

JCL LAW FIRM, APC

Jean-Claude Lapuyade (State Bar #248676)
Sydney Castillo-Johnson (State Bar #343881)
Perssia Razma (State Bar #351398)
5440 Morehouse Drive, Suite 3600
San Diego, CA 92121
Telephone: (619) 599-8292
Facsimile: (619) 599-8291
jlapuyade@jcl-lawfirm.com
scastillo@jcl-lawfirm.com
prazma@jcl-lawfirm.com

ZAKAY LAW GROUP, APLC

Shani O. Zakay (State Bar #277924)
5440 Morehouse Drive, Suite 3600
San Diego, CA 92121
Telephone: (619) 255-9047
Facsimile: (858) 404-9203
shani@zakaylaw.com

Attorneys for Plaintiff BRAD KLEIN

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF RIVERSIDE

BRAD KLEIN, an individual, on behalf of himself
and on behalf of all persons similarly situated,

Plaintiff,

v.

REDZONE SECURITY INC., a California
Corporation; and DOES 1-50, Inclusive,

Defendants.

Case No. CVRI2202841

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

Date: August 15, 2024

Time: 8:30 a.m.

Judge: Hon. Harold W. Hopp

Dept.: 1

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1 I. INTRODUCTION

2 Plaintiff BRAD KLEIN (hereinafter “Plaintiff”) seeks final approval of the Stipulation of
3 Settlement of Class and PAGA Action Claims and Release of Claims (“Agreement”)¹, which if
4 approved, would provide valuable monetary relief for approximately 505 Class Members employed by
5 Redzone Security Inc. (hereinafter “Defendant”) during the Class Period.

6 In an order dated May 8, 2024, this Court preliminarily approved the Agreement and preliminarily
7 certified the Class. Declaration of Jean-Claude Lapuyade (“JCL Dec.”), ¶ 4. On June 5, 2024, the
8 Court-approved Class Notice was mailed to all 505 Class Members via U.S. First Class Mail.
9 Declaration of Madely Nava (“Apex Dec.”), ¶ 7. *The Class greeted news of the Settlement with*
10 *unanimous approval as, at the time of the filing of this motion, all 505 Class Members chose to*
11 *participate in the Settlement.*² As of the filing of this motion, there are zero opt-outs and zero objections
12 to the Settlement. Apex Dec., ¶¶ 11-12. The unanimous approval by the Settlement Class evidences the
13 clear fairness and reasonableness of the Settlement. JCL Dec., ¶ 8.

14 An objective evaluation of the proposed settlement of Two Hundred Thousand Dollars and Zero
15 Cents (\$200,000.00) (“Gross Settlement Amount”) confirms that the relief negotiated on behalf of the
16 Settlement Class is fair, reasonable, and valuable. The Settlement is a product of informed, adversarial,
17 and non-collusive negotiations between experienced counsel. After deducting any Court-approved
18 Class Counsel Award, Class Representative Service Award, Settlement Administration Expenses, and
19 the PAGA Payment, the Net Settlement Amount shall be distributed to the Settlement Class Members
20 based on the number of Workweeks they worked while employed by Defendant during the Class
21 Period. JCL Dec., ¶ 8.

22 This Settlement provides substantial recovery to Settlement Class Members. Plaintiff estimates
23 that the Settlement, if approved, would result in a Net Settlement Amount of approximately **\$83,333.34**.
24 Apex Dec., ¶ 14. This will result in an average Individual Settlement Payment of **\$174.92**, a high
25 payment of **\$1,232.32**, and a low payment of **\$10.10** Apex Dec., ¶ 15. Aggrieved Employees will
26

27 ¹ The Agreement is attached as Ex “A” to the Declaration of Jean-Claude Lapuyade (“JCL Dec.”) at ¶ 3. All citations to the
28 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 Seven (7) Notices were deemed undeliverable. Apex Dec. at ¶ 10.

1 receive an estimated average gross Aggrieved Employee Payment of **\$4.95**, a high payment of **\$34.49**,
2 and a low payment of **\$0.29**. Apex Dec ¶ 17.

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

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

12 **II. OVERVIEW OF THE LITIGATION**

13 Defendant provides security services in the state of California, including Riverside County,
14 where Plaintiff worked. Plaintiff worked for Defendant in California from September of 2021 to
15 October of 2021. During his employment, Plaintiff claims that he was denied legally compliant meal
16 and rest periods, and minimum wages and overtime compensation. Throughout his employment,
17 Plaintiff was subject to Defendant’s written policies and procedures. JCL Dec., ¶ 11; Declaration of
18 Brad Klein (“Klein Dec.”) ¶ 3.

19 Generally, Plaintiff claims that Defendant failed to provide compliant meal and rest periods,
20 failed to pay for all time worked, failed to reimburse necessary business expenses, and failed to furnish
21 accurate, itemized wage statements. Defendant denies liability for each of Plaintiff’s claims. Further,
22 Defendant asserts that it fully complied with all applicable employment laws and raised several other
23 significant defenses to Plaintiff’s claims, including but not limited to, asserting that they maintained
24 facially compliant meal and rest period policies, paid their employees for all hours worked, and properly
25 reimbursed all necessary business expenses. JCL Dec., ¶ 12.

26 On May 5, 2022, Plaintiff served Defendant and the Labor and Workforce Development Agency
27 (“LWDA”) with a Notice of Violations (“PAGA Notice”). Plaintiff’s PAGA Notice set forth the facts
28 and theories supporting Defendant’s alleged violations of various provisions of the California Labor

Code and applicable Industrial Welfare Commissions (“IWC”) Wage Order and of his intent to pursue claims under California Labor Code Private Attorneys General Act, Cal. Lab. Code Sections 2698 *et seq* (“PAGA”). JCL Dec., ¶ 13.

On July 11, 2022, Plaintiff filed a class action complaint in the Riverside County Superior Court, Case No. CVRI2202841 (“Action”). The Action alleged nine causes of action against Defendant for: (1) Unfair Competition in violation of Bus. and Prof. Code §§ 17200; (2) Failure to Pay Minimum Wages in Violation of California Labor Code §§ 1194, 1197, and 1197.1; (3) Failure to Pay Overtime Wages in Violation of California Labor Code §§ 510; (4) Failure to Provide Required Meal Periods in Violation of California Labor Code §§ 226.7 and 512; (5) Failure to Provide Required Rest Periods in Violation of California Labor Code §§ 226.7 and 512; (6) Failure to provide Accurate Itemized Wage 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; and (9) Violation of the Private Attorneys General Act in violation of California Labor Code sections 2698, *et seq*. JCL Dec., ¶ 14.

After Plaintiff commenced written discovery, the Parties agreed to mediate this action on February 24, 2023, with retired jurist and mediator Hon. Brian C. Walsh (Ret.). To prepare for mediation, the Parties agreed to informally exchange 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. JCL Dec., ¶ 15.

The Parties subsequently cancelled mediation due to Defendant’s inability to engage in settlement negotiations. Specifically, Defendant’s sole owner had been stricken with a grave, debilitating illness that precluded the parties from proceeding to mediation in February 2023. Further, Defendant raised the possibility that it would be unable to satisfy a larger class-wide settlement due to the sole owner’s illness and its financial condition. Accordingly, counsel for Defendant offered a class-wide settlement of \$200,000.00. Class Counsel retained Certified Public Accountant, Kenneth L. Creal, to review and analyze Defendant’s 2022 tax return. Based on Mr. Creal’s review, he determined that Defendant could not afford a larger settlement than the one contemplated here. JCL Dec ¶ 16.

Thus, the Parties agreed upon the Gross Settlement Amount of \$200,000.00. Thereafter, the

Parties drafted and negotiated a long-form settlement agreement, which is the subject of the instant motion. JCL Dec., ¶ 17.

On May 8, 2024, this Court granted preliminary approval of the Settlement. JCL Dec., ¶ 4. On June 5, 2024, the Settlement Administrator mailed Notice Packets to all 505 members of the Class via U.S. First Class Mail. Apex Dec., ¶ 7. The mailing of the Notice Packets triggered a forty-five (45) day Response Deadline for the Settlement Class to submit requests for exclusion or objections to the Settlement. The response from the Settlement Class to the Settlement was outstanding – 100% of the Class Members are participating in the Settlement. Apex Dec., ¶ 13.

III. THE SETTLEMENT BEFORE THE COURT

The Court preliminarily approved an initial Gross Settlement Amount of Two Hundred Thousand Dollars and Zero Cents (\$200,000.00) based on a total of an estimated 10,000 Workweeks worked by the Class during the Class Period. The Gross Settlement Amount shall be used: (1) to satisfy Individual Settlement Payments; (2) to satisfy the Class Representative Service Award; (3) to satisfy the Class Counsel Award; (4) to satisfy the PAGA Payment; and (5) to satisfy the Settlement Administration Expenses incurred in this action. JCL Dec., ¶ 17.

Defendant will fund the Settlement by transferring the Gross Settlement Amount into a Qualified Settlement Fund within sixty (60) calendar days after the Effective Date. Agreement, ¶ I(O). The Settlement Administrator shall mail the Individual Settlement Payments and Aggrieved Employee Payments to the Settlement Class Members and/or Aggrieved Employee last known mailing address no later than fifteen (15) calendar days after Defendant fund the Gross Settlement Amount. Agreement, ¶ III(L)(7). The Settlement Administrator calculated Class Members' 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 will then be multiplied by the Net Settlement Amount to calculate each Class Member's estimated Individual Settlement Payments. III(L)(2). The average estimated Individual Settlement Payments was \$174.92. Apex Dec ¶ 15.

In exchange for the valuable consideration, as of the funding of the Gross Settlement Amount, Plaintiff and the Settlement Class Members will release the Released Parties from the Released Class

1 Claims for the Class Period. Agreement at ¶¶ I(DD); III(B). The Plaintiff and the State of California
2 will release the Released Parties from the Released PAGA Claims for the PAGA Period. Agreement at
3 ¶¶ I(E); III(C).

4 Apex Class Action LLC is the Court-approved Settlement Administrator for this action.
5 Settlement Administration Expenses include those expenses of effectuating and administering the
6 Settlement, i.e., the costs incurred to the Settlement Administrator, the costs of giving notice to the Class,
7 the costs of administering and disbursing the Individual Settlement Payments, and the fees of the
8 Settlement Administrator (“Settlement Administration Expenses”) approved for reimbursement by the
9 court. The Settlement Administration Expenses are \$10,000. Apex Dec, ¶ 18. These expenses shall be
10 paid from the Gross Settlement Amount. Agreement, ¶ I(JJ).

11 Subject to Court approval, Class Counsel shall seek a Class Counsel Award in the amount of
12 \$81,666.67 comprised of attorneys’ fees of \$66,666.67 (one-third of the Gross Settlement Amount) and
13 up to \$15,000 for actually incurred litigation expenses. Class Counsel’s award for attorney’s fees will
14 be divided equally between Class Counsel (50% to JCL Law Firm, APC and 50% to Zakay Law Group,
15 APLC). Agreement, ¶ I(F). The Agreement also provides for a Class Representative Service Award in
16 the amount of \$10,000 for Plaintiff, in consideration of his time, risk, and efforts as the Class
17 Representative on behalf of the Settlement Class. Agreement, ¶¶ I(K); III(L)(9).

18 As explained in further detail below, the Settlement is fair, adequate, and reasonable to the class
19 and should be granted final approval. This is evidenced by the unanimous approval of the Settlement by
20 the Settlement Class, the absence of any objections to the Settlement and the average Individual
21 Settlement Payment of **\$174.92**. Apex Dec., ¶ 15, JCL Dec., ¶ 19.

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

24 Settlements of disputed claims are favored by the courts. *Huens v. Tatum* (1997) 52 Cal.App.4th
25 259, 265. In evaluating settlements, the courts have long recognized that compromise is particularly
26 appropriate since such litigation is difficult and notoriously uncertain. *7-Eleven Owners for Fair Fran.*
27 *v. Southland Corp.* (2000) 85 Cal.App.4th 1135, 1151 (“voluntary conciliation and settlement are the
28 preferred means of dispute resolution. This is especially true in complex class action litigation”).

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

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

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

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

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

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

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

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

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

20 As detailed in the motion for preliminary approval, Class Counsel thoroughly investigated the
21 proposed Class Members’ claims, applicable law, and potential defenses. Specifically, Class Counsel
22 assessed the value of the class claims using data and documents provided by Defendant through
23 informal discovery. Class Counsel obtained time and payroll records for the Class Members, aggregate
24 meal premiums paid to the Class Members, average hourly rate for the Class Members, and copies of
25 applicable handbooks, policies, and agreements. Class Counsel analyzed Defendant’s time and payroll
26 data to assist in the development of various damage models. Among other things, Class Counsel
27 estimated the approximate amount of unpaid wages, amount of unpaid overtime wages, number of
28 workweeks, pay periods, average length of shifts and average number of hours worked per week. Class

1 Counsel also estimated the number of missed, late, or truncated meal and rest periods, the amount of
2 off-the-clock work, and the amount of missed meal and rest period premiums paid during the Class
3 Period. Class Counsel's investigation, research, experience, and damage models informed and guided
4 the negotiations that resulted in this settlement. Accordingly, Plaintiff's Counsel fully understood the
5 strengths and weaknesses of the class claims before the parties reached a settlement. JCL Dec., ¶ 20-
6 23; 25-26.

7 The Parties agreed to mediate this action on February 24, 2023, with retired jurist and mediator
8 Hon. Brian C. Walsh (Ret.). The Parties subsequently cancelled mediation due to Defendant's inability
9 to engage in settlement negotiations. Specifically, Defendant's sole owner had been stricken with a
10 grave, debilitating illness that precluded the parties from proceeding to mediation in February 2023.
11 Further, Defendant raised the possibility that it would be unable to satisfy a larger class-wide settlement
12 due to the sole owner's illness and its financial condition. Accordingly, counsel for Defendant offered
13 a class-wide settlement of \$200,000.00. Class Counsel retained Certified Public Accountant, Kenneth
14 L. Creal, to review and analyze Defendant's 2022 tax return. Based on Mr. Creal's review, he
15 determined that Defendant could not afford a larger settlement than the one contemplated here. Thus,
16 the Parties agreed upon the Gross Settlement Amount of \$200,000.00. The amount of the service
17 awards was not negotiated until after the parties agreed to the Gross Settlement Amount and many other
18 terms. No action would likely have been taken by Class Members individually, and no compensation
19 would have been recovered for them, but for Plaintiff's service on behalf of the Class. JCL Dec., ¶ 24.

20 **B. 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., ¶¶ 27-33; Declaration
28 of Shani Zakay ("Zakay Dec."), ¶¶ 1-3.

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

2 The reaction of the Settlement Class unequivocally supports approval of the Settlement.
3 Significantly, after dissemination of the notice to the Settlement Class, which provided each class
4 member with the terms of the Settlement, including the specific estimated Individual Settlement
5 Payments. As of the filing of this motion, none of the 505 members of the Settlement Class opted-out
6 of the Settlement. Moreover, there are zero objections. Stated differently, 100% of the Settlement
7 Class chose to participate in the Settlement. Apex Dec., ¶ 13; JCL Dec., ¶ 8.

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

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

18 The Gross Settlement Amount of Two Hundred Thousand Dollars and Zero Cents (\$200,000.00)
19 in this case is fair and well within the range of recognized reasonableness. The *Kullar* court
20 acknowledged that "as the court does when it approves a settlement as in good faith under Code of
21 Civil Procedure section 877.6, the court must at least satisfy itself that the class settlement is within the
22 '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 and need not necessarily obtain 100 percent of the
26 damages sought to be fair, reasonable, and ultimately, meaningful. *Wershba*, 91 Cal.App.4th at 250.
27 While the Gross Settlement Amount of Two Hundred Thousand Dollars and Zero Cents (\$200,000.00)
28 represents a discount on Defendant's potential exposure if Plaintiff established liability on all claims

1 and was awarded the full amount of the estimated damages at trial, this compromise is reasonable
2 because (1) the formidable defenses raised by Defendant presented a risk that could award significantly
3 less in damages than Plaintiff's estimate and (2) any theoretical post-trial recovery may require many
4 more years of litigation, resulting in added fees and costs without any guarantee of recovery for the
5 Class. JCL Dec., ¶ 34.

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 Defendant's 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. As detailed in greater depth during the preliminary approval process, Class
12 Counsel projected a range of Defendant's liability exposure for the claims asserted on behalf of the
13 Settlement Class. The Gross Settlement Amount represents between 55.59% and 10.08% of Defendant's
14 class-wide liability exposure as estimated by Class Counsel at the time the parties reached the settlement.
15 JCL Dec., ¶ 35.

16 In *Stovall-Gusman v. W.W. Granger, Inc.*, 2015 U.S. Dist. LEXIS 78671, at * 4, the District Court
17 for the Northern District of California granted final approval in a wage and hour misclassification action
18 and found that the Gross Settlement Amount representing 10% of the estimated trial award was within
19 the "range of reasonableness." In *Dunleavy v. Nadler (In re Mego Fin. Corp. Sec. Litig.)* (9th Cir. 2000)
20 213 F.3d 454, 459, the Ninth Circuit approved a settlement representing "roughly one-sixth of the
21 potential recovery." Given the amount of the settlement here as compared to potential value of the
22 claims, particularly the strength of Plaintiff's action, the settlement is clearly fair and reasonable.³

23 The calculation methodology used to compensate the Settlement Class for the alleged damages

24 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
25 a California wage and hour settlement where the class received 11.6% of the estimated total liability, or approximately \$29
26 per work week); *Leverage v. Traeger Pellet Grills, LLC* (N.D. Cal. June 28, 2017, No. 16-CV-00784) 2017 WL 2797811, at
27 *7 (Approving a California wage and hour settlement where the class received 18% of the estimated total liability); see also
28 *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.").

1 was negotiated at the time of the Settlement. More importantly, the methodology is fair, objective, and
2 impartial. The calculation methodology is based on the number of Workweeks each Settlement Class
3 Member worked for Defendant during the Class Period. The number of Workweeks for the Settlement
4 Class Members is established through Defendant's data and documented compensation records. The
5 Settlement Administrator is responsible for calculating the Individual Settlement Payments by
6 multiplying the Payment Ratio for each Class Member by the Net Settlement Amount. The Settlement
7 Administrator will calculate the payment ratio by dividing the total number of Workweeks for each
8 Class Member by the total number of Workweeks for all Class Members. This process establishes an
9 objectively fair and reasonable procedure to compensate the Settlement Class. Agreement, ¶ III(L)(1).

10 The settlement also provides significant relief to the Settlement Class Members. After deductions
11 for the Class Counsel Award, Settlement Administration Expenses, the PAGA Payment, and the Class
12 Representative Service Award, the Net Settlement Amount is currently estimated to be \$88,333.34.
13 Apex Dec., ¶ 14. This will result in an average Individual Settlement Payment of **\$174.92**, with a high
14 payment of **\$1,232.32**, and a low payment of **\$10.10**. Apex Dec., ¶ 15. This average net recovery is on
15 par with many wage and hour class action settlements approved by California state and federal courts.
16 *See, e.g., Palencia v. 99 Cents Only Stores*, No. 34-2010-00079619 (Sacramento County Super. Ct.)
17 (average net recovery of approximately \$80); *Fukuchi v. Pizza Hut*, Case No. BC302589 (L.A. County
18 Super. Ct.) (average net recovery of approximately \$120); *Contreras v. United Food Group, LLC*, Case
19 No. BC389253 (L.A. County Super. Ct.) (average net recovery of approximately \$120); *Ressler v.*
20 *Federated Department Stores, Inc.*, Case No. BC335018 (L.A. County Super. Ct.) (average net recovery
21 of approximately \$90); *Doty v. Costco Wholesale Corp.*, Case No. CV05-3241 FMC-JWJx (C.D. Cal.
22 May 14, 2007) (average net recovery of approximately \$65); *Sorenson v. PetSmart, Inc.*, Case No. 2:06-
23 CV-02674-JAM-DAD (ED. Cal.) (average net recovery of approximately \$60); *Lim v. Victoria's Secret*
24 *Stores, Inc.*, Case No. 04CC00213 (Orange County Super. Ct.) (average net recovery of approximately
25 \$35); and *Gomez v. Amadeus Salon, Inc.*, Case No. BC392297 (L.A. Super. Ct.) (average net recovery
26 of approximately \$20). Additionally, Defendant must separately fund its share of any employer side
27 payroll taxes. Agreement, ¶ III(A)(1).

28 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., ¶ 36.

E. 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, Defendant could defend the action or, at least, drastically undercut Plaintiff's claims. JCL Dec., ¶ 37. 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. *See also O'Conner v. Uber Technologies, Inc.* (9th Cir. 2018) 904 F.3d 1087 (decertification of wage and hour misclassification action); *see also Duran v. U.S. Bank National Association* (2014) 59 Cal.4th 1, 31 (reversing a trial verdict in favor plaintiffs in a wage and hour class action)); *Tien v. Tenet Healthcare Corp.* (2012) 209 Cal.App.4th 1077, 1088 ("[T]he reason, if any, that employees might not take their breaks were predominantly individualized questions of fact not susceptible to class treatment."); *Ali v. U.S.A. Cab Ltd.* (2009) 176 Cal.App.4th 1333, 1341 (affirming denial of certification because employees' declarations attesting to having taken meal and rest breaks demonstrated that individualized inquiries were required to show harm); *Campbell v. Best Buy Stores, L.P.*, (C.D. Cal. 2013) 2013 WL 5302217 at *11-13 (following *Brinker* and denying certification of proposed off-the-clock and rest and meal break classes due to lack

1 of uniform policy); *Brown v. Fed Express Corp.* (C.D. Cal. 2008) 249 F.R.D. 580, 587-88 (denying
2 certification of driver meal and rest period claims based on the predominance of individual issues).
3 Collectively, the examples cited above illustrate the uncertain nature of class litigation. Consequently,
4 the uncertainty of obtaining certification through a contested motion is a significant risk factor favoring
5 settlement. JCL Dec., ¶ 38.

6 Although Plaintiff is confident about the strength of his claims, Plaintiff nevertheless recognizes
7 that Defendant has factual and legal defenses that, if successful, would potentially defeat or impair the
8 value of the lawsuit. Legally, the fast-changing landscape of wage and hour litigation can drastically
9 affect the value of Plaintiff's claims and, in fact, already has. JCL Dec., ¶ 39.

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

13 **Plaintiffs may have a strong case, but the risks inherent in continued**
14 **litigation are great.** Defendant strongly deny liability for Plaintiffs'
15 principal claim that full-time Service Associates were misclassified as
16 exempt. In addition to the uncertainties raised by Defendant at the
17 preliminary stage regarding Plaintiffs' chance of success in this case,
18 Defendant notes that the question of an employer's duty to provide rest and
19 meal periods is an open one, signaling even less certainty for
20 Plaintiffs.....[T]he **Gross Settlement Amount and the Class Members'**
21 **expected net recovery, after fees and other costs are deducted, appear**
22 **to be a reasonable compromise, in light of the risks of litigation.**

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

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

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

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

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

7 As demonstrated by the decisions in *Magadia*, *supra*, 999 F.3d 668, *O’Conner v. Uber*
8 *Technologies* (N.D. Cal. 2018) 82 F.Supp.3d 1133 and *Duran v. U.S. Bank National Assn.* (2014) 59
9 Cal.4th 1, the complexities and duration of further litigation cannot be overstated. The benefits of a
10 guaranteed recovery today outweigh an uncertain result three or more years in the future. JCL Dec., ¶
11 40.

12 The Class Representative and Class Counsel recognize the expense and length of a trial against
13 Defendant through possible appeals, which could take another three years. In arriving at their informed
14 belief that the present settlement is fair and adequate, Class Counsel accounted for the uncertain outcome
15 and risk inherent in complex actions such as this one. Class Counsel is also mindful of and recognizes
16 the inherent problems of proof under, and alleged defenses to, the claims asserted in the litigation.
17 Moreover, post-trial motions and appeals would have been inevitable. Costs would have mounted, and
18 recovery would have been delayed if not denied, thereby reducing the benefits of an ultimate victory.
19 Class Representative and Class Counsel believe that the Settlement confers substantial monetary and
20 non-monetary benefits upon the Class. Based upon their evaluation, Class Representative and Class
21 Counsel have determined that the Settlement set forth in the Agreement is in the best interest of the
22 Class, is fair, reasonable, and adequate, and should be granted final approval. JCL Dec., ¶ 41.

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

25 Where settlements “negotiate a good faith amount” for PAGA penalties and “there is no
26 indication that this amount was the result of self-interest at the expense of class members,” such
27 amounts are generally considered reasonable. *Hopson v. Hanesbrands Inc.*, No. CV-08-0844 EDL,
28 2009 WL 928133, at *9 (N.D. Cal. Apr. 3, 2009). Courts routinely approve of amounts for PAGA

1 penalties in the range of zero to two percent of the settlement. *See id.* at *1, 9 (approving a PAGA
2 payment of 0.3%); *Jack v. Hartford Fire Ins. Co.*, No. 09cv1683 MMA (JMA), 2011 WL 4899942, at
3 *6 (S.D. Cal. Oct. 13, 2011) (approving a PAGA payment of 0.25%); *McKenzie v. Fed. Express Corp.*,
4 No. CV 10-02420 GAF (PLAx), 2012 WL 12882124, at *5 (C.D. Cal. Jan. 23, 2012) (acknowledging
5 that courts approve PAGA claim settlements in the range of zero to two percent of the total settlement).

6 Here, Plaintiff and Defendant negotiated a good faith PAGA Payment in the amount of \$10,000
7 which is 5% of the Gross Settlement Amount. As illustrated above, this amount falls well within the
8 range of approved PAGA Settlements. Seventy-five percent (75%) of the PAGA Payment (\$7,500)
9 will be paid to the LWDA (“LWDA Payment”) with the remaining twenty-five percent (25%) of the
10 PAGA Payment (\$2,500.00) to be distributed to the Aggrieved Employees (“Aggrieved Employee
11 Payment”) which is within the range of PAGA penalties approved by courts and should be approved.
12 JCL Dec., ¶ 42.

13 Class Counsel gave the LWDA notice of this Settlement and proposed allocation by filing a
14 copy of the Settlement, the Motion for Preliminary Approval, and this motion seeking final approval
15 with the LWDA. JCL Dec., ¶¶ 5-6, 43. By not registering an objection with either Class Counsel or
16 the Court, the LWDA has accepted and approved of the proposed PAGA Payment.

17 **VII. CONCLUSION**

18 Plaintiff respectfully submits that the proposed settlement satisfies the standard of fairness
19 established in California law and should therefore be finally approved as fair, reasonable, and adequate
20 and requests entry of the Final Approval Order and Judgment submitted herewith.
21

22 Dated: July 24, 2024

JCL LAW FIRM, APC

23 By: 
24

Jean-Claude Lapuyade
Attorneys for Plaintiff
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