10 [Stipulated Final Judgment
15 and Permanent Injunction].)

16 **B. Risk, Expense, Complexity and the Likely Duration of Further Litigation.**

17 Further supporting the reasonableness and fairness of the Settlement are the risks and
18 complexities of further proceedings. Individual arbitration was a large risk given that multiple
19 Plaintiffs' claims were compelled to individual arbitration already including the *Hovis* and *Costley*
20 class and PAGA actions. (Markley Decl., ¶ 22.) There was a strong chance all of the claims at
21 issue would have been subject to individual arbitrations except for the non-individual PAGA
22 component of the case which would have been stayed in court for years, potentially limiting
23 recovery to only those cleaners who came forward to file individual actions and actually prevailed
24 at arbitration. (Markley Decl., ¶ 23.)

25 Even if the class claims survived the arbitration attack and related appeals that would have
26 followed, class certification in this context can be challenging. (*See, e.g., Martinez v. Flower*
27 *Foods, Inc.* (C.D. Cal. Feb. 1, 2016) 2016 WL 10746664, at *13 [certification denied in an
28 independent contractor misclassification case].) Furthermore, in independent contractor cases,

1 plaintiffs need to establish threshold employment status to even get to proving damages. There is
2 a chance a court, jury, or arbitrator could find the cleaners were in fact independent or met one of
3 the various carve outs from California's employment tests. (*See, e.g.*, Lab. Code, §§ 2776-2783;
4 Markley Decl., ¶ 24.)

5 As for the PAGA claim and others that are punitive in nature, there is also a risk that the
6 Court would exercise discretion as to the amount of penalties or the ability to "stack" and recover
7 multiple penalties in a single pay period. (Markley Decl., ¶ 25.) Many of the penalty claims like
8 wage statements and failure to pay wages upon termination also carry increased burdens to show
9 knowing and willful misclassification by Defendant which creates further risk of non-recovery.

10 **C. The Views of Counsel.**

11 Counsel is highly experienced in wage and hour class action and other complex litigation,
12 and counsel for the Parties believe that the settlement is fair, reasonable, and adequate. All firms
13 involved have substantial litigation experience in wage and hour class actions, have tried wage and
14 hour actions, and are fully familiar with the legal and factual issues in this case, having handled
15 dozens of wage and hour class actions, including independent contractor misclassification matters,
16 as well as other types of class and complex litigation. (Markley Decl., ¶¶ 27-40; Lapuyade Decl.,
17 ¶¶ 3-7, Ex. 1.) Indeed, Plaintiffs' counsel has been found by numerous superior and federal courts
18 to be adequate class counsel capable of representing the interests of class members in many cases
19 like this one. (*Id.*) These factors support a presumption of fairness as well as a finding that the
20 settlement is fair, adequate, and reasonable.

21 **D. The Attorneys' Fees and Costs in the Settlement Are Reasonable On their Face**
22 **in Light of the Net Settlement Benefits.**

23 Not today, but by the time of final approval, Plaintiffs must set forth the basis for any
24 request for fees. (*See* Rules of Court, rule 3.769(b).) Here, per the terms of the settlement, class
25 Counsel will apply for an attorneys' fee award of 33.33% of the total settlement. Indeed, counsel
26 are entitled to fees in any event because the Labor Code contains mandatory fee-shifting provisions
27
28

1 for successful litigants. (*See, e.g.*, Lab. Code, § 1194, subd. (a) [fees and costs recoverable for
2 unpaid wage claims, including overtime claims].)

3 California courts routinely approve higher payments of attorneys' fees, often the standard
4 one-third or 33.33% of the common fund, in comparable wage and hour class actions. (*See, e.g.*,
5 *In re Consumer Privacy Cases* (2009) 175 Cal.App.4th 545, 557, n. 13 [“Empirical studies show
6 that, regardless whether the percentage method or the lodestar method is used, fee awards in class
7 actions average around one-third of the recovery.”].) Indeed, our Supreme Court reaffirmed the
8 percentage of fund method for allocating fees where a fee award of one third (33.33%) of the total
9 recovery was approved by the trial court in an employment class action. (*Laffitte v. Robert Half*
10 *Int'l Co.* (2016) 1 Cal.5th 480, 503.)⁴

11 Further, and as will be explained in counsel’s forthcoming motion for attorneys’ fees,
12 should this matter proceed to the final approval stage, the amount is more than justified in that
13 Plaintiffs’ counsel achieved a just settlement for the class that will result in monetary payment to
14 Settlement Class members and that likely would not have been possible without the extensive
15 investigation, litigation, and negotiation conducted by counsel over the existence of the case.
16 Moreover, counsel’s work is not yet complete, as they will spend a significant amount of time
17 overseeing and participating in the claims administration process and final approval proceedings.
18 (Markley Decl., ¶ 44-45.) For these reasons, Plaintiffs submit that the requested attorneys’ fees
19 award is more than reasonable at the preliminary approval stage.

20 **VI. CONDITIONAL CERTIFICATION OF THE CLASS IS WARRANTED**

21 The proposed Settlement Class satisfies the criteria for certification under California law.
22 Section 382 of the Code of Civil Procedure “authorizes class suits in California when the question
23 is one of a common or general interest, of many persons, or when the parties are numerous, and it
24 is impracticable to bring them all before the court.” (*Linder v. Thrifty Oil Co.* (2000) 23 Cal.4th
25 429, 435.) “To obtain certification, a party must establish the existence of both an ascertainable

26 ⁴ *See also Kerr v. Snap-On Tools Co.* (Super. Ct. Santa Clara County, No. CV758116) (approving
27 award of attorneys' fees of 33 1/3%); *Addvensky v. Corporate Express Delivery Systems-West*
28 *Coast, Inc.* (Super. Ct. S.D. County, No. 720794) (same); *Kung v. Food 4 Less Holdings, Inc.*
(Super. Ct. L.A. County, No. BC188014) (same); *Hines v. Food 4 Less Holdings, Inc.* (Super. Ct.
L.A. County No. BC202728) (same).)

1 class and a well-defined community of interest among the class members.” *Id.* at 435. The
2 community of interest requirement will be met when the following three factors exist: (1)
3 predominant common questions of law or fact; (2) class representatives with claims typical of the
4 class; and (3) adequate representation of the class. (*Linder*, 23 Cal. 4th at 435.)

5 **A. There is a Numerous and Ascertainable Class.**

6 “An ascertainable class exists when, based upon the class definition, it is possible to give
7 adequate notice to class members or to determine after the litigation has concluded who is barred
8 from re-litigating. The goal in defining the class is to use terminology that will convey sufficient
9 meaning to enable persons hearing it to determine whether they are members of the class plaintiff
10 wishes to represent.” (*Marler v. E.M. Johansing, LLC* (2011) 199 Cal. App. 4th 1450, 1459-1460
11 [internal citations omitted].) Here, the Class definition is:

12 All individuals who performed cleaning services in California that were accepted
13 through Defendant’s platform and who were classified as independent contractors
14 at any time during the Class Period, excluding individuals who entered into separate
release agreements with Defendant that cover the Released Class Claims.

15 (Settlement, § I.9.) Defendant’s business records show a list of 10,920 cleaners in California that
16 performed work during the operative period as independent contractor cleaners. Therefore, the
17 class is both identifiable and numerous.

18 **B. There is a Well-Defined Community of Interest Among the Class Members.**

19 All of the relevant community of interest sub-factors are met here.

20 *1. Common Issues of Law and Fact Predominate.*

21 To determine whether common issues predominate, “a court must examine the plaintiff’s
22 theory of recovery and assess the nature of the legal and factual disputes likely to be presented...As
23 a general rule if the defendant’s liability can be determined by facts common to all members of
24 the class, a class will be certified even if the members must individually prove their damages.”
25 (*Benton v. Telecom Network Specialists, Inc.* (2013) 220 Cal. App. 4th 701, 716.)

26 Here, common issues exist with respect to Defendant’s uniform policies and practices with
27 respect to the misclassification of its cleaners as “independent” and not employees, as well as the
28 corresponding denial of basic wage protections to these cleaners like business expense

1 reimbursement, overtime, meal and rest breaks, and associated penalties. Such claims warrant class
2 certification. (*See, e.g., Salinas v. Cornwell Quality Tools Co.* (C.D. Cal. 2022) 635 F. Supp. 3d
3 954, 974 [“The court finds that common issues predominate over individual issues with respect to
4 the question of misclassification and Plaintiff’s individual claims.”].)

5 2. *Plaintiffs’ Claims Are Typical.*

6 Typicality is satisfied where class representatives have claims typical of the class. (*B.W.I.*
7 *Custom Kitchen v. Owens-Illinois, Inc.* (1987) 191 Cal.App.3d 1341, 1347.) Like all cleaners with
8 Homeaglow, Plaintiffs were classified as “independent contractors” and were denied basic wage
9 protections while cleaning for Homeaglow. (*See* FAC.)

10 3. *Plaintiffs and Counsel Have and Will Adequately Represent the Class.*

11 “Adequacy of representation depends on whether the plaintiff’s attorney is qualified to
12 conduct the proposed litigation and the plaintiff’s interests are not antagonistic to the interests of
13 the class.” (*McGhee v. Crocker-Citizens Nat. Bank* (1976) 60 Cal. App. 3d 442, 450.) Here,
14 Plaintiffs retained attorneys with extensive experience in prosecuting wage and hour class actions,
15 in particular independent contractor misclassification claims, understanding that they would be
16 representing interests broader than their own. (*See* Declaration of Michelle Vaughn, ¶¶ 7-8;
17 Declaration of Jeanette Gomes, ¶¶ 7-8; Declaration of Kimberly Costley, ¶ 6-8; Declaration of
18 Marie Hovis, ¶ 5-7; Declaration of Genaro Mendoza, ¶ 5-7; *and see* Markley Decl., ¶¶ 41-43;
19 Lapuyade Decl., ¶¶ 3-7, Ex. 1.) There is no conflict between Plaintiffs and the Class. *Id.*

20 **VII. THE PROPOSED CLASS NOTICE IS ADEQUATE**

21 “The principal purpose of notice to the class is the protection of the integrity of the class
22 action process, one of the functions of which is to prevent burdening the courts with multiple
23 claims where one will do.” (*Cho v. Seagate Technology Holdings, Inc.* (2009) 177 Cal. App. 4th
24 734, 745-746.) An appropriate notice has a reasonable chance of reaching a substantial percentage
25 of the class members. (*Cartt v. Superior Court* (1975) 50 Cal. App. 3d 960, 974.)

26 The proposed Notice of Settlement addresses these concerns. (Settlement, Ex. A [Proposed
27 Notice of Class and PAGA Action Settlement].) It identifies the Representative Plaintiffs and
28 Defendant, provides a description of the lawsuit, the settlement amounts, the proposed plan of

1 allocation, and the attorneys' fees and other deductions that may come out of the settlement. The
2 proposed Notice of Settlement provides information as to how to opt out and be excluded, how to
3 object to the settlement, as well as the date of the final approval hearing. It also describes the
4 Settlement Agreement with sufficient detail to allow Class members to make an informed decision
5 as to whether to accept or object to it. The proposed Notice of Settlement further provides that it
6 will bind all Class members who do not request exclusion. (Settlement, Ex. A [Proposed Notice
7 of Class and PAGA Action Settlement].) As such, the proposed Notice describes the settlement
8 with enough specificity to allow Class members to make an informed decision as to whether to
9 participate in it. (*See* Rules of Court, rule 3.766(d).)

10 Further, the manner of giving notice is to be done in such a way as to maximize its reach.
11 The Notice of Settlement will be sent to Class members by First Class U.S. mail by the Settlement
12 Administrator. (Settlement, § VI.2.) Within five (5) business days after receipt of any Class Notice
13 returned as undelivered, the Settlement Administrator shall re-mail the Class Notice using any
14 forwarding address provided by USPS. (*Id.* at § VI.3.) If USPS does not provide a forwarding
15 address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class
16 Notice to the most current address obtained. (*Id.*)

17 **VIII. THE PAGA PENALTIES COMPONENT SHOULD BE APPROVED FOR THE**
18 **SAME REASONS**

19 Finally, the Court should approve the PAGA component of this settlement which devotes
20 \$150,000 to civil penalties. Those penalties will be paid on behalf of all "PAGA Workers," defined
21 in the settlement as "all individuals who performed cleaning services in California that were
22 accepted through Defendant's platform and who were classified as independent contractors at any
23 time during the PAGA Period." (Settlement, §§ I.40, III.1.C.) As PAGA, at Section 2699 subd. (i)
24 requires, 75% of the penalties be paid to California's LWDA and 25% to the aggrieved employees.
25 (*Id.* at § III.1.C.)

26 Settlements of PAGA claims also require court approval. (Lab. Code, § 2699, subd. (l)(2).)
27 The plain language of PAGA is consistent with "a standard requiring the trial court to determine
28 independently whether a PAGA settlement is fair and reasonable. . . ." (*Moniz v. Adecco USA*,

1 *Inc.*, (Cal. App. 2021) 72 Cal.App.5th 56, 76.) Relevant factors mirror those used to evaluate a
2 class action settlement like the “strength of plaintiffs’ case, the risk, expense, complexity and likely
3 duration of further litigation. . . , the extent of discovery completed and the stage of the
4 proceedings, [and] the experience and views of counsel. . . .” (*Id.*)

5 For the reasons explained above, the Settlement, including the meaningful, but not
6 disproportionate, \$150,000 attributed to PAGA penalties if fair and reasonable in light of the
7 strengths, risks, and procedural posture of the case. This Court, therefore, should approve the
8 PAGA civil penalties payments along with the rest of the Settlement.

9 **IX. CONCLUSION**

10 Based on the above, Plaintiffs respectfully request the Court grant this Motion and sign the
11 accompanying [Proposed] Order, authorizing notice to the class and setting a final approval
12 hearing date.

13 Respectfully Submitted,

14 Dated: September 16, 2026

NICHOLAS & TOMASEVIC, LLP

15
16 By:



Craig M. Nicholas (SBN 178444)
cnicholas@nicholaslaw.org
Shaun Markley (SBN 291785)
smarkley@nicholaslaw.org
Jordan Belcastro (SBN 339570)
jbelcastro@nicholaslaw.org
225 Broadway, 19th Floor
San Diego, California 92101
Tel: (619) 325-0492
Fax: (619) 325-0496

ZAKAY LAW GROUP, APLC
Shani O. Zakay (State Bar #277924)
shani@zakaylaw.com
Jackland K. Hom (State Bar #327243)
jackland@zakaylaw.com
Jaclyn Joyce (State Bar #285124)
jaclyn@zakaylaw.com
3110 Camino Del Rio S, Suite 308
San Diego, CA 92108
Telephone: (619) 255-9047

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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

Attorneys for PLAINTIFFS