

Randy Renick (S.B.N. 179652)
rrr@hadsellstormer.com
Cornelia Dai (S.B.N. 207435)
cdai@hadsellstormer.com
HADSELL STORMER RENICK & DAI LLP
128 North Fair Oaks Avenue, Suite 204
Pasadena, California 91103-3645
Telephone: (626) 585-9600
Facsimile: (626) 577-7079

Richard G. McCracken (S.B.N. 62058)
rmccracken@msh.law
Sarah Grossman-Swenson (S.B.N. 259792)
sgs@msh.law
McCRACKEN, STEMERMAN & HOLSBERRY, LLP
475 14th Street, Suite 1200
Oakland, CA 94612
Telephone: (415) 597-7200
Facsimile: (415) 597-7201

Attorneys for Plaintiffs & Plaintiff Class

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE**

KATHLEEN GRACE, REGINA DELGADO,
ALICIA GRIJALVA, JAVIER TERRAZAS,
and all others similarly situated,

Plaintiffs,

v.

THE WALT DISNEY COMPANY, WALT
DISNEY PARKS AND RESORTS US, INC.,
SODEXO, INC., SODEXOMAGIC, LLC and
Does 1-100,

Defendants.

Case No. 30-2019-01116850-CU-OE-CXC

Reservation Number: 74641212

**PLAINTIFFS' NOTICE OF MOTION
AND MOTION FOR AN ORDER
GRANTING FINAL APPROVAL OF
SODEXO CLASS ACTION
SETTLEMENT; MEMORANDUM OF
POINTS AND AUTHORITIES IN
SUPPORT THEREOF**

*[Concurrently filed herewith: Declarations of
Sarah Grossman-Swenson, Randy Renick,
Kathleen Grace, and Jack Sobczak and
Exhibits; [Proposed] Order; [Proposed]
Judgment]*

Judge: Hon. William D. Claster
Dept.: CX101
Date: September 12, 2025
Time: 9:00 a.m.

Action Filed: December 6, 2019

TABLE OF CONTENTS

Page(s)

I.	INTRODUCTION	1
II.	SETTLEMENT TERMS	2
A.	Summary of Settlement Terms	2
B.	Plan of Allocation	3
III.	NOTICE TO THE CLASS AND ADMINISTRATION OF CLAIMS.....	5
IV.	FINAL APPROVAL OF THE SETTLEMENT IS APPROPRIATE BECAUSE THE SETTLEMENT IS FAIR, REASONABLE, AND ADEQUATE.	6
A.	The Strength of Plaintiffs' Case Balanced Against the Amount Offered in Settlement Weighs in Favor of Approval.	7
B.	Risk, Expense, Complexity and the Likely Duration of Further Litigation.....	9
C.	The Stage of the Proceedings and Extent of Discovery Weighs in Favor of Settlement.	10
D.	Class Counsel Believes the Settlement Terms Are Fair, Adequate, and Reasonable.	10
E.	The LWDA does not object to the Settlement.	11
F.	Reaction of Class Members to the Proposed Settlement: No Objections.	11
V.	THE PAGA SETTLEMENT AMOUNT IS REASONABLE.....	11
VI.	PLAINTIFFS SHOULD BE AWARDED THE REQUESTED SERVICE AWARDS. ..	12
VII.	AN AWARD OF ATTORNEY'S FEES OF 15% OF THE SETTLEMENT FUND AND THE REIMBURSEMENT OF COSTS ARE REASONABLE.....	14
VIII.	POST-DISTRIBUTION ADMINISTRATOR REPORT, UNCASHED CHECKS, AND POSTING OF FINAL JUDGMENT.....	14
IX.	CONCLUSION	15

TABLE OF AUTHORITIES

Page(s)

Cases

<i>7-Eleven Owners for Fair Franchising v. Southland Corp.</i> (2000) 85 Cal. App. 4th 1135	7, 11
<i>Bell v. Farmers Ins. Exchange</i> (2004) 115 Cal. App. 4th 715	12
<i>Carr v. Howroyd-Wright Empl. Agency</i> (Jul. 16, 2019) 34-2018-00228290-CU-OE-GDS, 2019 Cal. Super. LEXIS 64915.....	14
<i>Clark v. American Residential Services LLC</i> (2009) 175 Cal. App. 4th 785	8, 12, 13
<i>Cunningham v. DPI Specialty Foods West, Inc.</i> (Dec. 7, 2012) BC465017, 2012 Cal. Super. LEXIS 1186.....	14
<i>Dunk v. Ford Motor Co.</i> (1996) 48 Cal. App. 4th 1794	7
<i>Garcia v. Pac. Coast Supply LLC</i> (Mar. 9, 2020) 34-2019-00247748-CU-OE-GDS, 2020 Cal. Super. LEXIS 32963.....	14
<i>Golba v. Dick's Sporting Goods, Inc.</i> (2015) 238 Cal.App.4th 1251	13
<i>Hopson v. Hanesbrands, Inc.</i> (N.D. Cal. Apr. 3, 2009) Case No. 08-00844, 2009 WL 928133	12
<i>Kullar v. Foot Locker Retail, Inc.</i> (2008) 168 Cal.App.4th 116	7, 8
<i>In re Microsoft I-V Cases</i> (2006) 135 Cal. App. 4th 706	6, 11
<i>Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles</i> (2010) 186 Cal.App.4th 399	7, 8
<i>Rebney v. Wells Fargo Bank</i> (1990) 220 Cal. App. 3d 1117	7
<i>Trujillo v. Valet Living</i> (Oct. 20, 2021) 34-2020-00273711-CU-OE-GDS, 2021 Cal. Super. LEXIS 88982.....	14

TABLE OF AUTHORITIES
(CONTINUED)

Page(s)

Cases

<i>Wershba v. Apple Computer, Inc.</i> (2001) 91 Cal. App. 4th 224	6, 7
---	------

Statutes

Anaheim Municipal Code Title 6, Chapter 6.99	<i>passim</i>
Private Attorneys General Act, Labor Code section 2698, <i>et seq.</i>	<i>passim</i>

Other Authorities

Cal. Rules of Court Rule 3.769	2, 6
Cal. Rule of Court 3.771(b)	14

1 TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD AND ALL INTERESTED
2 PARTIES:

3 PLEASE TAKE NOTICE that on September 12, 2025, at 9:00 a.m., or as soon thereafter as the
4 matter may be heard in in Department CX101 of the above-entitled Court, located at 751 West Santa
5 Ana Blvd., Santa Ana, California 92701, Named Plaintiff Kathleen Grace, individually and on behalf of
6 the certified class and all similarly situated individuals (“Plaintiffs” or “Plaintiff Class”), will and
7 hereby does move this Court for entry of the proposed order filed concurrently herewith:

- 8 1. Finally approving the class action settlement for \$1,750,000 for the Sodexo Settlement
9 Class;
 - 10 2. Awarding Private Attorneys General Act penalties to the California Labor and Workforce
11 Development Agency in the amount of \$131,250;
 - 12 3. Awarding settlement administration costs to A.B. Data, Ltd., in the amount of up to
13 \$19,000;
 - 14 4. Awarding a service award of \$20,000 for the Sodexo class representative, Kathleen
15 Grace;
 - 16 5. Finding that the Court has personal jurisdiction over the Sodexo Settlement Class
17 Members and subject matter jurisdiction to approve the Settlement Agreement, including all exhibits
18 thereto;
 - 19 6. Reaffirming the certification of the Sodexo Settlement Class certified in the Court’s
20 Preliminary Approval Order;
 - 21 7. Reaffirming the appointment of Class Counsel, the Class Representative, and the
22 Settlement Administrator; and
 - 23 8. Finally approving the proposed settlement as fair, reasonable, and adequate.
- 24 Plaintiffs have separately sought an award of attorneys’ fees in the amount of \$262,500 (fifteen
25 percent of the common fund) and reimbursement of costs to Plaintiffs’ counsel from the Sodexo
26 Defendants in the amount of \$7,500.

27 Plaintiffs also move for entry of judgment. The Proposed Order Granting Final Approval and
28

1 Proposed Judgment are filed concurrently herewith. This motion is brought pursuant to Rule 3.769 of
2 the California Rules of Court, on the grounds that the terms of the Settlement and plan of allocation is
3 fair, reasonable, and adequate, and that the Notice of Settlement to the Class Members was proper and
4 adequate.

5 This motion is based upon this Notice, the Memorandum of Points and Authorities, the
6 declarations and accompanying exhibits filed herewith, the other records, pleadings, and papers filed in
7 this action, and upon such other documentary and oral evidence and/or argument as may be presented
8 to the Court at the hearing of this motion.

9 DATED: August 20, 2025

Respectfully submitted,

10 MCCracken, Stemerman & Holsberry, LLP
11

12
13 By: 

14 Sarah Grossman-Swenson
15 *Attorneys for Plaintiffs & Plaintiff Class*

16 HADSELL STORMER RENICK & DAI LLP
17

18 By: /s/ Randy Renick

19 Randy Renick
20 *Attorneys for Plaintiffs & Plaintiff Class*
21
22
23
24
25
26
27
28

1 **PLAINTIFFS' MOTION FOR FINAL APPROVAL**

2 **I. INTRODUCTION**

3 The \$1,750,000 proposed non-reversionary wage-and-hour settlement in this case was reached
4 by Plaintiff Kathleen Grace on behalf of more than 500 Sodexo employees in the Settlement Class
5 (collectively, "Plaintiffs").¹ The settlement followed determination in this case that Defendants Sodexo,
6 Inc., and SodexoMagic, LLC ("Sodexo" or "the Sodexo Defendants") and Defendants The Walt Disney
7 Company and Walt Disney Parks and Resorts US, Inc. ("Disney") were subject to the Anaheim Living
8 Wage Ordinance ("LWO"). If the proposed Settlement is approved, all class members will be
9 reimbursed completely for their damages, plus 10% interest, plus penalties. Following preliminary
10 approval, all class members were provided with a customized notice explaining their rights, options, and
11 estimated recovery. Not a single class member has objected to the Settlement. Declaration of Randy
12 Renick ("Renick Decl.") ¶ 32. And not a single class member has opted out. *Id.* Final approval should be
13 granted.

14 The Settlement fully compensates all class members for wages owed under the LWO for the time
15 period when Sodexo's employees were underpaid.² Renick Decl. ¶ 19. Additionally, the settlement
16 provides for payment of interest at 10% on all monies owed to the Class, and for statutory and PAGA
17 penalties.

18 The allocation of backpay to the Plaintiff Class will be equal to the wages owed to each
19 individual employee, based on their actual hours worked and wages earned. The allocation of statutory
20 and PAGA penalties for wage statement and overtime penalties will be based on the class members'
21 number of work weeks with alleged violations and, for "waiting time" penalties, the number of class
22 members who were owed wages under the LWO when their employment ended. Renick Decl. ¶¶ 20-22.

23
24
25 ¹ The motion for final approval of the Disney Class Action Settlement involving Defendants The Walt
26 Disney Company and Walt Disney Parks and Resorts US, Inc. ("Disney Defendants") was filed on
August 13, 2025.

27 ² The Disney settlement class includes resolution of underpaid service charges and retirement
28 contributions, but the Sodexo class members did not have any service charge or retirement contribution
damages.

1 Class members will receive payments based on their payroll records without the need to return a claim
2 form.

3 Plaintiffs also seek final approval of Private Attorneys General Act (“PAGA”) penalties to the
4 California Labor and Workforce Development Agency in the amount of \$131,250 (75% of \$175,000), a
5 service award to the named plaintiff in the amount of \$20,000, and settlement administration costs of
6 \$19,000. Plaintiffs’ request for attorneys’ fees in the amount of \$262,500 (fifteen percent of the common
7 fund) and reimbursement of costs to Plaintiffs’ counsel in the amount of \$7,500 from the Sodexo
8 Defendants is addressed in the Motion for Attorneys’ Fees and Costs, which was filed and posted on the
9 class settlement website on July 17, 2025. Renick Decl. ¶ 37; Declaration of Jack Sobczak (“Sobczak
10 Decl.”) ¶ 11. As ordered by the Court for final approval, Plaintiffs submitted their billing records and
11 costs supporting their fee request. Renick Decl. ¶ 37 n. 2. The Proposed Order Granting Final Approval
12 and Proposed Judgment are also filed concurrently herewith.

13 This Settlement is an outstanding result for the class. It makes all class members whole for all
14 losses they experienced, with 10% annual interest, and substantial penalties on top of that. It avoids a
15 trial and likely appeals related to the contours of statutory and PAGA penalties, which would delay
16 payment to the more than 500 class members for years. After Plaintiffs provided Notice to the
17 Settlement Class pursuant to this Court’s Order Granting Preliminary Approval, there were no opt-outs
18 and no objections.

19 Plaintiffs seek final approval of the proposed Settlement as fair, reasonable, and adequate, and
20 respectfully request that the Court approve the settlement and enter judgment.

21 **II. SETTLEMENT TERMS**

22 **A. Summary of Settlement Terms**

23 The Settlement Agreement provides for the following terms:

24 1. **Settlement Class:** The Settlement Class is defined as “all nonexempt current and former
25 individuals employed by Sodexo, Inc. or any of its subsidiaries, parents, and affiliated entities, including
26 but not limited to SodexoMagic, LLC and who worked in Disney theme parks and hotels in Anaheim,
27 California on or after January 1, 2019, and who were not paid hourly wages of at least the amounts
28 required by Title 6, Chapter 6.99 of the Anaheim Municipal Code at any time from January 1, 2019, to

the order on the motion for preliminary approval.” Renick Decl. ¶ 31; Declaration of Sarah Grossman-Swenson (“Swenson Decl.”) ¶ 2 & Exh. 1 (“Agreement”) at § 1.32.

2. **Settlement Amount:** The total settlement amount is \$1,750,000 (ONE MILLION SEVEN HUNDRED AND FIFTY THOUSAND DOLLARS) and is non-reversionary. This includes payment to the Class, PAGA payment to the State of California Labor and Workforce Development Agency (“LWDA”), service award to the named plaintiff, administration and notice-related costs, employees’ share of payroll taxes, interest, attorneys’ fees and reimbursement of reasonable litigation costs and expenses. It does not include the employer’s share of payroll taxes, which shall be paid separately by the Sodexo Defendants. After deductions for fees, costs, administration, and service awards, the net settlement amount will be at least \$1,441,000, and the amount distributed to the class after the payment to the LWDA will be at least \$1,309,750 whereas the amount owed to the Class in lost income with interest is \$1,151,217. Renick Decl. ¶ 15.

3. **Release:** All Class Members who did not opt out (and no opt-outs were filed) will release all claims they had against the Sodexo Defendants arising from the facts alleged in the Second Amended Complaint and occurring during the Class Period. Renick Decl. ¶ 16.

4. **PAGA:** Class Members who are PAGA Aggrieved Employees will be releasing their representative PAGA claims and receiving a PAGA allocation if the Settlement Agreement is approved by the Court, regardless of whether they opted out of the class settlement or not. *Id.* ¶ 17.

B. Plan of Allocation

Each Class Member will receive their share of the wages that Plaintiffs allege the Sodexo Defendants failed to pay during the Class Period before the Sodexo Defendants came into compliance with the Ordinance. The average total recovery per class member, including all categories of backpay, interest, and penalties, is \$2,385.70. Sobczak Decl. ¶ 9. The amount of awards ranged from \$0.57 to \$17,832.62. *Id.* The amounts have been calculated using the Sodexo Defendants’ records, including payroll data for the Class Period (*see* Sobczak Decl. ¶7; Johnson Declaration,³ Exh. 1, ¶¶ 10-13), and allocated based on those calculations, as follows, and as set out in greater detail in Plaintiffs’ Motion for

³ All references to “Johnson Declaration” are to the Declaration of Phillip Johnson, Ph.D, of Econ One, filed in support of Plaintiffs’ Motion for Preliminary Approval.

Preliminary Approval:

Class Member Damages and Statutory Penalties

- **\$1,151,217 allocated to Claims for Alleged Lost Wages (\$797,475) and 10% Annual Interest (\$353,742).**⁴ Each Class Member will receive all of their alleged lost income from wages lower than those required by the Ordinance during the Class Period. Renick Decl. ¶ 19.
- **\$87,452 allocated to Statutory Penalties for Wage Statement Claims.** Each Class Member will receive a pro rata share of the allocation based on the number of relevant weeks worked with an alleged underpayment of wages during the Class Period (“Work Weeks”).⁵ *Id.* ¶ 20.
- **\$27,331 allocated to Statutory Penalties for Waiting Time Claims.** Each Class Member whose employment with Sodexo ended between July 14, 2023, and the Date of Preliminary Approval will receive a per capita share of this allocation. *Id.* ¶ 21.

Private Attorney General Act (“PAGA”) Penalties

Ten percent of the Settlement, or \$175,000, is allocated to PAGA penalties, of which 75% (\$131,250) will be paid to the California Labor and Workforce Development Agency (“LWDA”), as required by law. The remaining 25% (\$43,750) will be distributed among all “aggrieved employees” under PAGA, including those Class Members who opted out of the Settlement (“PAGA Member”), and allocated as follows, as set out in greater detail in Plaintiffs’ Motion for Preliminary Approval:⁶ Renick Decl. ¶ 22.

- **\$35,775 allocated to PAGA Penalties for Wage Statement Claims.** Each PAGA Member will receive a pro rata share of the allocation based on their individual relevant Work Weeks with an alleged underpayment of wages during the Class Period. *Id.* ¶ 23.
- **\$6,647 allocated to PAGA Penalties for Overtime Claims.** Each PAGA Member will receive a pro rata share of the allocation based on their individual Work Weeks with allegedly underpaid overtime during the Class Period. *Id.* ¶ 24.
- **\$1,328 allocated to PAGA Penalties for Waiting Time Claims:** Each PAGA Member whose employment ended during the Class Period will receive a per capita share of the allocation. *Id.* ¶ 25.

///

⁴ For all interest calculations, each Class Member’s share of the allocation includes 10% annual interest from the time the payment was allegedly due until July 1, 2025.

⁵ The total statutory penalties available for distribution were allocated 23.812% to waiting time penalties and 76.188% to wage statement penalties, consistent with the respective percentages of total potential statutory penalties shown in Johnson Decl., Exh. 1, Table 6. Swenson Decl. ¶ 11.

⁶ The total PAGA penalties available for distribution are allocated 81.773% to wage statement PAGA penalties, 15.193% to overtime PAGA penalties, and 3.034% to waiting time PAGA penalties, consistent with the respective percentages of the total potential PAGA penalties shown in Johnson Decl., Exh. 1, Table 7. Swenson Decl. ¶ 12.

Class Counsel's Attorneys' Fees and Costs, Class Representative Service Awards, and Administrative Costs

- Plaintiffs seek an award of attorneys' fees of 15% (\$262,500) of the \$1,750,000 Settlement Amount, which is subject to Court approval, and supported by Plaintiffs' Motion for Attorneys' Fees and Costs, as well as the reimbursement of costs of \$7,500. Renick Decl. ¶ 37.
- In addition, Class Counsel seeks a Service Award of \$20,000 for the Class Representative for her services in representing the Class, in addition to the Individual Settlement Award she will receive as a Class Member. *Id.* ¶ 45.
- The Parties have estimated the cost of administering the Settlement, including but not limited to giving notice to the Class, calculating the Individual Settlement Awards, and making the payments authorized under the Settlement, will be no greater than \$19,000. Class Counsel will ask the Court to authorize those costs to be paid to the Settlement Administrator based on invoiced costs. *Id.* ¶ 43.

III. NOTICE TO THE CLASS AND ADMINISTRATION OF CLAIMS

On May 2, 2025, this Court granted preliminary approval of the Class Action Settlement Agreement, conditionally certified the Settlement Class, approved the Class Notice, and appointed A.B. Data, Ltd. ("AB Data" or "Administrator") to serve as the Settlement Administrator. AB Data implemented the notice plan according to the terms of the Settlement Agreement and pursuant to the Court's order. Renick Decl. ¶ 32; Sobczak Decl. ¶¶ 4-8, 11-14. AB Data set up a website, mailing address, and toll-free telephone number for the case and the settlement, which it has maintained throughout the notice period. Sobczak Decl. ¶¶ 4, 13. Sodexo provided data files containing names, last known addresses, last known email addresses, and other relevant employment information of Class Members to enable Plaintiffs' economic expert Econ One to calculate estimated damages, and to enable AB Data to provide notice to the class. Based on Econ One's calculations, AB Data was able to customize Notices for each Class Member that included the estimated individual settlement payment for each Class Member. Sobczak Decl. ¶ 7; Johnson Declaration, Exh. 1, ¶¶ 10-13.

On June 2, 2025, AB Data provided 316 individualized notices by e-mail to each Class Member for whom an email address was available. Sobczak Decl. ¶ 5. There were 233 records which did not include an email address or for whom the email was invalid. *Id.* Also on June 2, 2025, AB Data provided notice by U.S. Mail to each Class Member for whom an email address was not available or for whom the email was invalid, for a total of 233 notices sent by mail. *Id.* AB Data received updated

1 correspondence information from Class Members, including individual requests to receive notice via a
2 preferred method, which may have caused a single record to receive multiple copies. In total, AB Data
3 caused Notice to be served, either electronically or by US Mail, on 549 unique Class Members, with
4 Class Members in some instances receiving notice both electronically and by U.S. Mail. *Id.*

5 AB Data received approximately five (5) of the mailed notices returned as undeliverable as
6 addressed. *Id.* ¶ 6. Each returned notice was researched for an updated address in multiple address
7 skiptracing databases and, if an update was available, was remailed accordingly. All five of these
8 returned Notice records received an address update and successfully remailed Notice. *Id.* If class
9 members reached out to the Administrator because they had not received the notice, they were provided
10 with customized login information for the website, where they were able to access their custom notice
11 with individual estimated settlement payment. *Id.* ¶ 8.

12 AB Data tracked the opt-outs, objections, and disputes submitted by class members. Sobczak
13 Decl. ¶¶ 15-17. AB Data did not receive *any* objections to the settlement. *Id.* ¶ 16; Renick Decl. ¶ 39.
14 AB Data also did not receive *any* requests for exclusion by August 1, 2025. Sobczak Decl. ¶ 15. The
15 prior class administrator, CAC, received five opt-outs in response to the notice provided in 2021 and did
16 not receive any opt-outs in response to the notice provided in 2024. Renick Decl. ¶¶ 27, 29. The five
17 individuals who opted out in response to the notice provided in 2021 received the 2025 Settlement Class
18 Notice based on the updated and expanded class definition. *Id.* ¶ 33. None filed a request for exclusion
19 from the 2025 Settlement Class. *Id.* AB Data did not receive *any* data disputes from Sodexo class
20 members regarding the amount of the settlement they could expect to receive. Renick Decl. ¶ 32;
21 Sobczak Decl. ¶ 17. Lastly, AB Data did not receive any communications from individuals who self-
22 identified as class members but were not included in the data provided by Sodexo. Sobczak Decl. ¶ 18.

23 **IV. FINAL APPROVAL OF THE SETTLEMENT IS APPROPRIATE BECAUSE THE**
24 **SETTLEMENT IS FAIR, REASONABLE, AND ADEQUATE.**

25 A class action may not be compromised or settled without approval of the Court. Cal. R. Ct.
26 3.769. The decision to approve or reject a proposed settlement is committed to the sound discretion of
27 the Court. *Wershba v. Apple Computer, Inc.* (2001) 91 Cal. App. 4th 224, 234-35. Public policy and the
28 law generally favor settlement, particularly in class actions and other complex cases where substantial

resources can be conserved by avoiding the time, cost, and rigors of formal litigation. *See In re Microsoft I-V Cases* (2006) 135 Cal. App. 4th 706, 723, fn.14. In approving a proposed settlement, the court must determine whether the class settlement is fair, reasonable, and adequate. *Dunk v. Ford Motor Co.* (1996) 48 Cal. App. 4th 1794, 1801. The Court has broad discretion in making this determination. *Id.*; *Rebney v. Wells Fargo Bank* (1990) 220 Cal. App. 3d 1117, 1138.

The purpose of the final approval hearing, however, is not to allow others to rework a settlement that is the result of long, complex, and hard-fought negotiations. *Wershba*, 91 Cal.App.4th at p. 246. “[T]he proposed settlement is not to be judged against a hypothetical or speculative measure of what might have been achieved had plaintiffs prevailed at trial.” *Id.* (“[C]lass action settlement must stand or fall as a whole. . . .”); *Rebney*, 220 Cal.App.3d at p. 1135.

The “well-recognized factors” to be applied in determining the adequacy of a proposed class settlement are: (1) the strength of plaintiffs’ case, (2) the risk, expense, complexity and likely duration of further litigation, (3) the risk of maintaining class action status through trial, (4) the amount offered in settlement, (5) the extent of discovery completed at the stage of the proceedings, (6) the experience and views of counsel, (7) the presence of a governmental participant, and (8) the reaction of the class members to the proposed settlement. *Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles* (2010) 186 Cal.App.4th 399, 407; *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 128. This list of factors is not exhaustive and should be tailored to each case. *7-Eleven Owners for Fair Franchising v. Southland Corp.* (2000) 85 Cal. App. 4th 1135, 1145. The relevant factors are addressed below.

A. The Strength of Plaintiffs’ Case Balanced Against the Amount Offered in Settlement Weighs in Favor of Approval.

Of the factors that the Court must consider in determining fairness, “[t]he most important factor is the strength of the case for plaintiffs on the merits, balanced against the amount offered in settlement.” *Kullar*, 168 Cal.App.4th at p. 130 [citation omitted]. “A settlement need not obtain 100% of the damages sought in order to be fair and reasonable.” *Wershba*, 91 Cal. App. 4th at p. 250, (citing settlements found to be fair and reasonable even though monetary relief was “relatively paltry” or only

1 “a fraction of the potential recovery”).⁷

2 In this case, Plaintiffs have obtained in settlement an amount that will make the entire Plaintiff
3 Class whole, with 10% interest, as well as provide them with significant penalties. While Plaintiffs
4 firmly believe in the strength of their case on penalties, they are mindful of the risks in proceeding to a
5 trial on penalties, and the delay that a trial on penalties would entail.

6 From Sodexo’s motion for summary adjudication, Plaintiffs understood that Sodexo Defendants
7 would argue that Plaintiffs should not be entitled to penalties at all, or at least not until after October 25,
8 2023, when the California Supreme Court denied review of the Court of Appeal’s decision.⁸ Swenson
9 Decl. ¶ 8. The Sodexo Defendants have argued that their noncompliance with the Ordinance was done in
10 good faith as they did not have a basis to believe they were subject to the LWO, and such a defense may
11 serve as a complete bar to penalties if accepted by the jury and the Court. *Id.* The Sodexo Defendants
12 have also argued that an earlier representative action that was filed in Kern County Superior Court and
13 settled in 2019 would bar Plaintiff Grace’s overtime claim as a class representative and that Plaintiff’s
14 wage statement claim was untimely alleged; if the Court or jury agreed with these defenses, the defenses
15 could bar Plaintiffs’ claims for penalties. *Id.*

16 If the Court rejected the Sodexo Defendants’ argument that penalties are entirely unavailable,
17 but accepted the Sodexo Defendants’ arguments that penalties should not apply until after October 25,
18 2023, then the net settlement amount *exceeds* the amount that Plaintiffs could obtain at trial including
19 penalties (which penalties the Sodexo Defendants would then have argued should be discretionarily
20 reduced by the Court). The net settlement amount of penalties, which settles all penalties exposure,

22 ⁷ In determining whether a proposed settlement is reasonable and adequate, the trial court “does not try
23 out or attempt to decide the merits of the controversy.” *7-Eleven Owners for Fair Franchising*, 85
24 Cal.App.4th at p. 1146 (internal quotations and citation omitted). The parties to a settlement must present
25 the trial court with sufficient evidence so that the court can make an independent determination that “the
26 consideration being received for the release of the class members is reasonable in light of the strengths
27 and weaknesses of the claims and the risks of the particular litigation.” (*Kullar, supra*, 168 Cal.App.4th
28 at p. 129; *Clark v. American Residential Services LLC* (2009) 175 Cal. App. 4th 785, 799–800.) But the
moving parties are not required to present an “explicit statement of value” or to present evidence of the
“maximum amount the plaintiff could recover if it prevailed on all its claims.” *Munoz, supra*, 186
Cal.App.4th at p. 409.

⁸ The procedural history of the case is set forth in the declaration of counsel. Renick Decl. ¶¶ 5-10.

1 represents recovery of 50% of statutory penalties and 41% of PAGA penalties sought after July 13,
2 2023, or 149% of statutory penalties and 230% of PAGA penalties sought after October 25, 2023.
3 Johnson Decl., Exh. 1, Tables 4-5; Swenson Decl. ¶ 13. While Plaintiffs are confident that they would
4 prevail on damages and interest, Plaintiffs' recovery of penalties is by no means certain. The trial court
5 agreed with the Defendants on summary judgment (before the appeal) that they were not obligated to
6 comply with the Living Wage Ordinance and might not be inclined to award substantial penalties at
7 trial particularly given the Court's considerable discretion in awarding PAGA penalties. Any penalties
8 awarded would be subject to appeal, further prolonging the litigation, and denying the Class payment of
9 wages to which they are entitled after the Court of Appeal's decision and the Supreme Court's decline
10 of review.

11 In assessing the value of each claim, Plaintiffs' counsel considered Sodexo's defenses to
12 penalties, the chances of prevailing on penalties, applicable case law and regulations, the circumstances
13 of the case, and potential risks and delays. Renick Decl. ¶ 48; Swenson Decl. ¶ 9. The strength of
14 Plaintiffs' claims, with consideration of the Defendants' defenses and the risks if the Parties were to
15 litigate through final judgment and appeal, balanced against the proposed settlement amount that makes
16 all Class Members whole for the damages they sustained from Sodexo's non-compliance with the
17 LWO, weigh strongly in favor of finding that the Settlement is fair, adequate, and reasonable.

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

19 Plaintiffs recognize the inherent risks and uncertainty of litigation, including that the Class could
20 receive less in penalties than they were offered in mediation, as well as the significant benefit of
21 providing relief to the Class now. Plaintiffs' claims involved disputed legal and factual issues with
22 regard to proper remedies, which the Parties briefed extensively for mediation. While Plaintiffs firmly
23 believe in the strength of their arguments with respect to statutory penalties and PAGA penalties,
24 substantial discretion is accorded to the Court and jury in awarding penalties. The Sodexo Defendants'
25 defenses raise a substantial possibility that significantly lower penalties would be awarded. The Sodexo
26 Defendants have argued that their noncompliance with the Ordinance was done in good faith as they did
27 not have a basis to believe they were subject to the LWO, and such a defense may serve as a complete
28 bar to penalties if accepted by the jury and the Court. Renick Decl. ¶ 47-48.

1 If the proposed Settlement had not been achieved, continued litigation of the claims would take
2 substantial time and possibly confer no benefit upon the Class. It was likely that the penalties would
3 continue to be fiercely litigated by the Parties, with a number of open legal issues related to statutory
4 and PAGA penalties. Multiple additional years of litigation would delay payment to Class members of
5 money that, after the Supreme Court denied review of the Court of Appeal's decision, there is no longer
6 a basis to dispute is owed. And it would inevitably involve significant additional expenses and fees. By
7 contrast, the Settlement will yield a prompt, certain, and substantial recovery for the Class, without the
8 substantial delay that a trial and appeals would entail.

9 **C. The Stage of the Proceedings and Extent of Discovery Weighs in Favor of Settlement.**

10 This case had been litigated to completion on liability; it was established that Sodexo had to
11 comply with the Living Wage Ordinance. The Parties had engaged in extensive discovery at the time the
12 case was settled. After remand, Sodexo produced all of its relevant payroll data. Plaintiffs engaged a
13 well-respected economic expert to analyze the backpay, interest, and penalties owed to the Plaintiff
14 Class. *See* Johnson Decl., Exhs. 1-2. Plaintiffs' expert analyzed the data entries to calculate the damages
15 and penalties potentially owed to the Class. Renick Decl. ¶ 18; Swenson Decl. ¶¶ 6-7; Johnson Decl.,
16 Exh. 1. The detailed discovery enabled Plaintiffs' experts to precisely calculate the amounts owed to
17 Class Members down to the penny. The extensive and thorough discovery permitted Plaintiffs to make a
18 detailed assessment of the damages that they would claim at trial for each Class Member. Sodexo had
19 filed a summary adjudication motion and Plaintiffs had filed their opposition; both parties had extensive
20 knowledge about the strengths and weaknesses of each other's cases, which enabled them to negotiate a
21 fair settlement with the assistance of Mediator Steve Pearl. Swenson Decl. ¶ 8; Renick Decl. ¶ 10. The
22 Settlement was the result of a mediator's proposal following arm's-length bargaining and vigorous
23 negotiations in mediation. Renick Decl. ¶ 12. Sodexo agreed to pay all Class Members all damages
24 owed, plus interest, and penalties. This weighs strongly in favor of settlement.

25 **D. Class Counsel Believes the Settlement Terms Are Fair, Adequate, and Reasonable.**

26 The total settlement is \$1,750,000 which includes payment to the Class Members, the Named
27 Plaintiff's service award, the LWDA payment for PAGA penalties, attorneys' fees and costs, the
28 employees' share of payroll taxes, and administration costs. After costs and fees, if granted in full by the

1 Court, Class members will share in the sum of approximately \$1,309,750. Renick Decl. ¶ 37.

2 While the settlement does not provide for injunctive relief, the Sodexo Defendants have been
3 complying with the hourly requirements in the Ordinance since November 24, 2023. There is no threat
4 that the Sodexo Defendants will reverse course, and no reason to believe that the Sodexo Defendants
5 would fail to comply with the LWO in light of the Court of Appeal’s decision. Thus, injunctive relief is
6 not necessary to ensure compliance with the Living Wage Ordinance going forward.

7 The settlement wholly compensates the Plaintiff Class for all damages incurred, as well as full
8 interest, in addition to a meaningful recovery of highly disputed penalties. This is an outstanding result
9 compared with what Plaintiffs might obtain at trial. Plaintiffs’ Counsel are highly experienced in class
10 action and other complex litigation. Renick Decl. ¶¶ 3, 49; Swenson Decl. ¶ 3. Plaintiffs’ Counsel have
11 substantial experience litigating living wage ordinance class actions and wage and hour class actions and
12 are fully familiar with the legal and factual issues in this case. Plaintiffs’ Counsel believe that the
13 settlement is fair, reasonable, and adequate. Renick Decl. ¶ 49; Swenson Decl. ¶ 9. These factors support
14 a presumption of fairness as well as a finding that that the Settlement is fair, adequate, and reasonable.

15 **E. The LWDA does not object to the Settlement.**

16 There are no government entities participating in the Settlement. The Labor & Workforce
17 Development Agency (“LWDA”) has been aware of the Settlement since March 27, 2025, when
18 Plaintiffs submitted a copy of the Settlement to LWDA in accordance with Labor Code § 2699(l)(2).
19 Renick Decl. ¶ 40. The LWDA has not filed an objection to the Settlement. *Id.*

20 **F. Reaction of Class Members to the Proposed Settlement: No Objections.**

21 The final identified factor a court should consider in evaluating the adequacy of a proposed class
22 settlement is the reaction of the class members. A settlement is presumed fair when “the percentage of
23 objectors is small.” *In re Microsoft I-V Cases* (2006) 135 Cal.App.4th 706, 723. In *7-Eleven Owners for*
24 *Fair Franchising, supra*, 85 Cal.App.4th at pp. 1152-53, the court found that the response of class
25 members to the proposed settlement “was overwhelmingly positive” as a “mere 80 of the 5,454 national
26 class members elected to opt out” and another nine class members – “a small percentage” – objected to
27 the settlement. Here, there were *no* objections to the settlement, and no opt-outs, which weighs strongly
28 in favor of final approval. The Court has every reason to conclude that the Settlement is fair, reasonable,

1 and adequate.

2 **V. THE PAGA SETTLEMENT AMOUNT IS REASONABLE.**

3 The Private Attorneys General Act (“PAGA”), Labor Code section 2698, *et seq.*, provides that
4 the recovery of any civil penalties under PAGA shall be apportioned 75% to the LWDA and 25% to the
5 aggrieved employees.⁹ The Settlement Agreement provides that \$175,000 of the settlement is allocated
6 to the PAGA claim with \$131,250 as payment to the LWDA for resolution of the PAGA claims and the
7 remaining \$43,750 allocated to all class members regardless of whether they opt out of the class claims.
8 Renick Decl. ¶ 22. This resolution was reached as part of the overall Settlement which resulted from
9 good faith negotiations, and the amount is more than reasonable. *See Hopson v. Hanesbrands, Inc.* (N.D.
10 Cal. Apr. 3, 2009) Case No. 08-00844, 2009 WL 928133 at *9 (finding \$1,500 payment to LWDA of
11 \$408,420.32 class action settlement reasonable where PAGA penalties negotiated in good faith with “no
12 indication that [the] amount was the result of self-interest at the expense of other Class Members”); *see*
13 *also Nordstrom Com. Cases* (2010) 186 Cal. App. 4th 576, 579, 589 (affirming approval of class action
14 settlement “which does not allocate any damages to the PAGA claims” where PAGA penalty claims
15 “were at issue” and “resolved as a part of the overall settlement of the case”).

16 **VI. PLAINTIFFS SHOULD BE AWARDED THE REQUESTED SERVICE AWARDS.**

17 “[A] class representative is entitled to a fee in a California class action.” *Cellphone Termination*
18 *Fee Cases* (2010) 186 Cal. App. 4th 1380, 1394 (approving \$40,000 in incentive awards to four class
19 representatives). Named plaintiffs may receive enhancement or service awards based on the rationale
20 that they “should be compensated for the expense or risk they have incurred in conferring a benefit on
21 other members of the class.” *Clark v. Am. Residential Servs. LLC* (2009) 175 Cal.App.4th 785, 806; *Bell*
22 *v. Farmers Ins. Exchange* (2004) 115 Cal. App. 4th 715, 726 (affirming order for “‘service payments’ to
23 the five named plaintiffs compensating them for their efforts in bringing the action”). As the Court of
24 Appeal has explained:

25 “In determining whether to make an incentive award, the court may consider (1) the risk, both
26 financial and otherwise, the class representative faced in bringing the suit; (2) the notoriety and

27 ⁹ As the PAGA notice for the claim in this case was filed prior to June 19, 2024, the 2024 amendments to
28 PAGA that require a different allocation, among other things, do not apply. (See Lab. Code § 2699, subd.
(v).)

personal difficulties encountered by the class representative; (3) the amount of time and effort spent by the class representative; (4) the duration of the litigation; and (5) the personal benefit received by the class representative as a result of the litigation.”

Golba v. Dick’s Sporting Goods, Inc. (2015) 238 Cal.App.4th 1251, 1272; *see also Clark, supra*, 175 Cal. App. 4th at p. 804. In 2019, Ms. Grace volunteered to represent the interests of the class against Sodexo. No other employee from Sodexo so volunteered. Due to the commitment of Ms. Grace, other members of the class will benefit significantly.

Risk and personal difficulties: The retaliation and reputational risk Ms. Grace has taken on by agreeing to be named as the Class Representative is a heavy burden. By associating her name with a lawsuit, she put herself at risk of retaliation. Declaration of Kathleen Grace (“Grace Decl.”) ¶ 19. Ms. Grace also took on the reputation of employee who will file a lawsuit against her employer, which has the real potential of jeopardizing future employment. *Id.* Ms. Grace has experienced and will continue to endure the stress of knowing that she may be prevented from future employment for bringing this lawsuit on behalf of the Class. *Id.*

Time and effort and duration of litigation: Ms. Grace provided information to Plaintiffs’ counsel regarding Sodexo’s pay practices and facilitated communications with numerous co-workers regarding the case. She spent considerable time pursuing the litigation, which included gathering documents and providing them to Plaintiffs’ Counsel; participating in numerous meetings and calls with counsel to discuss documents, the company practices and policies, and other facts relevant to the legal claims; reaching out to co-workers; being available to counsel to provide information and answer questions; and being available during mediation and settlement negotiations. Grace Decl. ¶¶ 11-16. She prepared for and sat for deposition, responded to extensive written discovery requests, and produced documents. She took very seriously her responsibility to the class and spent many hours throughout the litigation maintaining contact with co-workers and keeping class members up to date regarding the status of the litigation. Ms. Grace estimates that she spent 103 hours in her capacity as named plaintiff and class representative in the lawsuit, respectively, which has gone on for nearly six years. Grace Decl. ¶ 17.

Personal benefit: If the Court accepts the requested costs and fees, of the net payment to the Class for wages, interest, and penalties, Ms. Grace will receive \$6,447.92. Sobczak Decl. ¶ 10. A

\$20,000 enhancement award for the sole Named Plaintiff is reasonable and within the range of awards approved by courts given the risk to the Named Plaintiff, the duration of the litigation and burden of involvement, and the substantial benefit to the Class. *See, e.g., Trujillo v. Valet Living* (Oct. 20, 2021) 34-2020-00273711-CU-OE-GDS, 2021 Cal. Super. LEXIS 88982 at *4 (approving \$20,000 service award out of \$750,000 settlement); *Garcia v. Pac. Coast Supply LLC* (Mar. 9, 2020) 34-2019-00247748-CU-OE-GDS, 2020 Cal. Super. LEXIS 32963 at *5 (approving \$20,000 service award from \$975,000 settlement); *Carr v. Howroyd-Wright Empl. Agency* (Jul. 16, 2019) 34-2018-00228290-CU-OE-GDS, 2019 Cal. Super. LEXIS 64915 at *3 (approving \$20,000 service award from \$1,195,000 settlement); *Cunningham v. DPI Specialty Foods West, Inc.* (Dec. 7, 2012) BC465017, 2012 Cal. Super. LEXIS 1186 at *4-5 (approving \$25,000 and \$20,000 service awards from a \$1,150,000 settlement).

VII. AN AWARD OF ATTORNEY'S FEES OF 15% OF THE SETTLEMENT FUND AND THE REIMBURSEMENT OF COSTS ARE REASONABLE.

Within the terms of the Settlement Agreement, and pursuant to the Court's Order Granting Preliminary Approval, Plaintiffs filed their motion seeking \$262,500 (15% of the Sodexo Settlement Fund) in attorney's fees and reimbursement of \$7,500 in costs from the Sodexo Defendants on July 17, 2025.¹⁰ Renick Decl. ¶ 37. As addressed in the fee motion, the requested fee award and reimbursement of litigation costs are fair, reasonable, and appropriate. Plaintiffs' Counsel's lodged their billing records in support of their fee request on August 13, 2025. *Id.*

VIII. POST-DISTRIBUTION ADMINISTRATOR REPORT, UNCASHED CHECKS, AND POSTING OF FINAL JUDGMENT

Upon request by the Court, the Administrator shall provide a final accounting after distribution of payment to the Class Members. In the event any Class Member(s) cannot be located within 180 days of date of mailing of the initial settlement checks or 90 days after the re-issuance of a check, whichever is later, uncashed settlement check(s) will be sent to the California State Controller's Office Unclaimed Property Fund. Any funds transmitted to the Unclaimed Property Fund shall be held for the benefit of the Settlement Class Member to whom the payment was designated in accordance with state law.

¹⁰ Class Counsel have agreed to divide fees awarded by this Court as follows: 36.66666% to Hadsell Stormer Renick & Dai LLP and 63.33333% to McCracken, Stemerma & Holsberry, LLP. The three Disney and one Sodexo Named Plaintiffs have agreed in writing to the allocation. Renick Decl. ¶ 13.

Renick Decl. ¶ 35. Swenson Decl., Exh. 1, 2.3.4 thereto.

Pursuant to Rule of Court 3.771(b), the Administrator will post the final judgment entered in this action on its publicly accessible website for a minimum of 30 days. Renick Decl. ¶ 36; Sobczak Decl. ¶19.

IX. CONCLUSION

For all the foregoing reasons, this settlement is fair, adequate and reasonable, and Plaintiffs respectfully request issuance of an order granting final approval of the proposed Settlement Agreement.

DATED: August 20, 2025

Respectfully submitted,

MCCRACKEN, STEMERMAN & HOLSBERRY, LLP

By: 

Sarah Grossman-Swenson

Attorneys for Plaintiffs & Plaintiff Class

HADSELL STORMER RENICK & DAI LLP

By: /s/ Randy Renick

Randy Renick

Attorneys for Plaintiffs & Plaintiff Class