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County of Los Angeles
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David W. Slayton, Executive Officer / Clerk of Court
By: M. Zavala Deputy

Preliminary Approval of Class Action Settlement
Department SSC-9
Hon. Elaine Lu

<u>Herlinda Gonzalez v. Eminent, Inc., et al.</u>
Case No.: 22STCV31998
Hearing: August 26, 2026

FINAL RULING

BACKGROUND

This is a wage and hour class action. On September 29, 2022, Plaintiff Herlinda Gonzalez ("Plaintiff" or "Gonzalez"), individually and on behalf of all others similarly situated, filed a class action complaint against Defendants Eminent, Inc. dba Revolve ("Eminent"), Michael Mente ("Mente"), and Does 1 through 100 (collectively, "Defendants") asserting claims pursuant to the California Labor Code and California Business and Professions Code ("Class Action").

On the same day, Plaintiff filed a separate action against Defendants for civil penalties pursuant to the Private Attorneys General Act ("PAGA"), Case No. 22STCV31958 ("PAGA Action").

On November 17, 2022, Defendants filed a Notice of Related case listing the PAGA Action, Case No. 22STCV31958. On November 29, 2022, the Court found the Class Action and the PAGA Action to be related within the meaning of California Rules of Court, rule 3.300(a) and designated the Class Action, Case No. 22STCV31998, as the lead case. On January 13, 2023, the Court consolidated the Class Action and PAGA Action for all purposes and assigned the consolidated action to Department 9 at the Spring Street Courthouse.

On January 25, 2023, Defendants filed another Notice of Related Case, listing *Paulino Balaguer v. Eminent, Inc., et al.*, Los Angeles Superior Court Case No. 19STCV16803. However, on January 31, 2023, the Court found that Case No. 19STCV16803 is not related to the Class or PAGA Actions. On February 13, 2025, Defendants filed another Notice of Related Case, listing *Keyla Tovar v. Eminent, Inc., et al.*, Los Angeles Superior Court Case No. 24NWCV04995. However, on March 11, 2025, the Court found that Case No. 24NWCV04995 is not related to the instant Class Action.

On September 19, 2024, and March 12, 2025, Plaintiff filed amendments naming Revolve Group, Inc. ("Revolve") as Doe 1.

On April 23, 2025, the parties attended a mediation with the Honorable Peter Wilson (Retired) but did not reach a resolution. (Declaration of Ashlie Fox ("Fox Decl."), ¶9.) After exchanging additional formal discovery responses, producing documents, and an updated class list, on October 3, 2025, the parties attended a second mediation session with the Honorable Peter Wilson. (*Id.* at ¶¶9-10.) Following continued discussions and with the assistance of a mediator's evaluation, the parties reached a settlement. (*Ibid.*) The fully executed copy of the *Joint Stipulation re: Class Action and Representative Action Settlement* ("Agreement") is attached as Exhibit 1 to counsel Fox's declaration. (*Id.* at ¶13, Ex. 1.)

On October 9, 2025, after the Court granted Plaintiff leave to file an amended complaint, Plaintiffs Gonzalez, Teresa Franco ("Franco"), and Rita Luna ("Luna") (collectively, "Plaintiffs") filed a First Amended Class Action Complaint ("FAC").

On April 8, 2026, Plaintiffs filed the instant Motion for Preliminary Approval of Class and Representative Action Settlement ("MPA").

On April 27, 2026, after the Court granted leave to file an amended complaint, Plaintiffs filed a Second Amended Class Action Complaint ("SAC") against Defendants Eminent, Mente, and Revolve asserting the following claims: (1) violation of PAGA, (2) failure to pay overtime wages, (3) failure to pay minimum wages, (4) failure to provide meal periods, (5) failure to provide rest periods, (6) waiting time penalties, (7) wage statement violations, (8) failure to indemnify, (9) failure to timely pay wages, and (10) unfair competition.

On June 3, 2026, the Court posted the Checklist for Preliminary Approval of Class Action Settlement and continued the hearing on the MPA for the parties to file supplemental papers addressing the noted deficiencies. On June 16, 2026, counsel filed a supplemental declaration ("Fox Supp. Decl."), a redlined version of the Amended Settlement Agreement (Exhibit 1), a fully executed copy of the Amended Settlement Agreement (Exhibit 2), a redlined version of the revised Class Notice (Exhibit 3), a revised Class Notice (Exhibit 4), a redlined version of the Amended Proposed Order (Exhibit 5), and a separately filed Amended Proposed Order.

SETTLEMENT CLASS DEFINITION

- "Action" means *Gonzalez, et al. v. Eminent, Inc., et al.*, filed in the Los Angeles County Superior Court, Case No. 22STCV31998 and Case No. 22STCV31958. (Amended Settlement Agreement, ¶1.A)
- "Settlement Class", "Settlement Class Members" or "Class Members" means all current and former non-exempt employees of Eminent, Inc. and Revolve Group, Inc. during the Class Period in the State of California. (¶1FF)
    - "Class Period" means the period from April 6, 2020 through March 30, 2026. (¶1.D)
- "Aggrieved Employees" or "PAGA Employees" means all non-exempt employees of Eminent, Inc. and Revolve Group, Inc. who worked at any time during the PAGA Period in California. (¶1.B)
    - "PAGA Period" means the period from June 9, 2021 through the end date of the Class Period (i.e., March 30, 2026). (¶1.S)
- "Plaintiffs" shall refer to Plaintiffs Herlinda Gonzalez, Teresa Franco, and Rita Luna. (¶1.X)
- "Defendant" or "Defendants" shall refer to Eminent, Inc. doing business as "Revolve", Revolve Group, Inc., and Michael Mente. (¶1.G)
- The Parties stipulate to the certification of the Settlement Class under this Agreement for purposes of settlement only. (¶4)

TERMS OF SETTLEMENT AGREEMENT

The essential terms are as follows:

- The Gross Settlement Amount is $2,100,000, non-reversionary. (¶1.K)
    - Defendants represent that there are no more than 245,670 Workweeks worked by Class Members during the Class Period. In the event the number of Workweeks

worked increases by more than 10%, or 24,567 Workweeks worked (i.e., collectively more than 270,237 workweeks), then the GSA shall be increased on a pro rata basis by any increase after that trigger threshold (i.e., a 14% increase in Workweeks would result in a 4% increase in the GSA, and so forth). (¶17)

- The Net Settlement Amount ("Net") or "Class Employee Fund" **($1,223,050)** is the GSA minus the following:
  - Up to **$735,000** (35%) for attorney fees (¶12);
    - Justification for a request of 35% of the GSA will be provided prior to the final approval hearing. (Fox Supp. Decl., ¶13.)
  - Up to **$45,000** for costs of litigation (*Ibid.*);
  - Up to **$25,000** for a service award to the named Plaintiffs ($10,000 to Plaintiff Gonzalez, $7,500 to Plaintiff Franco, and $7,500 to Plaintiff Luna) (¶¶1.CC, 13);
    - Justification for payment of $10,000 to Plaintiff Gonzalez will be provided prior to the final approval hearing. (Fox Supp. Decl., ¶8.)
  - Up to **$21,950** for settlement administration costs (¶¶1.DD, 8);
  - Payment of **$50,000** PAGA penalty (**$37,500** or 75% to the LWDA) (¶¶1.O, 15).
- <u>Employer Taxes</u>. Defendants will separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. (¶¶1.K, 14.C)
- There is no claim form requirement. "Participating Class Members" means all Settlement Class Members who do not submit a timely and valid Request for Exclusion. (¶1.T)
- <u>Individual Payment Calculations</u>. An Individual Settlement Payment is calculated on a pro rata basis by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks. (¶10)
  - *Tax Allocation*: 20% wages claims; 80% interest and penalties. (¶14.A)
- <u>Individual PAGA Payment</u>: An Individual PAGA Payment is calculated on a pro rata basis by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties, $12,500.00, by the total number of Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's Pay Periods. (¶10)
  - *Tax Treatment*: 100% penalties. (¶14.A)
- <u>Funding of Settlement</u>. Within thirty (30) calendar days after the Final Approval Date, Eminent, Inc. shall deposit the Gross Settlement Amount in the amount of Two Million One Hundred Thousand Dollars and Zero Cents ($2,100,000.00) (or the escalated GFV should the same be escalated pursuant to Paragraph 17) along with the related employer's share of taxes to the Settlement Administrator (i.e., Employer's Taxes) pursuant to Internal Revenue Code section 1.468B-1 for deposit in an interest-bearing qualified settlement account ("QSA") with an FDIC insured banking institution, for distribution in accordance with this Agreement and the Court's orders and subject to the conditions described herein. (¶11.B)
- <u>Distribution</u>. No more than seven (7) calendar days after payment of the full Gross Settlement Amount by Defendants (as the same may be increased to in accordance with Paragraph 17), as well as Employer Taxes, the Settlement Administrator shall distribute all payments due under the Settlement, including the Individual Settlement Payments to

Participating Class Members and Individual PAGA Payments to Aggrieved Employees for which checks shall be issued by mail, as well as the Court-approved payments for the Incentive Awards to Plaintiffs, attorneys' fees and litigation costs and expenses to Class Counsel, administration costs to the Settlement Administrator, and the LWDA Payment to the LWDA. Disbursement of the Court-approved payments for the Incentive Awards to Plaintiffs and attorneys' fees and litigation costs and expenses to Class Counsel shall not precede disbursement of Individual Settlement Payments and Individual PAGA Payments. (¶11.C)

- "Response Deadline" means the deadline for Settlement Class Members to mail any Requests for Exclusion, objections, or Workweek disputes to the Settlement Administrator, which is forty-five (45) calendar days from the date that the Class Notice is first mailed in English and Spanish by the Settlement Administrator, unless a Class Member's notice is re-mailed. In such an instance, the Response Deadline shall be fifteen (15) calendar days from the re-mailing, or forty-five (45) calendar days from the date of the initial mailing, whichever is later, in which to postmark a Request for Exclusion, Workweek Dispute or objection. The date of the postmark shall be the exclusive means for determining whether a Request for Exclusion, objection, or Workweek Dispute was submitted by the Response Deadline. The Settlement Administrator shall inform the Class Member of the extended deadline with the re-mailed Class Notice. (¶¶1.AA, 9.E)
    - Not including the opt outs of any Class Members and employees who already have pending lawsuits against Defendants and choose to opt out of this Settlement, if more than 10% of Class Members validly opt out of the class (i.e., timely submit a valid opt out), Defendants will have the right, but not the obligation, to void the Settlement, but will still have to pay the Settlement Administration Costs incurred as of the date that Defendants exercise the right to void the Class Settlement. (¶18)
- Uncashed Settlement Checks. Individual Settlement Payment checks and Individual PAGA Payment checks shall remain valid and negotiable for one hundred and eighty (180) calendar days after the date of their issuance. For any Class Member whose Individual Settlement Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, within seven (7) calendar days after the expiration of the 180-day period, the Settlement Administrator shall cancel such checks and transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Participating Class Member or Aggrieved Employee to whom the check had been issued, thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b). If the Court requires the Parties to select a cy pres recipient pursuant to California Code of Civil Procedure section 384, the Parties shall select a mutually agreeable entity in which neither the Parties nor their counsel has an affiliation or relationship creating the appearance of. The Settlement Administrator shall then prepare a report regarding the distribution plan pursuant to Code of Civil Procedure section 384 and the report shall be presented to the Court by Class Counsel along with a proposed amended judgment that is consistent with the provisions of Code of Civil Procedure section 384. (¶11.A)

- ILYM Group, Inc. will act as administrator for the settlement. (¶¶1.EE, 8; *see* Declaration of Lisa Mullins.)
- The proposed Settlement Agreement was submitted to the LWDA on April 7, 2026. (Fox Decl., ¶84, Ex. 3.) The operative revised Settlement Agreement was submitted to the LWDA on August 14, 2026. (SECOND SUPPLEMENTAL DECLARATION OF ASHLIE E. FOX filed 8/14/26 ¶4.)
- Participating class members and the named Plaintiffs will release certain claims against Defendants. (See further discussion below.)

ANALYSIS OF SETTLEMENT AGREEMENT

A. Does a presumption of fairness exist?

1. Was the settlement reached through arm's-length bargaining? Yes. On April 23, 2025, the parties attended a mediation with the Honorable Peter Wilson (Retired) but did not reach a resolution. (Fox Decl., ¶9.) After exchanging additional formal discovery responses, producing documents, and an updated class list, on October 3, 2025, the parties attended a second mediation session with the Honorable Peter Wilson. (*Id.* at ¶¶9-10.) Following continued discussions and with the assistance of a mediator's evaluation, the parties reached a settlement. (*Ibid*.) The fully executed copy of the *Joint Stipulation re: Class Action and Representative Action Settlement* ("Agreement") is attached as Exhibit 1 to counsel Fox's declaration. (*Id.* at ¶13, Ex. 1.) An Amended Settlement Agreement is attached to counsel Fox's supplemental declaration as Exhibit 2.

2. Were investigation and discovery sufficient to allow counsel and the court to act intelligently? Yes. Class Counsel represents that, prior to mediation, Defendants provided Plaintiffs with: (1) for September 29, 2019 through the present ("PAGA Period"), the number of current and former non-exempt employees of Defendants ("Aggrieved Employees"); (2) for September 29, 2018 through the present ("Class Period"), the number of current and former non-exempt employees of Defendants working in California during the Class Period ("Class Members"); (3) hire dates, re-hire dates (if applicable), and separation dates for Class Members along with information regarding their rate of pay; (4) a sampling of time and payroll records for Class Members; (5) contact information for a sampling of Class Members pursuant to a *Belaire-West v. Landscape, Inc. v. Superior Court* (2007) 149 Cal.App.4th 554 opt-out notice administration; and (6) an employee handbook dated September 2018. (Fox Decl., ¶8.) According to Class Counsel, the settlement was reached after factual and legal investigation and research; both formal and informal discovery; negotiation regarding the scope of informal discovery; an exchange of documents and information that included review of time and pay records and analysis thereof with the aid of Plaintiff and expert consultants; an analysis of shifts and Workweeks worked by Class Members in the Class Period, number of Class Members eligible for wage statement penalties and waiting time penalties; analysis of Plaintiff's employment records; preparation for and attendance at two full-day sessions of mediation, followed by months of negotiations to finalize the terms and conditions of the settlement parameters agreed to by the Parties in the Settlement Agreement attached as Exhibit "1" hereto. (*Id.* at ¶18.) According to counsel, Defendants provided a 15% random sampling of corresponding time records and payroll records of Defendants' approximately 3,158 current

and former non-exempt employees during the Class Period, which was sufficiently large enough and meets the criteria to be statistically reliable. (Fox Supp. Decl., ¶7.)

3. Is counsel experienced in similar litigation? Yes. Class Counsel represents that they are experienced in class action litigation, including wage and hour class actions. (Fox Decl., ¶¶85-94; Declaration of Jasmin Gill, ¶¶3-10.)

4. What percentage of the class has objected? This cannot be determined until the fairness hearing. (See Weil & Brown, Cal. Practice Guide: Civil Procedure Before Trial (The Rutter Group 2014) ¶ 14:139.18, ["Should the court receive objections to the proposed settlement, it will consider and either sustain or overrule them at the fairness hearing."].)

CONCLUSION: The settlement is entitled to a presumption of fairness.

B. Is the settlement fair, adequate, and reasonable?

1. Strength of Plaintiff's case. "The most important factor is the strength of the case for plaintiffs on the merits, balanced against the amount offered in settlement." (*Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 130.) Class Counsel provided information, summarized below, regarding the potential value of each claim asserted:

Violation	**Potential Exposure**
Off-the-clock - Minimum Wages	$1,015,592.12
Off-the-clock - Overtime Wages	$1,585,567.28
Regular Rate	$133,630
Meal Period Violations	$3,942,019.82
Rest Period Violations	$13,191,670.50
Failure to Indemnify for Business Expenses	$315,800
Wage Statement Violations	$4,436,300
Waiting Time Penalties	$3,773,011
PAGA penalties	$7,331,590
TOTAL	$35,725,180.72

(Fox Decl. ¶¶22-58.)

2. Risk, expense, complexity and likely duration of further litigation. Given the nature of the class claims, the case is likely to be expensive and lengthy to try. Procedural hurdles (e.g., motion practice and appeals) are also likely to prolong the litigation as well as any recovery by the class members.

3. Risk of maintaining class action status through trial. Even if a class is certified, there is always a risk of decertification. (See *Weinstat v. Dentsply Intern., Inc.* (2010) 180 Cal.App.4th 1213, 1226 ["Our Supreme Court has recognized that trial courts should retain some flexibility in conducting class actions, which means, under suitable circumstances, entertaining successive motions on certification if the court subsequently discovers that the propriety of a class action is not appropriate."].)

4. Amount offered in settlement. Plaintiff calculated Defendant's potential exposure at **$35,725,180.72**. The $2,100,000 settlement amount represents approximately **5.9%** of Defendants' potential damages which, given the uncertain outcomes, is within the "ballpark of

reasonableness."

The $2,100,000 settlement amount, if reduced by the requested deductions, will leave $1,223,050 to be divided among approximately 3,158 class members. The resulting payments will average **$387.29** per class member [$1,223,050 Net / 1,358].

5. Extent of discovery completed and stage of the proceedings. As indicated above, at the time of the settlement, Class Counsel conducted sufficient discovery.

6. Experience and views of counsel. The settlement was negotiated and endorsed by Class Counsel who, as indicated above, is experienced in class action litigation, including wage and hour class actions.

7. Presence of a governmental participant. This factor is not applicable here.

8. Reaction of the class members to the proposed settlement. The class members' reactions will not be known until they receive notice and are afforded an opportunity to object, opt-out and/or submit claim forms. This factor becomes relevant during the final fairness hearing.

CONCLUSION: The settlement is preliminarily deemed "fair, adequate, and reasonable."

C. Scope of the release

- Release by All Participating Class Members: Effective only upon the entry of an Order granting Final Approval of the Settlement, entry of Judgment, and payment by Eminent, Inc. to the Settlement Administrator of the full Gross Settlement Amount and Employer's Taxes necessary to effectuate the Settlement, Plaintiffs and all Participating Class Members will release the Released Parties of all claims, rights, demands, damages, liabilities, and causes of action, in law or in equity, arising at any time during the Class Period for the claims brought by Plaintiffs against Defendants in the Action, or that reasonably could have been brought by Plaintiffs against Defendants in the Action based on the facts stated in the Operative Complaint, except for any claim(s) for civil penalties under PAGA (the "Class Released Claims"). (¶7.A)
- Release by All Aggrieved Employees: All Aggrieved Employees (and, to the extent permitted by law, the State of California) are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties arising during the PAGA Period that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint, and the PAGA Notices filed with the LWDA on June 9, 2022, January 3, 2025, and September 30, 2025 by Plaintiffs against Defendants, which arose during the PAGA Period against Defendants (the "PAGA Released Claims"). The Class Released Claims and PAGA Released Claims shall be referred to herein as the "Released Claims". (¶7.B)
    - On June 9, 2022, Plaintiff Gonzalez filed with the LWDA and served on Defendants a notice under Labor Code section 2699.3 (the "PAGA Notice") stating Plaintiff Gonzalez intended to serve as a proxy of the LWDA to recover civil penalties for Aggrieved Employees. The PAGA Notice alleged various violations of the Labor Code

and was further amended by Plaintiffs Gonzalez and Luna on January 3, 2025 and September 30, 2025, respectively. (¶2.A; Fox Decl., ¶3, Ex. 2.)

- Claims Not Released: The Released Claims above in paragraph 7(A) and paragraph 7(B) expressly exclude all other claims, including claims for vested benefits, wrongful termination, claims arising under the Fair Employment and Housing Act ("FEHA"), including Plaintiff Herlinda Gonzalez's claims for wrongful termination and related claims under the Fair Employment and Housing Act ("FEHA") against Defendants including those asserted in the lawsuit pending in the Superior Court of the State of California for the County of Los Angeles, Case No. 23NWCV03102, and claims and benefits, or rights to seek benefits, for unemployment insurance, disability, social security, and workers' compensation, and any other claims outside of the Class Released Claims of Participating Class Members, including Plaintiffs, arising during the Class Period and the PAGA Released Claims of Aggrieved Employees, including Plaintiffs (and, to the extent permitted by law, the State of California) arising outside of the PAGA Period. (¶7.C)
- Named Plaintiffs will additionally provide a general release and §1542 waiver, "[w]ith the exception of Plaintiff Herlinda Gonzalez's claims for wrongful termination and related claims under FEHA against Defendants, including those asserted in the lawsuit pending in the Superior Court of the State of California for the County of Los Angeles, Case No. 23NWCV03102." (¶7.D) Plaintiff Gonzalez separately resolved her claims for wrongful termination and related claims under FEHA and entered into an agreement with Defendants regarding the same, which does not include and expressly excludes any and all wage-and-hour individual, class and/or PAGA claims being released through the instant actions. If the court requires more information, the Parties have agreed and Defendants are willing to provide such information in chambers or lodge a copy of the FEHA settlement agreement. (Fox Supp. Decl., ¶11.)
- Defendants shall release the representative Plaintiffs from any and all claims associated with their employment with Defendants or related to the filing of the Action. (¶7.E)
- "Released Parties" shall mean Eminent, Inc., doing business as "Revolve", and Revolve Group, Inc., as well as each of their parent companies, subsidiaries, related companies, affiliates, dbas, shareholders, and any past, present or future officers, directors, owners, members, attorneys, insures, and employees, predecessors, successors, and assigns, and Michael Mente. (¶1.Z)

D. May conditional class certification be granted?

1. Standards

A detailed analysis of the elements required for class certification is not required, but it is advisable to review each element when a class is being conditionally certified (*Amchem Products, Inc. v. Winsor* (1997) 521 U.S. 620, 622-627.) The trial court can appropriately utilize a different standard to determine the propriety of a settlement class as opposed to a litigation class certification. Specifically, a lesser standard of scrutiny is used for settlement cases. (*Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1807 fn. 19.) Finally, the Court is under no "ironclad requirement" to conduct an evidentiary hearing to consider whether the prerequisites for class certification have been satisfied. (*Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 240.)

2. Analysis

a. Numerosity. There are approximately 3,158 Class Members. (Fox Decl., ¶75.) This element is met.

b. Ascertainability. The proposed class is defined above. The class definition is "precise, objective and presently ascertainable." (*Sevidal v. Target Corp.* (2010) 189 Cal.App.4th 905, 919.) The class is ascertainable through Defendants' payroll records. (Fox Decl., ¶74.)

c. Community of interest. "The community of interest requirement involves three factors: '(1) predominant common questions of law or fact; (2) class representatives with claims or defenses typical of the class; and (3) class representatives who can adequately represent the class.'" (*Linder v. Thrifty Oil Co.* (2000) 23 Cal.4th 429, 435.)

As to commonality, Plaintiffs contend that this litigation is brought to resolve common issues that include whether Class Members are entitled to pay for tasks performed off the-clock, whether Defendants provided full, timely and uninterrupted meal and rest periods, whether Class Members are entitled to premium pay for incomplete, untimely or interrupted meal or rest periods, among other claims. (Fox Decl., ¶76.)

As to typicality, Plaintiffs contend that their claims are typical of those of the Class Members they seek to represent as Plaintiffs: (1) are non-exempt employees like other Class Members; (2) complain of not being paid for all time under Defendants' control or suffered and/or permitted to work for Defendants; (3) did not receive all premium pay for meal periods that were not compliant with the Labor Code; (4) never received premium pay for rest periods that were not provided to Class Members; and (5) was not reimbursed for all their necessary business expenses incurred while working for Defendants, among other claims. (Fox Decl., ¶77.)

Finally, *as to adequacy*, Plaintiffs actively participated in the litigation, have no conflicts of interest with other Class Members, and are represented by experienced counsel. (Fox Decl., ¶¶78-79; *see also* Declarations of Herlinda Gonzalez, Teresa Franco, and Rita Luna.)

d. Adequacy of class counsel. As indicated above, Class Counsel has shown experience in class action litigation, including wage and hour class actions.

e. Superiority. Given the relatively small size of the individual claims, a class action appears to be superior to separate actions by the class members.

CONCLUSION: The class is conditionally certified because the prerequisites of class certification have been satisfied.

E. Is the notice proper?

1. Content of class notice. The proposed revised notice is attached to the counsel Fox's supplemental declaration as Exhibit 4. Its content appears to be acceptable. It includes information such as: a summary of the litigation; the nature of the settlement; the terms of the settlement agreement; the proposed deductions from the gross settlement amount (attorney fees and costs, enhancement awards, and administration costs); the procedures and deadlines for participating in, opting out of, or objecting to, the settlement; the consequences of participating in, opting out of, or objecting to, the settlement; and the date, time, and place of the final approval hearing.

2. Method of class notice.

Class Data: No later than (15) calendar days after the Court grants Preliminary Approval of the Settlement, Defendants' Counsel shall provide the Class Data to the Settlement Administrator, in the form of a Microsoft Excel spreadsheet. (¶9.A.1)

Notice via direct mail: Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice, in English and Spanish. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database. (¶9.A.1)

If a Class Notice from the initial notice mailing is returned as undeliverable, the Settlement Administrator will attempt to obtain a current address for the Settlement Class Member to whom the returned Class Notice had been mailed by: (1) contacting the Settlement Class Member by phone, if possible, and (2) undertaking skip tracing within five (5) calendar days of receipt of the returned Class Notice. If the Settlement Administrator is successful in obtaining a new address, it will re-mail the Class Notice to the Settlement Class Member within three (3) business days of obtaining the new address. Further, any Class Notices that are returned to the Settlement Administrator with a forwarding address before the Response Deadline shall be promptly re-mailed to the forwarding address affixed thereto within three (3) business days of their receipt by the Settlement Administrator. (¶9.A.3)

Notice of entry of final judgment will be posted on the administrator's website for at least four (4) years after the Judgment becomes final. (¶19) Notice of any change to the date or time of the final fairness and approval hearing will be posted on the administrator's website. (Revised Class Notice, p. 2.)

3. Cost of class notice. As indicated above, settlement administration costs are estimated to be **$21,950**. Prior to the time of the final fairness hearing, the administrator must submit a declaration attesting to the total costs incurred and anticipated to be incurred to finalize the settlement for approval by the Court.

F. Attorney fees and costs

CRC rule 3.769(b) states: "Any agreement, express or implied, that has been entered into with respect to the payment of attorney fees or the submission of an application for the approval of attorney fees must be set forth in full in any application for approval of the dismissal or settlement of an action that has been certified as a class action."

Ultimately, the award of attorney fees is made by the court at the fairness hearing, using the lodestar method with a multiplier, if appropriate. (*PLCM Group, Inc. v. Drexler* (2000) 22 Cal.4th 1084, 1095-1096; *Ramos v. Countrywide Home Loans, Inc*. (2000) 82 Cal.App.4th 615, 625-626; *Ketchum III v. Moses* (2000) 24 Cal.4th 1122, 1132-1136.) In common fund cases, the Court may utilize the percentage method, cross-checked by the lodestar. (*Laffitte v. Robert Half Int'l, Inc.* (2016) 1 Cal.5th 480, 503.) Despite any agreement by the parties to the contrary, "the court ha[s] an independent right and responsibility to review the attorney fee provision of the settlement agreement and award only so much as it determined reasonable." (*Garabedian v. Los Angeles Cellular Telephone Company* (2004) 118 Cal.App.4th 123, 128.)

The question of whether Class Counsel is entitled to **$735,000 (35%)** in attorney fees will be addressed at the fairness hearing when class counsel brings a noticed motion for attorney fees. Class counsel must provide the court with billing information so that it can properly apply the lodestar method and must indicate what multiplier (if applicable) is being sought as to each counsel.

Class Counsel should also be prepared to justify the costs (capped at **$45,000**) sought by detailing how they were incurred.

G. <u>Incentive Award to Class Representative</u>

The named Plaintiffs will request an enhancement award of **$25,000**. In connection with the final fairness hearing, the named Plaintiffs must submit declarations attesting to why they should be entitled to an enhancement award in the proposed amount. The named Plaintiffs must explain why they "should be compensated for the expense or risk she has incurred in conferring a benefit on other members of the class." (*Clark v. American Residential Services LLC* (2009) 175 Cal.App.4th 785, 806.) Trial courts should not sanction enhancement awards of thousands of dollars with "nothing more than *pro forma* claims as to 'countless' hours expended, 'potential stigma' and 'potential risk.' Significantly more specificity, in the form of quantification of time and effort expended on the litigation, and in the form of reasoned explanation of financial or other risks incurred by the named plaintiffs, is required in order for the trial court to conclude that an enhancement was 'necessary to induce [the named plaintiff] to participate in the suit . . . .'" (*Id.* at 806-807, italics and ellipsis in original.) The Court will decide the issue of the enhancement award at the time of final approval.

<u>CONCLUSION AND ORDER</u>

The Parties' Motion for Preliminary Approval of Class Action Settlement is GRANTED as the settlement is fair, adequate, and reasonable.

The essential terms of the Settlement Agreement are:

- The Gross Settlement Amount is $2,100,000, non-reversionary. (¶1.K)
    - Defendants represent that there are no more than 245,670 Workweeks worked by Class Members during the Class Period. In the event the number of Workweeks worked increases by more than 10%, or 24,567 Workweeks worked (i.e., collectively more than 270,237 workweeks), then the GSA shall be increased on a pro rata basis by any increase after that trigger threshold (i.e., a 14% increase in Workweeks would result in a 4% increase in the GSA, and so forth). (¶17)

- The Parties will request the Court to approve and award the following payments and deductions to be made from the GSA:

    - Up to **$735,000** (35%) for attorney fees (¶12);

    - Up to **$45,000** for costs of litigation (*Ibid.*);

- Up to **$25,000** for a service award to the named Plaintiffs ($10,000 to Plaintiff Gonzalez, $7,500 to Plaintiff Franco, and $7,500 to Plaintiff Luna) (¶¶1.CC, 13);

- Up to **$21,950** for settlement administration costs (¶¶1.DD, 8);

- Payment of **$50,000** PAGA penalty (**$37,500** or 75% to the LWDA; $12,500 or 25% to the Aggrieved Employees) (¶¶1.O, 15).

- <u>Employer Taxes</u>. Defendants will separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. (¶¶1.K, 14.C)

- Plaintiffs shall release Defendants from claims described herein.

At final approval, the Court will rule on the reasonableness of requested fees, litigation expenses, enhancement payments, and administration costs.

The Parties' Motion for Final Approval of Class Action Settlement must be filed by ***<u>December 1, 2026</u>*** and will be heard on ***<u>January 12,2027</u>*** at 08:30 a.m. *Failure to file the Parties' Motion for Final Approval of Class Action Settlement by this deadline will result in a continuance of the final approval hearing to the Court's first available hearing date, which could be months after the hearing date noted here.* Prior to filing the moving papers, Plaintiff must contact the court staff for Department 9 to obtain a briefing schedule, which must be included in the caption of the moving papers.

The Parties' Motion for Final Approval of Class Action Settlement must include a concurrently lodged **single document** that constitutes a [Proposed] Order and Judgment containing among other things, the class definition, full release language, and names of the any class members who opted out.

A Non-Appearance Case Review is set for ***<u>December 8,2026</u>***, at 8:30 a.m., Department 9 re filing of Motion for Final Approval of Class Action Settlement.

IT IS SO ORDERED.

DATED: August 26, 2026

Elaine Lu / Judge
Judge of the Superior Court