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13	FOR THE COUNTY OF SACRAMENTO		
14	FOR THE COU	NTT OF SACRAMENTO	
15	KALI BATES and MICHAEL JOHNSON,	Case No. 34-2022-00317653	
16	individually and on behalf of all other similarly situated employees,	Assigned for All Purposes to Hon. Jill Talley,	
17		Department 27	
18	Plaintiffs,	) CLASS ACTION	
	vs.	}	
19 20	MVP EVENT PRODUCTIONS, LLC, and LEGENDS HOSPITALITY, LLC; Does 1	MEMORANDUM OF POINTS & AUTHORITIES IN SUPPORT OF PLAINTIFFS' MOTION FOR	
21	through 20, inclusive,	PRELIMINARY APPROVAL OF CLASS	
22	Defendants.	ACTION AND PAGA SETTLEMENT	
23	Detendants.	) Reservation No. A-317653-001	
		Date: January 19, 2023 Time: 9:00 a.m.	
24		Dept.: 27	
25		Judge: Hon. Jill Talley	
26		) Filed: May 18, 2022	
27		FAC Filed: October 25, 2022	
- 1		Trial Date: None Set	
28			

MPA ISO MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT 507306469.1

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# I. INTRODUCTION AND OPENING SUMMARY OF ARGUMENT

Plaintiffs Kali Bates and Michael Johnson ("Plaintiffs") seek preliminary approval of a wage and hour class action and Private Attorneys General Act ("PAGA") settlement in the gross amount of \$175,000. See generally Exhibit A (Joint Stipulation Regarding Class Action and PAGA Settlement and Release ["Agreement"]). Plaintiffs brought this class action individually and on behalf of similarly situated employees who were staffed to work for Legends Hospitality, LLC ("Defendant") by MVP Event Productions, LLC and performed work for Legends Hospitality, LLC, whether as an employee or independent contractor, at any time during the Class Period (Plaintiffs and Defendant sometimes collectively referred to as the "Parties"). See generally Exhibit B (Plaintiffs' First Amended Complaint). There are approximately 1,687 Class Members.

Plaintiffs have alleged that Defendant violated the California Unfair Competition Law, failed to provide accurate wage statements, failed to pay minimum wage for all hours worked, failed to provide meal and rest periods, waiting time penalties, failed to pay overtime wages, failed to reimburse business expenses, failed to comply with sick leave requirements, and failed to timely pay wages during employment. See generally Exhibit B; see also Declaration of Brittany V. Berzin ("Decl. Berzin"), ¶ 2. Plaintiffs have also alleged Defendant is liable for civil penalties under the PAGA based on these violations. See id.; Exhibit C (Plaintiffs' Ltrs. to the Labor and Workforce Development Agency ["LWDA"] Regarding PAGA Claims). Defendant has denied all of Plaintiffs' allegations in their entirety and any liability or wrongdoing of any kind. See Decl. Berzin, ¶ 4. Defendant has also denied that this case is appropriate for class certification other than for purposes of settlement. See id. However, subject to Court approval, the Parties have been able to compromise and settle all asserted claims as a result of extensive investigations, document and data exchanges, and extended negotiations. See Exhibit A. Defendant has also denied that this case is appropriate for class certification other than for purposes of settlement. See id. However, subject to Court approval, the Parties have been able to compromise and settle all asserted claims as a result of extensive investigations, document and data exchanges, and extended negotiations. See Exhibit A. Plaintiffs and Plaintiffs' counsel believe the

<sup>&</sup>lt;sup>1</sup> Plaintiffs only reached a settlement with Defendant Legends Hospitality, LLC. Therefore, this motion only seeks approval of a settlement releasing Defendant Legends Hospitality, LLC, not defendant MVP Event Productions, LLC.

proposed Agreement is fair, reasonable, and adequate based on the investigations, discovery, employee data exchanges, negotiations, and a detailed knowledge of the issues in this case. *See* Decl. Berzin, ¶¶ 6-11; Declaration of Timothy Del Castillo ("Decl. Del Castillo"), ¶¶ 4, 15.

It is well within the discretion of this Court to grant preliminary approval of the Agreement as it satisfied all applicable criteria under California law. Accordingly, Plaintiffs request that the Court: (1) certify the proposed settlement class on a preliminary and conditional basis; (2) grant preliminary and conditional approval of the proposed Agreement (Exhibit A); (3) approve the form and content of the Notice of Settlement (Exhibit F), Claim Form (Exhibit G), and the method for providing notice to Class Members as set forth in the Agreement; (4) adopt the implementation schedule contained in the proposed order; and (5) approve the filing of Plaintiffs' Second Amended Complaint, which was stipulated to by Plaintiffs and Defendant in the Agreement and is attached to the Declaration of Brittany Berzin as Exhibit I.

#### II. PROCEDURAL AND LITIGATION HISTORY

Plaintiff Kali Bates filed this class action on April 1, 2022, against Defendant and MVP Event Productions, LLC. On May 18, 2022, Plaintiff Michael Johnson filed a class action against the same defendants alleging the same or similar claims. Thereafter, Plaintiffs agreed to consolidate their claims against the defendants in one lawsuit. Accordingly, Plaintiff Michael Johnson dismissed his lawsuit without prejudice and Plaintiff Kali Bates filed a First Amended Complaint to add Michael Johnson as a named plaintiff and include a cause of action under the PAGA after exhausting administrative remedies. Specifically, the First Amended Complaint alleges the following causes of action: (1) unfair competition in violation of California Business and Professions Code sections 17200, et seq.; (2) failure to provide accurate, itemized wage statements in violation of Labor Code section 226; (3) failure to pay minimum wages owed in violation of Labor Code sections 1194, 1194.2, and 1197; (4) failure to provide meal and rest periods in violation of Labor Code sections 226.7, 512, and 516; (5) failure to pay all wages owed upon termination in violation of Labor Code sections 201-203; (6) failure to pay overtime in violation of Labor Code sections 204, 510, 558, 1194, and 1198; (7) failure to reimburse necessary business expenses in violation of Labor Code section 2802 and 2804; (8) failure to timely pay wages during employment in violation of Labor Code section 201.3; and (9) violations of Labor

Code section 2698 *et seq.* Plaintiffs exhausted administrative remedies under the PAGA by providing notice of the claims and violations to the LWDA. *See* Exhibit C; Cal. Lab. Code § 2699.3(a), (c); Decl. Berzin, ¶ 3; Decl. Del Castillo, ¶ 3; Exhibit B. There is no date set for a motion for certification or trial in this matter. *See* Decl. Berzin, ¶ 4.

Pursuant to the Agreement, Defendant has stipulated to the filing of the proposed Second Amended Complaint. See Exhibit A, ¶¶ 9.1.1-9.1.2; Exhibit I (Second Amended Complaint). The proposed Second Amended Complaint includes additional allegations from Plaintiff Michael Johnson's original lawsuit, includes the additional Labor Code sections from Plaintiff Michael Johnson's amended PAGA letter in the PAGA cause of action, and matches the scope of the resolution reached by Plaintiffs and Defendant at mediation. See Decl. Berzin, ¶ 3. Plaintiffs' and Defendant's stipulation to the filing of the Second Amended Complaint is appropriate because MVP Event Productions, LLC is not represented by counsel and therefore cannot participate in the action. See Van Gundy v. Camelot Resorts, Inc., 152 Cal. App. 3d. Supp. 29, 31-32 (1983) (finding a corporate entity cannot participate in the proceeding if it is unrepresented); see also Emp. Painters' Trust v. Ethan Enters, Inc., 480 F.3d 993, 998 (9th Cir. 20017) (an unrepresented entity is subject to entry of default and default judgment); Caveman Foods, LLC v. jAnn Payne's Cavement Foods, LLC, 2015 WL 6736801, at \*2 (E.D. Cal. 2015) (finding corporations and other entities may only appear through an attorney; an unrepresented entity cannot file any pleadings, make or oppose any motions, or present any evidence to contest liability).

#### III. INVESTIGATION AND DISCOVERY CONDUCTED

Plaintiffs thoroughly investigated issues affecting certification, the merits of the class claims, and potential damages for such claims. See id. at ¶¶ 3, 6-10; Decl. Del Castillo, ¶¶ 4-5; Declaration of Kali Bates ("Decl. Bates") ¶¶ 3-6; Declaration of Michael Johnson ("Decl. Johnson") ¶¶ 3, 5-6. Plaintiffs worked during the time all of Defendant's policies and practices at issue in the Complaint were in effect and provided information regarding these policies and practices, enabling pre-filing investigations to take place. See Decl. Bates, ¶ 2; Decl. Johnson, ¶ 2. The Parties engaged in informal discovery and exchange of documents, including a representative sampling of employee data, such as timecards for the entirety of the statute of limitations applicable to the asserted claims. The discovery

covered all aspects of the asserted claims, including certification issues, merits issues, damages, the scope and configuration of Class Members, issues relating to manageability concerns at trial, among other relevant areas. *See* Decl. Berzin, ¶ 7. The information allowed Plaintiffs to determine the extent and frequency of any violations in accordance with Plaintiffs' contentions and create an accurate damages model to assess the reasonableness of any settlement. *See id*.

### IV. NEGOTIATION AND PROPOSED SETTLEMENT

### a. Plaintiffs and Defendant Engaged in Extensive Arm's Length Negotiations

The final settlement occurred only after extended, arm's length negotiations. Over the course of over one year, Plaintiff has been investigating the claims and discussing with Defendant's counsel the merits of the claims and issues present in this case. See id. at ¶ 8. The Parties exchanged substantial amounts of information and legal analysis in connection with these discussions. See id. It was only after these extended discussions, which included a full day mediation with private mediator Brandon McKelvey and additional negotiations thereafter with the mediator's assistance, that the Parties were able resolve all claims and enter into the Agreement. See id. at ¶ 8.

### b. The Terms of the Agreement

- 1. The following groups of individuals are covered by the Agreement: (a) Class Members, which include all individuals who were staffed to Legends Hospitality, LLC by MVP Event Productions, LLC and performed work for Legends Hospitality, LLC, whether as an employee or independent contractor, at any time from April 1, 2018 up to December 22, 2023; and (b) Aggrieved Employees, which include all individuals who were staffed to Legends Hospitality, LLC by MVP Event Productions, LLC and performed work for Legends Hospitality, LLC, whether as an employee or independent contractor, at any time from March 23, 2021 up to December 22, 2023. *See* Exhibit A, ¶¶ 1.2, 1.9
- 2. Defendant will pay the Gross Settlement Amount of \$175,000, which is exclusive of the employer's share of payroll taxes, on a non-reversionary, claims-made basis to resolve and release the claims alleged in the Complaint. See id. at ¶¶ 1.28, 5.1. Defendant will be obligated to pay out 100% of the Net Settlement Amount. See id. at ¶ 5.8.1. In the event that less than 100% of the Net Settlement Amount is claimed by Participating Class Members, they will have their Claim Amounts

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increased pro rata until 100% of the Net Settlement Amount is distributed. See id. at ¶¶ 1.4, 1.28, 5.8.1. Aggrieved Employees will still be paid their share of the PAGA Payment regardless of whether they opt out of being Class Members or submit Claim Forms. See id. at ¶ 7.5.1.

- 3. Up to \$10,000 will be paid to each of the Plaintiffs as an Enhancement Payment. This amount will be in addition to any amount Plaintiffs may be entitled to under the terms of the Agreement. See id. at ¶ 5.4.
- 4. Subject to Court approval, the Parties have selected Apex Class Action to act as the Claims Administrator, who has provided a maximum cost estimate of \$15,300. See Exhibit D (Apex Class Action Quote); Exhibit A, ¶ 1.6. The parties' Agreement provides that the Claims Administrator costs will not exceed \$25,000. The difference between any actual costs and the allocated \$25,000 will be added to the Net Settlement Amount to be distributed to Participating Class Members on a pro rata basis. See id. at ¶ 5.3.
- 5. The Parties agree that \$10,000 of the Gross Settlement Amount shall be allocated to resolving claims under the PAGA. Seventy-Five percent (75%) of the PAGA Payment will be paid to the LWDA and Twenty-Five percent (25%) will be paid to Aggrieved Employees. See id. at ¶ 5.5. Given the risk to proving the claims on the merits, the derivative nature of the penalties, Defendant's contention it did not employ Class Members, the presence of what may likely be deemed good faith disputes, and the Court's discretion to reduce any penalty award, Plaintiffs believe the \$10,000 PAGA Payment allocation represents a meaningful settlement aimed at deterring non-compliance given the facts of this case. See Decl. Berzin, ¶¶ 7-11; see also Nordstrom Com. Cases, 186 Cal.App.4th 576, 589 (2010) (approving \$0 allocation to the resolution of PAGA claims based on their being disputed and being part of a class settlement which was evaluated based on the terms of the agreement overall); Junkersfeld v. Med. Staffing Sols., Inc., 2022 WL 2318173, at \*8 n.2 (E.D. Cal. 2022) (collecting cases with PAGA settlement values ranging from .037%-1%); Jennings v. Open Door Marketing, LLC, 2018 WL 4773057, \*9 (N.D. Cal. 2018) (approving settlement of PAGA claims at 0.6% of total estimated value due to risk of no recovery); Ruch v. AM Retail Grp., Inc., 2016 WL 5462451, \*7 (N.D. Cal. 2016) (approving \$10,00 PAGA settlement allocation where total PAGA penalty exposure was approximately \$5.2 million, or 0.2% of total estimated value); Davis v. Cox Commc'ns California, LLC, 2017 U.S.

Dist. LEXIS 63514, \*1 (S.D. Cal. 2017) (preliminarily approving \$4,000 PAGA allocation in \$275,000 settlement); *Moore v. Fitness Int'l, LLC*, 2014 U.S. Dist. LEXIS 8358, \*5 (S.D. Cal. 2014) (approving \$2,500 PAGA allocation when attorneys' fees award alone amounted to \$200,000); *Jack v. Hartford Fire Ins. Co.*, 2011 U.S. Dist. LEXIS 118764, \*6 (S.D. Cal. 2011) (approving \$3,000 PAGA allocation in \$1,200,000 settlement); *Singer v. Becton Dickinson & Co.*, 2010 U.S. Dist. LEXIS 53416, \*2 (S.D. Cal. 2010) (approving \$3,000 PAGA allocation in \$1,000,000 settlement); *Hopson v. Hanesbrands Inc.*, 2009 U.S. Dist. LEXIS 33900, \*9 (N.D. Cal. 2009) (approving \$1,500 PAGA allocation in \$1,026,000 settlement); *Syed v. M-I, L.L.C.*, 2017 U.S. Dist. LEXIS 24880, \*34-35 (E.D. Cal. 2017) (approving \$100,000 PAGA allocation in a \$3,950,000 settlement even though PAGA exposure was calculated at \$53,600,000, or 0.2% of total estimated value); *Garcia v. Gordon Trucking, Inc.*, 2012 U.S. Dist. LEXIS 160052, at \*7 (E.D. Cal. 2012) (approving \$10,000 PAGA allocation in a \$3,700,000 settlement); *Franco v. Ruiz Food Prod., Inc.*, 2012 WL 5941801, at \*14 (E.D. Cal. 2012) (\$10,000 in PAGA payment from \$2,500,000 settlement fund); *Chu v. Wells Fargo Investments, LLC*, 2011 WL 672645, at \*1 (N.D. Cal. 2011) (approving PAGA settlement payment of \$7,500 to the LWDA out of \$6.9 million common-fund settlement).

- 6. The Parties agree that up to Thirty Five Percent (35%) of the Gross Settlement Amount (\$61,250) will be paid for Plaintiffs' attorneys' fees incurred in the litigation of this case. Defendant will not oppose any application for attorneys' fees so long as it is within this threshold. See id. at ¶ 5.2. Additionally, the Parties agree that Plaintiffs will also be entitled to the actual litigation costs as approved by the Court in an amount not to exceed \$20,000. See id. The proposed notice to be sent to Class Members will state this information. See Exhibit F.
- 7. Any allocated amounts under the Agreement for Claims Administrator Costs, Class Representative Enhancement Payments, and attorney's fees and costs that are not ultimately awarded by the Court will remain part of the Net Settlement Amount and be paid out to Participating Class Members on a pro rata basis as set forth in the Agreement. See Exhibit A, ¶¶ 5.1-5.5, 5.8. These amounts will be paid out from the Gross Settlement Amount, not in addition to the Gross Settlement Amount. See Exhibit A, ¶¶ 5.1-5.5.
  - 8. Class Members who fail to timely opt-out of this settlement will waive all Released

Class Claims as set forth in the Agreement. See Exhibit A, ¶¶ 1.18, 1.28, 1.33, 6.1. Aggrieved Employees will waive all Released PAGA Claims as set forth in the Agreement regardless of whether they opt out of being a Class Member. See id. at ¶¶ 1.18, 1.34, 6.2, 7.5.1.

9. For any portion of the Net Settlement Amount or PAGA Payment allocated to Participating Class Members and/or Aggrieved Employees that is not claimed by them by cashing their respective settlement checks within 180 calendar days of issuance, that remaining amount shall be donated equally, *i.e.*, 50/50, to Capital Pro Bono, Inc., and the Center for Workers' Rights under the doctrine of *cy pres*. See Exhibit A, at ¶ 5.6. Because the Agreement provides for all funds such that there is no residue, the provisions of California Civil Procedure Code section 384 are inapplicable. See In re Microsoft I-V Cases, 135 Cal.App.4th 706, 718, 720 (2006). The designated beneficiaries clearly promote the law consistent with the objectives and purposes underlying the lawsuit as they are non-profits aimed at assisting employees with wage and hour claims who cannot afford legal representation, including providing representation for employees in wage claims before the California Labor Commissioner. See id. at 722-724; see also Decl. Berzin, ¶ 27-34; Decl. Del Castillo, ¶ 17.

### c. Allocation of Settlement Funds

Payment to Participating Class Members and Participating Aggrieved Employees will require the submission of a Claim Form. A Net Settlement Amount will be determined by subtracting from the Gross Settlement Amount any attorneys' fees and costs, Enhancement Payment to the Class Representatives, Settlement Administrator Costs, PAGA Payment that are approved and/or awarded by the Court. Each Class Member's share will be determined by dividing their total weeks worked within the Class Period by the total weeks worked by all Class Members within the Class Period. That fraction will then be multiplied by the Net Settlement Amount to arrive at the Class Member's individual share of the Net Settlement Amount. However, regardless of the claims submission rate, Defendant shall be obligated to pay a minimum of 100% of the Net Settlement Amount. If less than 100% of the Net Settlement Amount is claimed by Participating Class Members, the Participating Class Members will have their Claim Amount increased, pro rata, until 100% of the Net Settlement Amount is distributed. There will be no reversion. See id. at ¶¶ 5.8-5.8.1. Each Aggrieved Employee's share of the 25% portion of the PAGA Payment will be determined by dividing their total weeks worked within the

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PAGA Claim Period by the total weeks worked by all Aggrieved Employees within the PAGA Claim Period. That fraction will then be multiplied by the 25% portion of the PAGA Payment to arrive at the Aggrieved Employee's individual share. See id. at ¶¶ 5.8, 5.8.2.

# V. THE PROPOSED PROCEDURES TO NOTIFY CLASS MEMBERS SATISFY DUE PROCESS AS THEY PROVIDE THE BEST NOTICE PRACTICABLE UNDER THE CIRCUMSTANCES

The proposed notice procedures are as follows. Class Members for whom Defendant has an email address will be emailed notice of the settlement along with a Claim Form. See Exhibit F (Proposed Notice of Settlement); Exhibit G (Proposed Claim Form). The Claim's Administrator will also perform a skip-trace to determine mailing addresses for Class Members whose phone numbers and/or email addresses are provided. Id. Plaintiffs seek an order from the Court that MVP Event Productions, LLC provide last known addresses and social security numbers for Class Members and Aggrieved Employees to the Claims Administrator, or in the alternative, if addresses are not provided, for notice to be posted on the Claims Administrator's website and that the Court order MVP Event Production, LLC to post a notice directing Class Members to the Claims Administrator's website on its social media sites and/or Ridgeview Vista, Inc.'s, who Plaintiffs contend are a successor to MVP Event Production, LLC. If addresses are provided by MVP Event Productions, Inc. and/or Ridgeview Vista, Inc. to the Claims Administrator, no later than fourteen (14) calendar days after receipt of such address information, the Claims Administrator will perform a national change of address ("NCOA") search, update the addresses per the results of the NCOA search, and then mail the Notice of Settlement and Claim Form to each Class Member and Aggrieved Employee by first-class mail, postage prepaid. If addresses are not provided to the Claims Administrator, no later than fourteen (14) calendar days after receipt Class Member and Aggrieved Employee information from Defendant, the Claims Administrator will post the Notice of Settlement and Claim Form on its website as well as provide copies of the Notice of Settlement and Claim Form to MVP Event Production, LLC's social media sites and/or Ridgeview Vista, Inc.'s to post on its social media sites. In addition, an ad will be published in a newspaper local to each venue in which Class Members were staffed to work for Defendant, including Anaheim Bulletin, Irvine World News, Inland Valley Daily Bulletin, Los Angeles Downtown News, Inglewood News or Inglewood Today, Bay Area Newspaper Group, Palo Alto Weekly, Sacramento

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Oracle, and Territorial Dispatch.

The foregoing notice procedure provides due process to Class Members. It is not required that Class Members be given actual notice of a class settlement; instead, the best practicable notice under the circumstances is all that is required. See Silber v. Mabon, 18 F.3d 1449, 1453 (9th Cir. 1994); Briseno v. ConAgra Foods, Inc., 844 F.3d 1121, 1129 (9th Cir. 2017); Walsh v. CorePower Yoga LLC, 2017 U.S. Dist. LEXIS 163991, at \*12-14 (N.D. Cal. 2017); Wright v. Linkus Enters., 259 F.R.D. 468, 474-75 (E.D. Cal. 2009). In Silber v. Mabon, 18 F.3d 1449 (9th Cir. 1994), the Court rejected a class member's argument that he had not received due process because he did not receive notice until after the opt out period, finding that, so long as the notice process utilized is the best practicable under the circumstances, due process is satisfied even if there is no actual receipt of the notice. See Silber, 18 F.3d at 1453-1454. A similar finding was made in Briseno v. Conagra Foods, Inc., 844 F.3d 1121 (9th Cir. 2017). With regard to any potential for undeliverable notice mailings, the court in Rannis v. Recchia, 380 F. App'x 646 (9th Cir. 2010) found that class members who did not receive actual notice due to their mailings being deemed undeliverable were still properly held to be part of the class settlement because they received the best notice practicable under the circumstances. See Rannis v. Recchia, 380 F. App'x at 650-651. In Noel v. Thrifty Payless, Inc., 7 Cal.5th 955, 980-984 (2019), the California Supreme Court noted that California has adopted a similar approach regarding providing notice to class members.

Providing notice to Class Members' last known email address and any address that may be located by a skip-trace are permissible methods of notice. *See Chavez v. Netflix, Inc.*, 162 Cal. App. 4th 43, 58 (2008) (approving of notice to class members via regular mail and e-mail). Giving notice by posting the notice on the Claim's Administrator's website and MVP Event Production, LLC's/and or its successor Ridgeview Vista, Inc.'s social media pages and via an ad in local newspapers are permissible methods of notice if it appears the individuals cannot be notified personally. *See* California Rules of Court, Rule 3.766(f); *see also Litwin v. iRenew Bio Energy Sols., LLC*, 226 Cal.App. 4th 877, 881 (2014) (permitting notice by publication and postings on a settlement website and other related websites where addresses and/or e-mail addresses were not available for all Class Members).

Under the proposed notice procedures, Class Members will have sixty (60) days from the date

of mailing (to the extent addresses are provided by MVP Event Production, LLC) or from the date the notice and claim form are posted online and posted on MVP Event Production, LLC's social media sites and/or Ridgeview Vista, Inc.'s, who Plaintiffs contend are a successor to MVP Event Production, LLC, to review and respond to the Notice of Settlement and Claim Form. To the extent any addresses can be obtained for Class Members we have contact information for, the Notice of Settlement and Claim Form will be emailed and/or mailed to those individuals. See Exhibit A, ¶¶ 1.24, 7.2. The Notice of Settlement and Claim Form contain all information necessary for a Class Member to assess the litigation, the settlement, and whether they want to participate, object, or opt-out. See id. at ¶¶ 7.2, 7.5.1-7.5.4; Exhibit F; Exhibit G. If addresses are provided, National change of address database searches, skip-traces, and surveying of current employees will be utilized as set out in the Agreement to provide the best practical means of ensuring Class Members receive the notice mailing. See Exhibit A, ¶¶ 7.3-7.4. Any individual whose initial mailing was deemed undeliverable will have additional time to respond. See id. at ¶ 7.4. Additional time to respond will also be provided to cure any deficiencies in opt-outs, objections, disputes, or Claim Forms. See id. ¶ 7.5.5. Thus, the proposed procedures for notifying Class Members satisfy due process and should be approved in this case.

# VI. THE AGREEMENT WARRANTS PRELIMINARY APPROVAL AS IT IS FAIR, REASONABLE, AND ADEQUATE AS TO ALL CLASS MEMBERS BASED ON THE FACTS OF THIS CASE

A class action may not be dismissed, compromised, or settled without Court approval and the decision to approve or reject a settlement is committed to the Court's sound discretion. See Cal. Rules of Court, Rule 3.769; Fed. R. Civ. Proc., Rule 23(e)<sup>2</sup>; Wershba v. Apple Computer, Inc., 91 Cal. App. 4th 224, 234-35 (2001); see also Cal. Lab. Code §§ 2699(l)(2). However, "[d]ue regard should be given to what is otherwise a private consensual agreement between the parties. The inquiry 'must be limited to the extent necessary to reach a reasoned judgment that the agreement is not the product of fraud or overreaching by, or collusion between, the negotiating parties, and that the settlement, taken as a whole, is fair, reasonable and adequate to all concerned." See Dunk v. Ford Motor Co., 48 Cal. App. 4th 1794, 1801 (1996); see also Cellphone Termination Fee Cases, 180 Cal. App. 4th 1110, 1118 (2009); In re

<sup>&</sup>lt;sup>2</sup>The California Supreme Court has authorized California's trial courts to rely on these federal resources to decide class certification issues. *See Green v. Obledo*, 29 Cal.3d 126, 145-46 (1981).

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Microsoft I-V Cases, 135 Cal. App. 4th 706, 723 (2006); Nordstrom Com. Cases, 186 Cal. App. 4th 576, 581 (2010). The law favors settlement of lawsuits, particularly class actions and other complex cases where substantial resources can be conserved by avoiding the time, expense, and rigors of formal litigation. See Cellphone Termination Fee Cases, 180 Cal. App. 4th 1110, 1117-1118 (2009); In re Microsoft I-V Cases, 135 Cal. App. 4th 706, 723 n.14 (2006); Nordstrom Com. Cases, 186 Cal. App. 4th 576, 581 (2010); see also Neary v. Regents of Univ. of Cal., 3 Cal. 4th 273, 277-81 (1992).

### a. The Terms of The Settlement Are Fair and Within the Range of Reasonableness

The purpose of the Court's preliminary evaluation of a proposed class action settlement is to determine only whether it is within the range of possible approval such that notice to the class of its terms and conditions and the scheduling of a formal fairness hearing is warranted. See Wershba, 91 Cal. App. 4th at 234-35. If the Court finds a proposed settlement falls within "the range of reasonableness," it should grant preliminary approval of the class action settlement. See, e.g., North County Contr.'s Assn., Inc. v. Touchstone Ins. Svcs., 27 Cal. App. 4th 1085, 1089-90 (1994); Kullar v. Foot Locker Retail, Inc., 168 Cal. App. 4th 116, 133 (2008). Factors to consider in determining whether the settlement is fair, reasonable, and adequate include the strength of the Plaintiff's case, the risk, expense, complexity and likely duration of further litigation, the risk of maintaining class action status through trial, the amount offered in settlement, the extent of discovery completed and the stage of the proceedings, the experience and views of counsel, the presence of a governmental participant, and the reaction of the class members to the proposed settlement. See Dunk v. Ford Motor Co., 48 Cal. App. 4th 1794, 1801 (1996). However, this Court should begin its analysis with a presumption that the proposed settlement is fair. "A presumption of fairness exists where: (1) the settlement is reached through arm's length bargaining; (2) investigation and discovery are sufficient to allow counsel and the court to act intelligently; (3) counsel is experienced in similar litigation; and (4) the percentage of objectors is small." Id. at 1802.

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## i. The Agreement is a Result of Extensive, Non-Collusive Arm's Length Negotiations Between the Parties

Settlement of this case was reached only after substantial litigation and extensive arm's length negotiations lasting nearly over one year, which included a full day mediation. See Decl. Berzin,  $\P$  8. At all times, the negotiations were adversarial, although still professional in nature. See id.

### ii. The Extent of Investigation and Discovery Completed Provided Ample Information to Enter Into an Informed and Reasonable Settlement

The Parties were in possession of all necessary information during the negotiations. The Parties engaged in informal discovery, which included all necessary components for evaluating the class claims and creating an accurate damages model. *See id.* at ¶¶ 6-11. Plaintiffs were in possession of this information prior to calculating any damages in this case. *See id.* As a result, Plaintiffs were able to make a reasonable estimation of Defendant's potential liability. *See id.* For these reasons, the settlement now before the Court was reached at a stage where "the parties certainly have a clear view of the strengths and weaknesses of their cases" sufficient to support the settlement. *See Boyd v. Bechtel Corp.*, 485 F.Supp. 610, 617 (N.D. Cal. 1979).

### iii. Plaintiffs' Counsel are Experienced in Similar Litigation

Plaintiffs' counsel have considerable experience in complex litigation such as class and PAGA actions. *See* Decl. Berzin, ¶¶ 12-20; Decl. Del Castillo, ¶¶ 6-14. Thus, Plaintiffs' counsel are qualified to evaluate the class claims, the value of settlement versus moving forward with litigation, and viability of possible affirmative defenses. Plaintiffs' counsel believe that the Agreement is fair, reasonable, and adequate in light of the risks associated with the claims, the uncertainties of complex litigation, and the secured benefit to Class Members. *See id*.

## iv. The Settlement is Fair, Reasonable, and Adequate Based on the Strength of Plaintiffs' Case and the Risks and Costs of Further Litigation

Plaintiffs' claims and the ability to obtain and maintain certification all the way through trial were heavily disputed by Defendant. *See* Decl. Berzin, ¶¶ 4, 10. Based on the records and facts of this case, Plaintiff has secured a gross recovery of approximately 3.7% of the maximum likely value of the claims in this matter and 51.2% of the more realistic range of recovery. *See* Decl. Berzin, ¶¶ 10-11. The net recovery represents approximately 0.87% of the maximum likely value of the claims in this

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matter and between 12.1% of the more realistic range of recovery. The average net award is approximately \$24.45. See id.

This settlement is a reasonable compromise of the class and PAGA claims, and is within the percentile ranges of the total available damages that have been approved in other class settlements. See Wershba, 91 Cal.App.4th at 246, 250; Rebney v. Wells Fargo Bank, 220 Cal.App.3d 1117, 1139 (1990); Officers for Justice v. Civil Serv. Comm'n, 688 F.2d 615, 628 (9th Cir. 1982); see also In re Omnivision Technologies, Inc., 559 F.Supp.2d 1036, 1042 (2007) (noting that certainty of recovery in settlement of 6% of maximum potential recovery after reduction for attorney's fees was higher than median percentage for recoveries in shareholder class action settlements, averaging 2.2%-3% from 2000 through 2002); Bravo v. Gale Triangle, Inc., 2017 U.S. Dist. LEXIS 77714 (C.D. Cal. 2017) (approving a settlement where the net recovery to class members was approximately 7.5% of the projected maximum recovery amount); Avila v. Cold Spring Granite Co., 2017 U.S. Dist. LEXIS 130878 (E.D. Cal. 2017) (approving a settlement with a gross recovery of 11% of the projected maximum damages available and a net recovery of approximately 6.7% of the projected maximum recovery); Bellinghausen v. Tractor Supply Co., 306 F.R.D. 245 (N.D. Cal. 2015) (approving a settlement where the gross recovery was approximately 8.5% of the projected maximum recovery); Schiller v. David's Bridal, Inc., 2012 U.S. Dist. LEXIS 80776 at \*48 (E.D. Cal. 2012) ("Class Members will receive an average of approximately \$198.70, with the highest payment to a Class Member being \$695.78... Overall, the Court finds that the results achieved are good, which is highlighted by the fact that there was no objection to the settlement amount or the attorneys' fees requested."); Gardner v. GC Servs., LP, 2012 U.S. Dist. LEXIS 47043, 18 (S.D. Cal. 2012) ("the results achieved in this case were very favorable. Class members are provided with immediate monetary relief, with an average award of around several hundred dollars and a minimum award of \$50").

A settlement agreement may also provide for a claims made and reversion procedure so long as the settlement, as a whole, is still fair, reasonable, and adequate. *See In re Microsoft I-V Cases*, 135 Cal.App.4th 706, 721 (2006) ("The analysis additionally recognized that a court approved settlement could properly include a 'reversion of ... funds to the defendant'"); *Cundiff v. Verizon California, Inc.*,

167 Cal.App.4th 718, 728 (2008) (noting that *In re Microsoft I-V Cases* found that a class settlement may provide for a reversion so long as it does not render the settlement, as a whole, unfair, inadequate, or unreasonable and distinguishing the case before it on the grounds that the class settlement agreement made no provision for unclaimed funds). The claims made procedure in this case was agreed to as a result of MVP Event Production, LLC's failure to participate in the case, as they maintain all class member contact information and social security numbers. Unless MVP Event Production, LLC complies with an order from this Court to provide Class Members' contact information and social security numbers, claim forms are necessary for Class Members to be mailed a settlement payment and for the Claims Administrator to prepare the appropriate tax forms. *See* Decl. Berzin, ¶ 7. The Class Notice informs Class Members in all caps that they must submit a Claim Form to receive a settlement payment. *See* Exhibit F, Decl. Berzin, ¶ 24. The proposed notice methods encourage submissions of claims. The claims made procedure appropriately balance the relevant interests in this case and do not render the settlement unfair, unreasonable, or inadequate.

### v. The Proposed Settlement is a Reasonable Compromise of Claims

In Kullar v. Foot Locker Retail, Inc., 168 Cal.App.4th 116 (2008), the Court required additional information be presented in class action settlements "to ensure that the recovery represents a reasonable compromise, given the magnitude and apparent merit of the claims being released, discounted by the risks and expenses of attempting to establish and collect on those claims by pursuing the litigation . . . ." Id. at 129. Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles, 186 Cal.App.4th 399 (2010), clarified that Kullar does not require an illusory prediction of the outer reaches of exposure without taking into account the actual risks of litigation such as dispositive motions and trial. Kullar also does not require an explicit statement of the maximum amount to be recovered if a plaintiff prevailed on all the claims, provided there is a record that allows "an understanding of the amount that is in controversy and the realistic range of outcomes of the litigation." Id. at 409.

Plaintiff has thoroughly set forth the realistic range of outcomes in this litigation as well as the data points relied upon in reaching these ranges. See Decl. Berzin ¶¶ 6-11. The record demonstrates that the compromises made by Plaintiffs were reasonable and have resulted in a settlement with recovery percentage well within the range of what has been found to be sufficient in several other

cases. See, supra, Section VI.a.iv; see also Linney v. Cellular Alaska P'ship, 151 F.3d 1234, 1242 (9th Cir. 1998) ("The fact that a proposed settlement may only amount to a fraction of the potential recovery does not, in and of itself, mean that the proposed settlement is grossly inadequate and should be disapproved"); City of Detroit v. Grinnell Corp., 495 F.2d 448, 455 (2d Cir. 1974) ("In fact there is no reason, at least in theory, why a satisfactory settlement could not amount to a hundredth or even a thousandth part of a single percent of the potential recovery").

### b. Provisional Certification of the Class is Appropriate

Class certification is appropriate when (1) the class is ascertainable and (2) there is "a well-defined community of interest in the questions of law and fact involved affecting the parties to be represented." *Dunk*, 48 Cal. App. 4th at 1806. The "community of interest" element "embodies three factors: (1) common questions of law or fact predominate; (2) class representatives with claims or defenses typical of the class; and (3) class representatives who can adequately represent the class." *Id.* Here, the Parties agree that, for the purposes of settlement, these prerequisites are met. *See* Exhibit A.

### i. The Proposed Settlement Class is Ascertainable and Sufficiently Numerous

The proposed settlement class is ascertainable because most, if not all putative Class Members can be readily identified through employee personnel and time records either in Legends' possession or MVP's possession. See Noel v. Thrifty Payless, Inc., 7 Cal.5th 955, 980 (2019); Rose v. City of Hayward, 126 Cal.App.3d 926, 932 (1981); Lee v. Dynamex, Inc., 166 Cal. App. 4th 1325, 1334 (2008). The numerosity requirement is met because there are 1,687 individuals who fall within the definition of Class Member, which makes joinder of all members impracticable. See Gay v. Waiters' & Dairy Lunchmen's Union, 489 F.Supp. 282 (N.D. Cal. 1980), aff'd 694 F.2d 531 (9th Cir. 1982); Hebbard v. Calgrove, 28 Cal. App. 3d 1017, 1030 (1972) (noting no set minimum to meet the numerosity prerequisite, but a class as few as twenty-eight (28) members is acceptable). Thus, these requirements are satisfied.

### ii. The Commonality, Predominance, and Typicality Requirements are Met

The commonality requirement is met when there are questions of law or fact regarding the class as a whole. See Hanlon v. Chrysler Corp., 150 F.3d 1011, 1019 (9th Cir. 1998). Commonality requires only that some common legal or factual questions exist; Plaintiffs need not show that all issues in the

litigation are identical. See Richmond v. Dart Ind., Inc., 29 Cal.3d 462, 473 (1981); City of San Jose v. Superior Court, 12 Cal.3d 447, 460 (1974). Common questions of law or fact must also predominate over individual questions and class-wide treatment of a dispute must be superior to individual litigation.<sup>3</sup> See Richmond, 29 Cal.3d at 469. Predominance requires a putative class be sufficiently cohesive to warrant adjudication by representation. See Hanlon, 150 F.3d at 1022. The typicality requirement is met when claims of the named representative are typical of those of the class, though "they need not be substantially identical." Id. at 1020; Classen v. Weller, 145 Cal. App. 3d 27, 46-47 (1983).

The common questions of law and fact in this case stem from Plaintiffs' contention that Defendant engaged in conduct: 1) willfully misclassifying workers as independent contractors; 2) failing to pay all minimum wages; 3) failing to pay all overtime wages; 4) failing to keep accurate records; 5) failing to provide meal periods or pay premiums in lieu thereof; 6) failing to provide rest periods or pay premiums in lieu thereof; 7) failing to provide accurate wage statements; 8) failing to pay final wages; 9) failing to timely pay wages during employment; 10) failing to pay reimbursements for personal cellphone use and milage; 11) failing to pay reporting time; 12) failing to provide or pay all sick time; and 13) failing to correctly calculate employees' regular rates of pay when bonuses were paid. See Exhibit B. The waiting time penalties, unfair competition, and PAGA claims are derivative of these violations. See id. Plaintiffs and the Class Members seek the same remedies under state law. Under these specific circumstances, the commonality and predominance requirements are satisfied. Regarding the typicality requirement, Plaintiffs contends they suffered from the same unlawful policies, treatment, and circumstances as Class Members did, will request the same remedies, and will rely on the same methods of proof to establish liability and damages. See id. Thus, the typicality requirement is also satisfied for settlement purposes.

### iii. The Adequacy Requirement is Met

The adequacy of representation requirement is met if the named representative and counsel have no interests adverse to those of the putative class members and are committed to vigorously prosecuting

<sup>&</sup>lt;sup>3</sup>When assessing predominance and superiority, a court may consider that the class will be certified for settlement purposes only and that manageability of trial is therefore irrelevant. See Amchem Products v. Windsor, 521 U.S. 591 (1997).

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26 28 the case on behalf of the class. See Hanlon, 150 F.3d at 1020; McGhee v. Bank of America, 60 Cal.App.3d 442, 450-51 (1976). Those standards are met here. Under the proposed Agreement, Plaintiffs and the putative Class Members will receive a pro rata share of the settlement based on the number of workweeks they worked for Defendant. See Exhibit A. Finally, any settlement class member who wishes to opt-out of the settlement may do so, and he or she may also dispute the number of workweeks stated in the Notice of Settlement (Exhibit F).

There is no conflict of interest between Plaintiffs and Class Members. Plaintiffs and Plaintiffs' counsel have pursued the claims made in the operative Complaint vigorously on behalf of the class. Plaintiffs' counsel, with Plaintiffs' assistance, thoroughly investigated the claims made in this case by speaking with Plaintiffs and reviewing substantial amounts of documents. Plaintiffs' counsel thereafter engaged Defendant's counsel in settlement discussions over the course of more than one year. Moreover, Plaintiffs' counsel has experience defending and bringing wage and hour claims. Because Plaintiffs' counsel has vigorously pursued Plaintiffs' and the Class Members' claims, the adequacy requirement is met. See generally Decl. Berzin.

### VII. ATTORNEYS' FEES AND COSTS, ENHANCEMENT PAYMENTS TO THE CLASS REPRESENTATIVES, AND SETTLEMENT ADMINISTRATOR COSTS TO BE REQUESTED IN CONNECTION WITH FINAL APPROVAL

Plaintiffs are not requesting any determination with respect to attorney's fees and costs, Enhancement Payments, or Claims Administrator Costs at this time. Rather, should the Court grant preliminary approval, Plaintiffs will make the request for these amounts as set out in the Agreement as part of their final approval briefing. Specifically, Plaintiffs will request the Court award attorney's fees in the amount of \$61,250 (35% of the Gross Settlement Amount), costs in an amount not to exceed \$20,000, Claims Administrator Costs in an amount not to exceed \$25,000, and an Enhancement Payment for the Class Representatives in the amount of \$10,000 each.

Plaintiffs believe an award of attorney's fees under the common fund doctrine is appropriate in this case as there is a sufficiently identifiable class of beneficiaries (e.g. the settlement class), the benefits received can be accurately traced to the settlement Plaintiffs and Class Counsel were able to negotiate on behalf of Class Members, and the fee can be shifted with exactitude to those benefiting as the fee request is a specific, lump-sum percentage of the fund. See Laffitte v. Robert Half Internat.

Inc., 1 Cal.5th 480, 506 (2016); Paul, Johnson, Alston & Hunt v. Graulty, 886 F.2d 268, 271 (9th Cir. 1989); Boeing Co. v. Van Gemert, 444 U.S. 472, 477-478 (1980) ("A lawyer who recovers a common fund for the benefit of persons other than . . . her client is entitled to a reasonable attorney's fee from the fund as a whole."); see also Martin v. Ameripride Servs., 2011 U.S. Dist. LEXIS 61796, \*22-23 (S.D. Cal. 2011) (collecting cases); Birch v. Office Depot, Inc., USDC Southern District, Case No. 06cv1690 DMS (WMC) (awarding 40% fee on a \$16 million wage and hour class action settlement); Rippee v. Boston Mkt. Corp., USDC Southern District, Case No. 05cv1359 BTM (JMA) (awarding a 40% fee on a \$3.75 million wage and hour class action settlement); West v. Circle K Stores, Inc., 2006 U.S. Dist. LEXIS 76558, at \*7-\*8, \*12, \*27 (E.D. Cal. 2006) (awarding a \$15,000 representative enhancement where 10,000 class members were to receive a gross award of approximately \$500 each from the \$5,000,000 settlement); Dent v. ITC Serv. Croup, 2013 U.S. Dist. LEXIS 139359, at \*9-\*10, \*15-\*16 (D. Nev. Aug. 6, 2013) (awarding a \$15,000 representative enhancement out of a \$150,000 settlement for approximately 530 class members); Patel v. Nike Retail Services, Inc., 2019 WL 2029061 at \*2 (N.D. Cal. 2019) (\$5,261 for settlement administrator's fees was not excessive where PAGA group consisted of 40 employees).

Plaintiffs' final approval briefing will include information and analysis regarding the appropriateness of the fee percentage sought, a lodestar cross check of the requested fee, a detailed declaration from Plaintiffs regarding their time spent on the case as well as any risks and burdens incurred as the Class Representatives, an itemized costs spreadsheet, and a declaration from the Claims Administrator detailing the work performed and Claims Administrator Costs incurred. The Notice of Settlement will state the amounts to be requested to provide Class Members the ability to comment thereon, providing evidence of whether the requested amounts are reasonable. *See* Exhibit F at pg. 2, § II.A; *see also In re Heritage Bond Litig.*, 2005 U.S. Dist. LEXIS 13555, 71 (C.D. Cal. 2005) ("the absence of objections or disapproval by class members to class counsel's fee request further supports finding the fee request reasonable"). Any allocated amounts not ultimately awarded by the Court will be distributed to Class Members pro rata. *See* Exhibit A, ¶¶ 5.2-5.4, 5.8.

#### VIII. CONCLUSION

For all of the foregoing reasons, Plaintiffs respectfully request that this Court preliminarily and

conditionally certify the class for settlement purposes; grant preliminary and conditional approval of the proposed settlement; approve the proposed notification procedures, including the Notice of Settlement, Claim Form, and proposed deadlines relating thereto; and schedule the final approval hearing. A copy of Plaintiffs' proposed order is being filed concurrently herewith. Shimoda & Rodriguez Law, PC Dated: December 21, 2023 Justin P. Rodriguez Brittany V. Berzin Attorneys for Plaintiffs