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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN FRANCISCO**

TESSA FRANKE, as an individual and on behalf
of all others similarly situated, and as a private
attorney general,

Plaintiff,

vs.

WHOLE FOODS MARKET CALIFORNIA,
INC., a California corporation; and DOES 1
through 50, inclusive,

Defendants.

Case No. CGC-20-586827

[Hon. Ethan P. Schulman, Department 304]

**PLAINTIFF'S NOTICE OF MOTION AND
MOTION FOR FINAL APPROVAL OF
CLASS ACTION SETTLEMENT;
MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT**

*[Filed concurrently with Declaration of Larry W.
Lee; Declaration of Simon L. Yang; Declaration
of William L. Marder; Declaration of Tessa
Franke; Declaration of Taylor Mitzner;
[Proposed] Order and Final Judgment]*

Date: June 26, 2023
Time: 11:00 a.m.
Department: 304

Complaint Filed: September 28, 2020

1 **TO THE COURT, DEFENDANT, AND ITS COUNSEL OF RECORD:**

2 **PLEASE TAKE NOTICE** that on June 26, 2023, at 11:00 a.m., or as soon thereafter as the
3 matter may be heard Department 1 of the above-entitled court located at 400 McAllister St. San
4 Francisco, California 94102, Plaintiff, Tessa Franke, will and hereby does seek an Order:

- 5 1. granting final approval to the Joint Stipulation of Class Action Settlement (the “Agreement”)
6 in this action;
- 7 2. approving distribution of the settlement funds to Settlement Class Members and Aggrieved
8 Employees pursuant to the terms of the Agreement;
- 9 3. approving Plaintiff’s request for a service award of \$10,000.00 to the Class Representative
10 pursuant to the terms of the Agreement;
- 11 4. approving Class Counsel’s request for an award of attorneys’ fees of 33⅓% of the
12 \$1,200,000.00 Gross Settlement Amount, or \$400,000.00, and reimbursement of litigation
13 costs of \$12,350.32 pursuant to the terms of the Agreement;
- 14 5. approving Plaintiff’s request for payment of the settlement administration costs to Phoenix
15 Settlement Administrators in the amount of \$42,500.00 pursuant to the terms of the
16 Agreement;
- 17 6. approving Plaintiff’s request for payment to the Labor & Workforce Development Agency of
18 \$60,000.00 pursuant to the terms of the Agreement; and
- 19 7. entering final judgment as to all members of the Settlement Class and the State of California
20 (including the Labor and Workforce Development Agency) in this action.

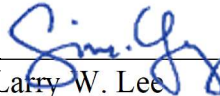
21 This motion is made pursuant to Rule 3.769 of the California Rules of Court, which provides for
22 Court approval of the settlement of a purported class action and allows the Court to grant final
23 certification of a class for settlement purposes. The overwhelmingly positive Class response—as shown
24 by the lack of any objections to the settlement—supports that the settlement is fair, reasonable, and
25 adequate, and should be granted final approval.

26 This motion will be based on the attached Memorandum of Points and Authorities, the
27 supporting Declarations of Larry W. Lee, Simon L. Yang, William L. Marder, Plaintiff Tessa Franke,
28

1 and Taylor Mitzner of Phoenix Settlement Administrators, upon the oral arguments of counsel (should
2 there be any), and on the complete records and file herein.

3 DATED: June 1, 2023

DIVERSITY LAW GROUP, P.C.

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5 By: 
6 Larry W. Lee
7 Simon L. Yang
8 Attorneys for Plaintiff
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1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **TABLE OF CONTENTS**

	Page
SUMMARY OF MOTION.....	1
DISCUSSION	2
I. Class Members Were Provided Notice of the Settlement.....	2
II. The Fair, Adequate, and Reasonable Settlement Should Be Given Final Approval.	3
A. The Strength of the Case and Likelihood of Class Certification Support Approval.	3
1. The Class Is Ascertainable.....	3
2. There Is a Community of Interest.	3
a. There Are Predominant Common Questions of Law and Fact.....	4
b. Plaintiff’s Claims Are Typical of the Class Claims.....	4
c. Plaintiff Adequately Represented the Class.....	5
B. Defendant’s Allegations and Position on Class Certification Support Approval.	5
C. Risks, Expenses, and Complexity of Further Litigation Support Approval.	5
D. The Settlement Terms and Negotiation—as Well as the Class Member Response—All Support the Conclusion that the Settlement is Fair, Adequate, and Reasonable.	5
III. Well-Established Legal Principles Support Final Approval of the Settlement.....	6
A. The Settlement is Presumed to Be Fair.....	7
B. Two-Way Costs and Other Risks Inherent in Litigation Favor Final Approval.....	8
C. The Complexity, Expense, and Likely Duration of Continued Litigation Against Defendant Favor Final Approval.	8
D. The Opinion of Experienced Counsel Favors Final Approval.....	9
IV. The Proposed Payments and Procedures Should Be Approved.....	9
A. The Proposed Procedure for Uncashed Settlement Checks Should Be Approved.	9
B. The Requested Class Representative Service Award Should Be Approved.....	10
C. The Requested Attorneys’ Fees Should Be Approved.	11
1. The Percentage of the Fund Method Supports the Requested Fees.....	11
2. The Lodestar Cross-Check Supports the Requested Fees.....	13

1	D. The Court Should Approve the Request for Reimbursement of Costs.	15
2	E. The Administrator’s Fees and Costs Should Be Approved.	15
3	V. Notice to the LWDA Has Been Provided.	15
4	CONCLUSION.....	15

TABLE OF AUTHORITIES

Page

State Cases

<i>7-Eleven Owners for Fair Franchising v. Southland Corp.</i> , 85 Cal. App. 4th 1135 (2000)	7
<i>Chavez v. Netflix, Inc.</i> , 162 Cal. App. 4th 43 (2008)	12
<i>Classen v. Weller</i> , 145 Cal. App. 3d 27 (1983)	5
<i>Daar v. Yellow Cab Co.</i> , 67 Cal. 2d. 695 (1967)	4
<i>Dunk v. Ford Motor Co.</i> , 48 Cal. App. 4th 1794 (1996)	7, 8
<i>Laffitte v. Robert Half Int'l</i> , 1 Cal. 5th 480 (2016)	11
<i>Lockheed Martin Corp. v. Superior Court</i> , 29 Cal. 4th 1096 (2003)	5
<i>Reese v. Wal-Mart Stores, Inc.</i> , 73 Cal. App. 4th 1225 (1999)	4
<i>Reyes v. San Diego County Board of Supervisors</i> , 196 Cal. App. 3d 1263 (1987)	4
<i>Richmond v. Dart Industries, Inc.</i> , 29 Cal. 3d 462 (1981)	4
<i>Serrano v. Priest</i> , 20 Cal. 3d 25 (1977)	11
<i>Simons v. Horowitz</i> , 151 Cal. App. 3d 834 (1984)	6
<i>Stephens v. Montgomery Ward & Co.</i> , 193 Cal. App. 3d 411 (1987)	5
<i>Vasquez v. Superior Court</i> , 4 Cal. 3d 800 (1971)	4
<i>Wershba v. Apple Computer, Inc.</i> , 91 Cal. App. 4th 224 (2001)	11

Federal Cases

<i>Boeing Co. v. Van Gemert</i> , 444 U.S. 472 (1980)	11
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1	<i>Boyd v. Bechtel Corp.</i> ,	
2	485 F. Supp. 610 (N.D. Cal. 1979)	9
3	<i>Brotherton v. Cleveland</i> ,	
4	141 F. Supp. 2d 907 (S.D. Ohio 2001)	13
5	<i>Class Plaintiffs v. City of Seattle</i> ,	
6	955 F.2d 1268 (9th Cir. 1992)	6, 7
7	<i>Cook v. Niedert</i> ,	
8	142 F.3d 1004 (7th Cir. 1998)	13
9	<i>Eisen v. Carlisle & Jacquelin</i> ,	
10	417 U.S. 156 (1974).....	3
11	<i>Ellis v. Naval Air Rework Facility</i> ,	
12	87 F.R.D. 15 (N.D. Cal. 1980).....	8, 10
13	<i>Enterprise Energy Corp. v. Columbia Gas Transmission Corp.</i> ,	
14	137 F.R.D. 240 (S.D. Ohio 1991).....	13
15	<i>Fernandez v. Victoria Secret Stores LLC</i> ,	
16	2008 WL 8150856 (C.D. Cal. July 21, 2008).....	13
17	<i>Gaskill v. Gordon</i> ,	
18	160 F.3d 361 (7th Cir. 1998)	11
19	<i>Girsh v. Jepson</i> ,	
20	521 F.2d 153 (3d Cir. 1975).....	8, 9
21	<i>Hanon v. Dataproducts Corp.</i> ,	
22	976 F.2d 497 (9th Cir. 1992)	5
23	<i>Hanlon v. Chrysler Corp.</i> ,	
24	150 F.3d 1011 (1998).....	9
25	<i>In re Dun & Bradstreet Credit Servs. Customer Litig.</i> ,	
26	130 F.R.D. 366 (S.D. Ohio 1990).....	13
27	<i>In re General Motors Corp.</i> ,	
28	55 F.3d 768 (3d Cir. 1995).....	9
	<i>Linney v. Cellular Alaska P'ship</i> ,	
	151 F.3d 1234 (9th Cir. 1998)	10
	<i>Mullane v. Central Hanover Bank & Trust Co.</i> ,	
	339 U.S. 306 (1950).....	3
	<i>Officers for Justice v. Civil Serv. Comm'n</i> ,	
	688 F.2d 615 (9th Cir. 1982)	7, 9, 10
	<i>Phillips Petroleum Co. v. Shutts</i> ,	
	472 U.S. 797 (1985).....	3

1	<i>Swedish Hospital v. Shalala</i> ,	
2	1 F.3d 1261 (D.C. Cir. 1993)	13
3	<i>Van Bronkhorst v. Safeco Corp.</i> ,	
4	529 F.2d 943 (9th Cir. 1976)	7, 10
5	<i>Van Vranken v. Atlantic Richfield Co.</i> ,	
6	901 F. Supp. 294 (N.D. Cal. 1995)	11
7	<i>Vincent v. Hughes Air West, Inc.</i> ,	
8	557 F. 2d 759 (9th Cir. 1997)	11
9	<i>Young v. Katz</i> ,	
10	447 F.2d 431 (5th Cir. 1971)	9
11		
12		
13		
14		
15		
16		
17		
18		
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SUMMARY OF MOTION

On September 28, 2020, Plaintiff, Tessa Franke, filed this class and Labor Code Private Attorneys General Act of 2004 (“PAGA”) action against Defendant, Whole Foods Market California, Inc. The lawsuit alleges Defendant failed to furnish wage statements that accurately show the total hours worked to non-exempt employees who were paid shift differential wages.

Plaintiff now seeks the Court’s final approval of the Joint Stipulation of Class Action Settlement (the “Agreement”). The Agreement provides for a \$1,200,000.00 fund to be created for the benefit of the Class, from which attorneys’ fees, litigation costs, a service award to the Class Representative, payment to the California Labor and Workforce Development Agency (“LWDA”), and costs of settlement administration are to be paid. The net settlement fund after these deductions will be paid to Settlement Class Members and Aggrieved Employees.

The history of this litigation was previously detailed in Plaintiff’s Preliminary Approval Motion. On February 27, 2023, the Court preliminarily approved this settlement. It directed distribution of the Notice of Class Action Settlement (“Class Notice”) and scheduled the hearing for final approval of settlement (the “Preliminary Approval Order”).

As directed by the Court, the Administrator, Phoenix Settlement Administrators, distributed the Class Notice to 8,992 Class Members. Declaration of Taylor Mitzner on behalf of Phoenix Settlement Administrators (“Admin Decl.”) ¶ 5. Zero objections have been received. *Id.* ¶ 9. Moreover, there is a 99.94% participation rate, as only six requests for exclusion have been received. *Id.* ¶¶ 8, 11. Thus, an inference can be made that the Class supports the Court’s Preliminary Approval Order finding that the Agreement is fair and reasonable.

In addition to the results of the notice process, the points discussed in Plaintiff’s Preliminary Approval Motion also support final approval of the settlement:

- The settlement provides a total settlement sum of \$1,200,000.00;
- The settlement is fair given that Class Members will receive (*after* deductions for fees, costs, etc.) a substantial amount of money (on average, each Class Member will receive approximately \$75.08, *see* Admin Decl. ¶¶ 14, 15);
- Class Members did not need to submit claim forms to participate in the settlement, but are being paid automatically;

- The allocation reflects that payment of claims will be paid to all Class Members in proportion to the number of relevant wage statements received by each Class Member during the Class Period;
- Plaintiff conducted significant investigation in this case, including formal and informal discovery and exchanges of information by Plaintiff and Defendant of class data for the entire class necessary for Plaintiff to fully evaluate this case; and
- California’s LWDA will also be the beneficiary of this settlement as it will receive \$60,000.00, should this settlement be granted final approval.

Accordingly, the Court should grant Final Approval consistent with the Preliminary Approval Order.

DISCUSSION

I. Class Members Were Provided Notice of the Settlement.

The notice procedures required by the Preliminary Approval Order have been followed and satisfy all due process rights of Class Members. The Preliminary Approval Order contemplated that Phoenix Settlement Administrators would serve as the Administrator. It also contemplated that the Class Notice would be sent to all Class Members by first class mail, as specified in the Agreement.

As clearly stated in the Admin Declaration, notice was provided to Class Members, as required by the Preliminary Approval Order. On March 13, 2023, the Administrator received a Class Member mailing list from Defendant’s counsel that included 8,992 Class Members. Admin Decl. ¶ 3. On March 27, 2023, each of the persons identified on the mailing list were sent the Class Notice via first class mail—and also emailed to 8,181 Class Members whose email addresses were available. *Id.* ¶ 5. From the date of mailing, 612 mailed Class Notices were returned. *Id.* ¶ 6. After an address trace was performed, 566 Class Notices were then re-mailed to an updated address. *Id.* Only 46 of the Class Notices—or 0.5%—remain undeliverable. *Id.* ¶ 7. The Class Notice provided Class Members with Class Counsel’s contact information, where they could further seek information regarding the settlement, leave questions for the Administrator, and update their addresses.

Plaintiff provided the “best notice practicable” in this case as necessary to protect the due process rights of class members. *See Phillips Petroleum Co. v. Shutts*, 472 U.S. 797, 811-12 (1985) (providing “best notice practicable” with description of the litigation and explanation of opt-out rights satisfies due process); *Eisen v. Carlisle & Jacquelin*, 417 U.S. 156, 174-75 (1974) (explaining individual notice must be sent to class members who can be identified through reasonable means); *Mullane v.*

1 *Central Hanover Bank & Trust Co.*, 339 U.S. 306, 314 (1950) (stating best practicable notice is that
2 which is “reasonably calculated, under all the circumstances, to apprise interested parties of the
3 pendency of the action and afford them an opportunity to present their objections”).

4 Here, Class Members were mailed a notice that explained the settlement and allowed Class
5 Members to seek information, ask questions, and object, if so desired. As such, proper notice has been
6 given to the Class Members. Thus, the Court may determine the fairness and adequacy of the settlement
7 and enter its Order granting final approval, secure in the knowledge that all absent Class Members have
8 been given the opportunity to participate fully in the claims, exclusion, and the approval process.

9 **II. The Fair, Adequate, and Reasonable Settlement Should Be Given Final Approval.**

10 **A. The Strength of the Case and Likelihood of Class Certification Support Approval.**

11 The Court already addressed the requirements for certifying a class for settlement purposes in its
12 Order granting preliminary approval. Plaintiff briefly addresses the requirements again here.

13 **1. The Class Is Ascertainable.**

14 “Whether a class is ascertainable is determined by examining (1) the class definition, (2) the size
15 of the class, and (3) the means available for identifying the class members.” *Reyes v. San Diego County*
16 *Board of Supervisors*, 196 Cal. App. 3d 1263, 1271 (1987); *see also* Code Civ. Proc. § 382.

17 Here, the Class includes any current or former nonexempt employees who worked for Defendant
18 in the State of California and who were paid shift differential wages at any time during the Class Period.
19 Agreement § 1.5. The Class Period is from April 6, 2019, through January 29, 2021. *Id.* § 1.7.

20 There are 8,992 individuals that comprise the Class. Admin Decl. ¶ 3.¹ This is more than the
21 minimum required to certify a class. Within the context of manageability, the issue is whether there
22 exists sufficient means for identifying class members at the remedial stage. *Reyes*, 196 Cal. App. 3d at
23 1274-75. Here, Class Members have already been identified and have already been sent notice.

24 **2. There Is a Community of Interest.**

25 The “community of interest” requirement embodies three separate factors: (1) predominant
26 common questions of law or fact; (2) class representatives whose claims are typical of the class; and (3)

27 ¹ All Class Members are also Aggrieved Employees. Agreement § 1.5. The PAGA Period is the same as
28 the Class Period. *Id.* § 1.7.

1 class representatives who can adequately represent the class. *Richmond v. Dart Industries, Inc.*, 29 Cal.
2 3d 462, 470 (1981); *Reese v. Wal-Mart Stores, Inc.*, 73 Cal. App. 4th 1225, 1234 (1999).

3 **a. There Are Predominant Common Questions of Law and Fact.**

4 “The ultimate question in every case of this type [class actions] is whether ... the issues which
5 may be jointly tried, when compared with those requiring separate adjudication, are so numerous and
6 substantial that the maintenance of a class action would be advantageous to the judicial process and to
7 the litigants.” *Lockheed Martin Corp. v. Superior Court*, 29 Cal. 4th 1096, 1104-05 (2003).

8 Here, Plaintiff alleges that Defendant, as a matter of common corporate policy, practice, or
9 procedure, failed to furnish wage statements that accurately show the total hours worked to non-exempt
10 employees who were paid shift differential wages. While Defendant denies that liability could be
11 established on a class-wide basis and contends instead that liability would need to be conducted on a
12 case-by-case basis, common questions predominate Plaintiff’s theory of liability.

13 **b. Plaintiff’s Claims Are Typical of the Class Claims.**

14 A class representative’s claim must be “typical” but not necessarily identical to the claims of
15 other class members; it is sufficient that the representative is similarly situated so that he or she will
16 have the motive to litigate on behalf of the class. *Classen v. Weller*, 145 Cal. App. 3d 27, 45 (1983).
17 Courts look to “whether the action is based on conduct which is not unique to the named Plaintiff” and
18 whether other class members were injured by the same conduct. *Hanon v. Dataproducts Corp.*, 976 F.2d
19 497, 508 (9th Cir. 1992). The purpose of the typicality requirement “is to assure that the interest of the
20 named representative aligns with the interests of the class.” *Id.* at 508.

21 Plaintiff was employed by Defendant and alleges that she was subjected to the same payroll
22 policies and wage statement practices as all other Class Members. Specifically, like other members of
23 the Class, Plaintiff alleges she was paid shift differential wages and received wage statements that failed
24 to itemize the accurate total hours worked. Declaration of Tessa Franke (“Franke Decl.”) ¶ 2. In sum,
25 Plaintiff alleges she was subjected to the same policies and practices as other Class Members. Plaintiff’s
26 claims thus are typical to those of Class Members.

1 **c. Plaintiff Adequately Represented the Class.**

2 The class representative, through qualified counsel, must be capable of “vigorously and
3 tenaciously” protecting the interests of the class members. *Simons v. Horowitz*, 151 Cal. App. 3d 834,
4 846 (1984). Here, Plaintiff does not have any interests adverse to the Class, nor have any such issues
5 been raised or presented. Plaintiff has taken all necessary steps to represent the interests of the Class,
6 including providing information and documents to her counsel and reviewing pleadings in this case.
7 Franke Decl. ¶¶ 3-5. For such reasons, Plaintiff has adequately represented Class Members.

8 **B. Defendant’s Allegations and Position on Class Certification Support Approval.**

9 Defendant asserts that even assuming that a class could have been certified, Plaintiff would be
10 unable to establish classwide liability. For example, Defendant contended that liability under Section
11 226(e) would be subject to defenses requiring proof of injuries resulting from knowing and intentional
12 violations.² Likewise, Defendant contended that PAGA penalties in any event would be subject to
13 discretionary reductions. Based thereon, Defendant continues to maintain that it is not liable for the
14 allegations made by Plaintiff or for the amounts alleged by Plaintiff.

15 **C. Risks, Expenses, and Complexity of Further Litigation Support Approval.**

16 Plaintiff believes that a class can be certified. However, Plaintiff also believes in the fairness of
17 the settlement when factoring in the uncertainty and risks involved in not prevailing on the theory of
18 liability alleged in the Complaint, the possibility of non-certification, and the potential for appeals.

19 There is always a risk that the court will not grant certification of the class. As Defendant alleges
20 that a class could not have been certified, there was at least a substantial risk that Plaintiff would not
21 have obtained the total amount of damages alleged, and a substantial number of complex issues that
22 would have necessitated significant expenditure of time and expenses. Therefore, the risks, expenses,
23 and complexity of further litigation warrant granting of this motion.

24 **D. The Settlement Terms and Negotiation—as Well as the Class Member Response—**
25 **All Support the Conclusion that the Settlement is Fair, Adequate, and Reasonable.**

26 Without reiterating the details in the Preliminary Approval Motion showing that the Agreement
27 (and the negotiation process that led up to it) is fair and adequate, Plaintiff highlights the following facts.

28

 ² Except as otherwise noted, all “Section” references are to the Labor Code.

1 The Agreement was the product of negotiation between highly able and experienced attorneys on both
2 sides who possessed the relevant data and extensive legal research which they had carefully analyzed.
3 Declaration of Larry W. Lee (“Lee Decl.”) ¶¶ 4-5.

4 Following notice to the Class, not a single objection to the settlement has been received to date.
5 Admin Decl. ¶ 9. The Court may appropriately infer that the class action settlement is fair, adequate, and
6 reasonable, given that not a single Class Member has submitted an objection. *See Class Plaintiffs v. City*
7 *of Seattle*, 955 F.2d 1268, 1291 (9th Cir. 1992). Moreover, only six Class Members request exclusion—
8 meaning 99.94% of the Class seeks to participate in the settlement. Admin Decl. ¶ 8. Indeed, the Class
9 Member response suggests the preliminarily approved settlement should now be granted final approval.

10 **III. Well-Established Legal Principles Support Final Approval of the Settlement.**

11 On a motion for final approval of a class action settlement under Code of Civil Procedure section
12 382 and Rule 3.769 of the California Rules of Court, a court’s inquiry is whether the settlement is “fair,
13 adequate and reasonable.” *Officers for Justice v. Civil Serv. Comm’n*, 688 F.2d 615, 625 (9th Cir. 1982).
14 A settlement is fair, adequate, and reasonable, and therefore merits final approval, when “the interests of
15 the class are better served by the settlement than by further litigation.” *See Manual for Complex*
16 *Litigation, Fourth* § 21.6 at 309 (Fed. Jud. Ctr., 4th ed. 2004) (“MCL”). The law favors settlement,
17 particularly in class actions and other complex cases, where substantial resources can be conserved by
18 avoiding the time, cost, and rigors of formal litigation. *See* 4 Alba Conte & Herbert B. Newberg,
19 *Newberg on Class Actions* § 11.41 (4th ed. 2002); *Class Plaintiffs v. City of Seattle*, 955 F.2d 1268,
20 1276 (9th Cir. 1992); *Van Bronkhorst v. Safeco Corp.*, 529 F.2d 943, 950 (9th Cir. 1976).

21 Although the Court possesses “broad discretion” in determining that a proposed class action
22 settlement is fair, the Court’s role must be limited to the extent necessary to reach a reasoned judgment
23 that the agreement is not the product of fraud or overreaching by, or collusion between, the negotiating
24 parties, and that the settlement, taken as a whole, is fair, reasonable, and adequate to all concerned. *See*
25 *Officers for Justice*, 688 F.2d at 625. Accordingly, the Court should give due regard to what is otherwise
26 a “private consensual agreement” between the parties. *Id.*; *see also Church v. Consolidated Freightways,*
27 *Inc.*, 1993 WL 149840 (N.D. Cal. 1993); *In re Wash. Pub. Power Supply Sys. Sec. Litig.*, 720 F. Supp.
28 1379 (D. Ariz. 1989), *aff’d sub nom.*; *City of Seattle*, 955 F.2d 1268; MCL § 21.6 at 309 (“The judicial

1 role in reviewing a proposed settlement is critical, but limited to approving the proposed settlement,
2 disapproving it, or imposing conditions on it. The judge cannot rewrite the agreement”).

3 As the Court of Appeal has cautioned:

4 It cannot be overemphasized that neither the trial court in approving the settlement nor
5 this Court in reviewing that approval have the right or duty to reach any ultimate
6 conclusions on the issues of fact and law which underlie the merits of the dispute. It is
7 well settled that in the judicial consideration of proposed settlements, ‘the [trial] judge
does not try out or attempt to decide the merits of the controversy,’ [citation] and the
appellate court ‘need not and should not reach any dispositive conclusions on the
admittedly unsettled legal issue.

8 *7-Eleven Owners for Fair Franchising v. Southland Corp.*, 85 Cal. App. 4th 1135, 1146 (2000).

9 A court’s review and approval of a PAGA settlement is subject to a similar standard as that for
10 class action settlement approval. A court should evaluate a PAGA settlement to determine whether it is
11 fair, reasonable, and adequate in view of PAGA’s purposes to remediate present labor law violations,
12 deter future ones, and to maximize enforcement of state labor laws. *Moniz v. Adecco USA, Inc.*, 72 Cal.
13 App. 5th 56, 77 (2021).

14 **A. The Settlement is Presumed to Be Fair**

15 The Court should begin with the presumption that the settlement is fair and should be approved:

16 [A] presumption of fairness exists where: (1) the settlement is reached through arm’s-
17 length bargaining; (2) investigation and discovery are sufficient to allow counsel and the
18 court to act intelligently; (3) counsel is experienced in similar litigation; and (4) the
percentage of objectors is small.

19 *Dunk v. Ford Motor Co.*, 48 Cal. App. 4th 1794, 1802 (1996); *accord, Ellis v. Naval Air Rework*
20 *Facility*, 87 F.R.D. 15, 18 (N.D. Cal. 1980); *In re Wash. Pub Power Supply*, 720 F. Supp. at 1387.

21 The settlement in the case at bar warrants approval and carries a presumption of fairness. As
22 previously noted in the application for Preliminary Approval, this current settlement was negotiated at
23 arm’s length. Lee Decl. ¶¶ 4-5. Class Counsel engaged in extensive factual investigation before settling,
24 including the exchange of formal and informal discovery and class data enabling Class Counsel to
25 evaluate the full extent of Defendant’s potential liability. *Id.* ¶ 4. Further, Class Counsel is highly
26 experienced in this type of litigation. As shown in the supporting declarations, Class Counsel has
27 significant experience in class actions and employment wage and hour matters. *Id.* ¶¶ 6-8; Declaration of
28 Simon L. Yang (“Yang Decl.”) ¶¶ 4-6; Declaration of William L. Marder (“Marder Decl.”) ¶¶ 3-10.

1 **B. Two-Way Costs and Other Risks Inherent in Litigation Favor Final Approval.**

2 To assess the fairness, adequacy, and reasonableness of a class action settlement, the Court also
3 should weigh the immediacy and certainty of substantial settlement proceeds against the risks inherent in
4 continued litigation. *See also In re General Motors Corp.*, 55 F.3d 768, 806 (3d Cir. 1995) (“present
5 value of the damages plaintiffs would likely recover if successful, appropriately discounted for the risk
6 of not prevailing, should be compared with the amount of the proposed settlement”); *Girsh v. Jepson*,
7 521 F.2d 153, 157 (3d Cir. 1975); *Boyd v. Bechtel Corp.*, 485 F. Supp. 610, 616-17 (N.D. Cal. 1979).

8 If Plaintiff pursued this case without settlement and failed to prevail, Plaintiff would have been
9 potentially responsible for Defendant’s costs. Likewise, any other current or former employees that
10 bring individual claims also would face the uncertainty of prevailing and the possibility of paying costs
11 to Defendant. For that reason, many of these current and former employees likely would not pursue
12 claims. This lawsuit thus achieves a true benefit for the Class that they otherwise might not get or even
13 seek as individuals. Here, given that a fair and reasonable settlement has been reached, neither Plaintiff
14 nor any of the Class Members will be required to pay for Defendant’s litigation costs.

15 The risks of this case were weighed by Class Counsel and should be considered a significant
16 factor by the Court in its determination of final approval. Class Counsel obtained a significant settlement
17 for the Class that resulted in a fair recovery which at the same time provides for finality and no risk of
18 costs by the Class Members or Class Representative.

19 **C. The Complexity, Expense, and Likely Duration of Continued Litigation Against**
20 **Defendant Favor Final Approval.**

21 Another factor considered by courts in approving a settlement is the complexity, expense, and
22 likely duration of the litigation. *See Officers for Justice*, 688 F.2d at 625; *Girsh*, 521 F.2d at 157. In
23 applying this factor, courts weigh the benefits of settlement against the expense and delay involved in
24 achieving a favorable result at trial. *Young v. Katz*, 447 F.2d 431, 433-34 (5th Cir. 1971).

25 The Agreement affords the Class prompt, fair relief while avoiding significant legal and factual
26 battles that otherwise may have prevented the Class from obtaining any recovery at all. While Class
27 Counsel believe the Class Members’ claims are meritorious and can be successfully litigated, they are
28 experienced and fully understand the inherent risks and uncertainty involved with such matters as the

1 resolution of class certification, the outcome of a potential trial, and the outcome of any appeals that
2 would inevitably follow should the Class prevail at trial. Class Counsel has also assessed the same risks
3 in connection with the current settlement. Because the settlement provides immediate and substantial
4 relief, without the attendant risks and delay of continued litigation—not to mention the threat of
5 litigation fees and costs—Class Counsel believe that the settlement warrants the Court’s final approval.

6 While continued litigation could have led to appeals on several issues, the settlement that was
7 reached provides to all Class Members—regardless of their means—fair relief in a prompt and efficient
8 manner. Were the Court to deny final approval, the Class Members would be left without a remedy as a
9 practical matter and courts across the State would have to address the issues presented here in a
10 piecemeal, costly, and time-consuming manner. The settlement in this case is therefore consistent with
11 the “overriding public interest in settling and quieting litigation” that is “particularly true in class action
12 suits.” *See Van Bronkhorst*, 529 F.2d at 950; *see also 4 Newberg* § 11.41. Here, litigation of this case
13 through trial and appeals would require extended litigation.

14 **D. The Opinion of Experienced Counsel Favors Final Approval.**

15 Class Counsel supports the settlement as fair, reasonable, and adequate, as in the best interest of
16 the Class Members as a whole, and fair, reasonable, and adequate in view of PAGA’s purposes. Lee
17 Decl. ¶ 5; Yang Decl. ¶ 2; Marder Decl. ¶ 2. Similarly, counsel for Defendant is in favor of this
18 settlement. The endorsement of qualified and well-informed counsel of a settlement as fair, reasonable,
19 and adequate is entitled to significant weight by the Court in its final approval determination. *See*
20 *Officers for Justice*, 688 F.2d at 625; *Ellis*, 87 F.R.D. at 18; *Boyd*, 485 F. Supp. at 617; *Linney v.*
21 *Cellular Alaska P’ship*, 151 F.3d 1234, 1242 (9th Cir. 1998).

22 **IV. The Proposed Payments and Procedures Should Be Approved.**

23 **A. The Proposed Procedure for Uncashed Settlement Checks Should Be Approved.**

24 As referenced in the Motion for Preliminary Approval, to the extent any uncashed settlement
25 funds remain after 180 days, the Parties have agreed that the funds (upon the expiration date) would be
26 distributed with 100% of the sum to be paid to the State Controller Unclaimed Property Fund in the
27 name of the Class Member. None of the settlement funds will revert to Defendant.

1 **B. The Requested Class Representative Service Award Should Be Approved.**

2 Class Representative Tessa Franke requests a service award of \$10,000.00. Plaintiff met with
3 Class Counsel to provide substantive information regarding Defendant’s practices. Franke Decl. ¶ 3.
4 Plaintiff provided invaluable information, evidence, and documents that resulted in this settlement.

5 In addition to the invaluable services that she provided and at least 45.0 hours she devoted to the
6 litigation on behalf of the Class, Franke Decl. ¶ 3, Plaintiff took significant risks, both professionally
7 and monetarily, in acting as Class Representative to seek benefits for the Class. Because the claims
8 Plaintiff alleged involved the payment of costs to the prevailing party, Plaintiff could have possibly
9 faced paying the costs of Defendant had she not prevailed in this action. Moreover, Plaintiff understood
10 that an individual case would have resolved much faster than a class action and involved much less
11 financial risk than a class action. Despite this, Plaintiff agreed to pursue this case on behalf of the Class.
12 *Id.* ¶ 8.

13 Also, given that future employers are much less likely to hire individuals who have filed
14 employment-related lawsuits, particularly cases of this nature, the Class Representative also faces
15 significant risk in not being able to find suitable employment—all as a result of filing of this case against
16 Defendant. Plaintiff took these risks upon herself to the benefit of the Class. Franke Decl. ¶ 8. Class
17 Members did not have to file individual lawsuits and bear the risks of payment of costs if they did not
18 prevail, nor did they have to face the potential for retaliation and not getting future employment had they
19 filed a lawsuit which is a public record. These are significant benefits that weigh in favor of granting the
20 requested award. Moreover, this litigation has resulted in a significantly valuable benefit to the Class,
21 and Plaintiff took on substantial risks in helping to get this financial benefit to the Class. As such, the
22 award should be granted to Plaintiff for her commitment, dedication, and risks taken for this litigation.

23 Equally important, Plaintiff provided a general release and waiver of the protections of Civil
24 Code section 1542. Franke Decl. ¶ 9. This is a more extensive release than that provided by the Class at
25 large and also supports the request for the award.³

26

³ Courts have routinely granted approval of settlements containing such incentive awards. *See Van*
27 *Vranken v. Atlantic Richfield Co.*, 901 F. Supp. 294, 299-300 (N.D. Cal. 1995) (incentive award of

28 \$50,000); *In re Dun & Bradstreet Credit Servs. Customer Litig.*, 130 F.R.D. 366, 374 (S.D. Ohio 1990)
(two incentive awards of \$55,000, and three incentive awards of \$35,000); *Brotherton v. Cleveland*, 141

1 **C. The Requested Attorneys’ Fees Should Be Approved.**

2 **1. The Percentage of the Fund Method Supports the Requested Fees.**

3 Class Counsel seeks a fee award calculated at 33⅓% of the total value of the settlement for the
4 successful prosecution and resolution of this action. California state and federal courts have recognized
5 that an appropriate method for determining award of attorneys’ fees is based on a percentage of the total
6 value of benefits to class members by the settlement. *Wershba v. Apple Computer, Inc.*, 91 Cal. App. 4th
7 224, 254 (2001); *Serrano v. Priest*, 20 Cal. 3d 25, 34 (1977); *Boeing Co. v. Van Gemert*, 444 U.S. 472,
8 478 (1980); *Vincent v. Hughes Air West, Inc.*, 557 F.2d 759, 769 (9th Cir. 1997). The purpose of this
9 equitable doctrine is to avoid unjust enrichment to the Class and to “spread litigation costs
10 proportionally among all the beneficiaries so that the active beneficiary does not bear the entire burden
11 alone.” *Vincent*, 557 F.2d at 769.

12 The California Supreme Court has provided guidance regarding the award of attorneys’ fees in
13 wage and hour class action settlements. Under California law, the award of attorneys’ fees in common
14 fund wage and hour class action settlements should start with the percentage method. *See Laffitte v.*
15 *Robert Half Int’l*, 1 Cal. 5th 480, 503 (2016) (“We join the overwhelming majority of federal and state
16 courts in holding that when class action litigation establishes a monetary fund for the benefit of the class
17 members, and the trial court in its equitable powers awards class counsel a fee out of that fund, the court
18 may determine the amount of a reasonable fee by choosing an appropriate percentage of the fund
19 created”). Under the percentage of the fund method, a court’s objective remains to “mimic the market”
20 in fixing a reasonable fee. *See Gaskill v. Gordon*, 160 F.3d 361, 363 (7th Cir. 1998) (Posner, J.) (“When
21 a fee is set by a court rather than by contract, the object is to set it at a level that will approximate what
22 the market will set The judge, in other words, is trying to mimic the market in legal services.”).

23 First, the fee award representing 33⅓% of the fund clearly falls within that range and is
24 consistent with other rulings of other courts and comprehensive surveys of class action settlements and
25 fee awards. Attorneys’ fees awards of 35% of the fund are within the expected range in the “market in

26 *F. Supp. 2d 907, 913-14 (S.D. Ohio 2001) (granting a \$50,000 incentive award); Enter. Energy Corp. v.*
27 *Columbia Gas Transmission Corp.*, 137 F.R.D. 240, 251-52 (S.D. Ohio 1991) (\$50,000 awarded to each
28 class representative); *Glass v. UBS Fin. Servs.*, 2007 U.S. Dist. LEXIS 8476, at *51-52 (N.D. Cal. Jan.
27, 2007) (awarding \$25,000 incentive award in FLSA overtime wages class action); *Cook v. Niedert*,
142 F.3d 1004, 1016 (7th Cir. 1998) (affirming \$25,000 incentive award to class representative).

1 legal services. *See* Fitzpatrick, *An Empirical Study of Class Action Settlements and Their Fee Award*, 7
2 J. Empirical Leg. Stud. 811, 833 (2010) (analyzing 444 cases between 2006-2007 and concluding that
3 “[m]ost fee awards were between 25 percent and 35 percent”).⁴

4 Second, the results delivered by Class Counsel also support the requested percentage of the fund.
5 Here, Plaintiff and her counsel secured a \$1,200,000.00 settlement and zero Class Members chose to
6 object. Only six chose to request exclusion, meaning that 99.94% of the Class elected to participate.

7 Third, “the response of the class members to attorneys’ fee notice, though not decisive, is
8 relevant to the ... reasonable determination” regarding fees. *Swedish Hospital v. Shalala*, 1 F.3d 1261,
9 1272 (D.C. Cir. 1993). A positive response rate tends to suggest that the court’s “approximation of the
10 market” for fees is well supported. *Id.* at 1269. Here, the Class Notice specifically notified the Class that
11 Class Counsel would be seeking \$400,000.00 in attorneys’ fees. Again, there were no objections.

12 Fourth, it is recognized that one of the primary factors justifying an enhanced attorney’s fees
13 reward is the attendant risks inherent in the litigation. As observed in *City of Detroit v. Grinnell Corp.*:

14 No one expects a lawyer whose compensation is contingent upon his success to charge, when
15 successful, as little as he would charge a client who had agreed to pay for his services, regardless
16 of success. Nor, particularly in complicated cases producing large recoveries, is it just to make a
fee depend solely on the reasonable amount of time expended.

17 495 F.2d 448, 470 (2d Cir. 1974). Here, it is clear that a settlement fund of \$1,200,000.00 has been
18 created. For Class Counsel, the fees here were wholly contingent in nature and the case presented far
19 more risk than the usual contingent fee case. Among the risks was the cost inherent in class action
20 litigation, as well as a long battle with a corporate Defendant who had retained a premier and highly
21 experienced defense firm. For such reasons, Class Counsel’s request for attorneys’ fees in the amount of
22 \$400,000.00 is fair, reasonable, and adequate.

23
24
25 ⁴ Such a fee award mimics the market and “is supported by the fact that typical contingency fee
26 agreements provide that class counsel will recover 33% if the case is resolved before trial and 40% if the
27 case is tried.” *Fernandez v. Victoria Secret Stores LLC*, 2008 WL 8150856, at *16 n.59 (C.D. Cal. July
28 21, 2008) (citing Brickman, *Effective Hourly Rates of Contingency-Fee Lawyers: Competing Data and
Non-Competitive Fees* (Fall 2003) 81 Wash U. L. Q. 653, 659 n. 11). Indeed, a fee award of 35% of the
fund is consistent with “empirical studies [that] show that ... fee awards in class actions average around
one-third of the recovery.” *Chavez v. Netflix, Inc.*, 162 Cal. App. 4th 43, 66 n.11 (2008).

1 **2. The Lodestar Cross-Check Supports the Requested Fees.**

2 The amount requested is reasonable for an additional reason. While the primary method
3 employed to determine fees is the percentage method, courts have discretion to use the lodestar method
4 to “cross-check” the amount of fees calculated by way of percentage. The *Laffitte* court emphasized,
5 however, that “the lodestar calculation, when used in this manner, does not override the trial court’s
6 primary determination of the fee as a percentage of the common fund and thus does not impose an
7 absolute maximum or minimum on the potential fee award.” *Laffitte*, 1 Cal. 5th at 505 (emphasis
8 added); *In re Rite Aid Corp. Secs. Litig.*, 396 F.3d 294, 306-307 (3d Cir. 2005) (“[The lodestar cross-
9 check does not trump the primary reliance on the percentage of common fund method”).

10 Courts find reasonable multipliers in a lodestar cross-check can “range from 2 to 4 or even
11 higher.” *Wershba v. Apple Computer, Inc.*, 91 Cal. App. 4th 224, 255 (2001).⁵ Indeed, the intermediate
12 court in *Laffitte*—after finding that “2 to 4” is a reasonable range for multipliers on a cross-check—
13 affirmed a 2.13 multiplier. *Laffitte*, 231 Cal. App. 4th at 881-82.⁶ Moreover, the Ninth Circuit has cited
14 with approval a comprehensive study of fees awarded by the percentage method showing that the
15 majority of multipliers awarded are “in the 1.5-3.0” range. *See Vizcaino v. Microsoft Corp.*, 290 F.3d
16 1043, 1051 (9th Cir. 2002) (affirming a multiplier of 3.65 in an employment class action case and
17 analyzing the multiplier awarded in over 30 cases).⁷

18 With respect to Class Counsel’s lodestar, at least 332.3 hours have been expended by Class
19 Counsel litigating this case. Lee Decl. ¶ 10, Ex. B; Yang Decl. ¶ 8, Ex. A; Marder Decl. ¶ 12, Ex. A.
20 Moreover, Class Counsel expects to incur approximately 40.0 hours of anticipated time spent to attend
21

22 ⁵ *Accord Chavez*, 162 Cal. App. 4th at 60 (applying a 2.5 multiplier on a lodestar cross-check); *Sutter*
23 *Health Uninsured Pricing Cases*, 171 Cal. App. 4th 495, 512 (2009) (applying a 2.52 multiplier on a
cross-check); *City of Oakland v. Oakland Raiders*, 203 Cal. App. 3d 78 (1988) (affirming a 2.34
multiplier without remand).

24 ⁶ The intermediate court opinion was affirmed in full upon review by the California Supreme Court.

25 ⁷ Federal district courts applying California law have likewise routinely approved cross-check
26 multipliers between 2.0 and 3.0 in employment cases. *See, e.g., Willner v. Manpower Inc.*, 2015 WL
27 3863625, at *7 (N.D. Cal. June 22, 2015) (affirming a 2.10 multiplier on settlement of California Labor
Code violations); *Dyer v. Wells Fargo Bank, N.A.*, 303 F.R.D. 326, 334 (N.D. Cal. 2014) (approving
attorneys’ fees that resulted in lodestar multiplier of 2.83); *Hopkins v. Stryker Sales Corp.*, 2013 WL
28 496358, at *5 (N.D. Cal. Feb. 6, 2013) (approving a multiplier of 2.76 in settlement of Labor Code
violations). Other courts have found even higher multipliers to be reasonable by comparison to other
cases. *See Craft v. County of San Bernardino*, 624 F. Supp. 2d 1113, 1125-26 (C.D. Cal. 2008)
(approving a 5.2 multiplier after surveying a large body of cases affirming a higher multiplier).

1 the final approval hearing, secure final approval, and respond to post-final approval phone calls and
2 correspondence from the Administrator, defense counsel, and Class Members. Lee Decl. ¶ 10; Yang
3 Decl. ¶ 8; Marder Decl. ¶ 12. Courts are quite liberal in the evidence required to prove an attorney's
4 hours. Detailed time records are not required; an attorney's testimony alone may suffice: "Testimony of
5 an attorney as to the number of hours worked on a particular case is sufficient evidence to support an
6 award of attorney fees, even in the absence of detailed time records." *Martino v. Denevi*, 182 Cal. App.
7 3d 553, 559 (1986).

8 Reasonable hours include, in addition to time spent during litigation, the time spent before the
9 action is filed, including time spent interviewing the clients, investigating the facts and the law, and
10 preparing the initial pleadings. *New York Gaslight Club, Inc. v. Carey*, 447 U.S. 54, 62 (1980). The fee
11 award should also include fees incurred to establish and defend the attorneys' fee claim. *Serrano v.*
12 *Unruh*, 32 Cal. 3d 621, 639 (1982). The hours for which Plaintiff's Counsel seeks compensation involve
13 only these types of tasks. Thus, the number of hours for which fees are sought is reasonable.

14 A reasonable hourly rate is the prevailing rate charged by attorneys of similar skill and
15 experience in the relevant community. *PLCM Group, Inc. v. Drexler*, 22 Cal. 4th 1084, 1095 (2000).
16 The court may consider other factors when determining a reasonable hourly rate, *e.g.*, the attorney's skill
17 and experience, the nature of the work performed, the relevant area of expertise and the attorney's
18 customary billing rates. *Flannery v. California Highway Patrol*, 61 Cal. App. 4th 629, 632-33 (1998).

19 Here, Mr. Lee's hourly rate is \$800. Lee Decl. ¶ 10. Mr. Marder's hourly rate is \$750. Marder
20 Decl. ¶ 11. Mr. Yang's hourly rate is \$725. Yang Decl. ¶ 7. Plaintiff's Counsel's skill and experience
21 justify the requested rates. As shown in the supporting declarations, Plaintiff's Counsel has significant
22 experience in the area of employment and wage and hour class and representative actions. Plaintiff's
23 Counsel's practices focus on representing employees in employment matters, particularly wage and hour
24 cases on a contingency basis. Lee Decl. ¶¶ 6-8; Yang Decl. ¶¶ 4-6; Marder Decl. ¶¶ 5-12.

25 Based on the rates and 372.3 total hours, the lodestar for Class Counsel through the finalization
26 of this settlement will be approximately \$280,307.50. Lee Decl. ¶ 10; Yang Decl. ¶ 8; Marder Decl. ¶¶
27 11-12. The requested attorneys' fees result in a modest multiplier of approximately 1.43 and are
28

reasonable and fair, based on the factors described above. The cross-check and modest multiplier support the fee requested.

D. The Court Should Approve the Request for Reimbursement of Costs.

The request for reimbursement of costs, in the amount of \$12,350.32 is fair and reasonable. As set forth in Plaintiff's counsel's declaration, the costs were all directly incurred in the prosecution of this action. Lee Decl. ¶ 9, Ex. A. As such, this request should be approved.

E. The Administrator's Fees and Costs Should Be Approved.

Pursuant to the terms of the Agreement, the fees and costs of the Administrator, Phoenix Administrators, are to be paid out of the class settlement funds. As shown in the Declaration of Taylor Mitzner, the settlement administration fees expended in this matter amount to a total of \$42,500.00. Admin Decl. ¶ 16, Ex. B. For such reasons, it is requested that the Administrator's fees be approved.

V. Notice to the LWDA Has Been Provided.

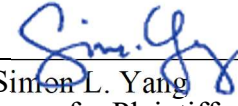
On February 27, 2023, Plaintiff uploaded the Order Granting Plaintiff's Motion for Preliminary Approval of Class Action Settlement to the LWDA's website. Lee Decl. ¶ 11. Concurrent with the filing of this motion, Plaintiff also has uploaded the final approval motion to the LWDA. *Id.*

CONCLUSION

Plaintiff respectfully submits that the standards for final approval have been met and the terms of the Agreement are fair, adequate, and reasonable. Accordingly, Plaintiff respectfully requests that the Court enter an Order in the form proposed and submitted.

DATED: June 1, 2023

DIVERSITY LAW GROUP, P.C.

By: 
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