1 2 3 4 5 6 7 8	HAMMONDLAW, P.C. Julian Hammond (SBN 268489) jhammond@hammondlawpc.com Adrian Barnes (SBN 253131) abarnes@hammondlawpc.com Polina Brandler (SBN 269086) pbrandler@hammondlawpc.com Ari Cherniak (SBN 290071) acherniak@hammondlawpc.com 1201 Pacific Avenue, Suite 600 Tacoma, WA 98402 (310) 601-6766 (310) 295-2385 (Fax) Attorneys for Plaintiff and the Putative Class	
9	CUDEDIOD COURT OF T	
10	SUPERIOR COURT OF THE STATE OF CALIFORNIA COUNTY OF SAN BERNARDINO	
11	MONICA JACKSON, individually and on	Case No. CIVSB2133143
12	behalf of all others similarly situated,	MEMORANDUM OF POINTS AND
13 14	Plaintiff,	AUTHORITIES IN SUPPORT OF PLAINTIFF'S MOTION FOR FINAL
15	VS.	APPROVAL OF CLASS ACTION SETTLEMENT
16	UNIVERSITY OF REDLANDS, a California	Date: September 18, 2023
17	Non-Profit Corporation,	Time: 9:00 a.m. Dept. S26
18	Defendant.	Hon. David Cohn
19		I
20		
21		
22		
23		
24		
25		
26		
27		
28		

I. INTRODUCTION

Plaintiff Monica Jackson seeks final approval of a non-reversionary \$700,000 wage and hour class action settlement on behalf of 1,108 unique employees of University of Redlands ("Defendant" or "Redlands") including 1,100 current and former employees of Defendant in California including but not limited to Adjunct Professor Class Members ("Reimbursement Claim Class Members" or "Reimbursement CMs") from March 20, 2020 through March 1, 2022 (the "Reimbursement Claim Period"); and 310 Adjunct Professors employed by Defendant ("Adjunct Professor Class Members" or "AP Class Members") from January 22, 2021 through January 24, 2023 ("Adjunct Professor Unpaid Wages Class Period")(collectively referred to as "Class Members" or "CMs"). The following chart sets forth the allocation of the GSA and the Settlement Class:

	Total Amount
Gross Settlement Amount	\$700,000.00
Attorneys' Fees	(\$233,333.33)
Litigation Costs	(\$14,964.50)
Service Award to Plaintiff	(\$10,000.00)
Claims Administration Costs	(\$10,000.00)
PAGA Allocation	(\$25,000.00)
Net Settlement Amount	\$409,202.17
Participating Class Members	1,108
No-participating Class Members	5

On May 5, 2023, the Court entered an order preliminarily approving the settlement, concluding that the settlement was within the range of reasonableness and was the product of good faith, arm's-length negotiations. The Court ordered dissemination of a Court-approved notice of the settlement to the Class Members, which was mailed on June 7, 2023. The Class's response has been overwhelmingly positive to date, with only five (5) opt outs and no objections. *See* Declaration of Kevin Lee Regarding Notification and Settlement Administration ("Lee Decl."), ¶ 8-9.

The uniformly positive reaction of the Class Members supports the Court's earlier finding that that the settlement is fair, adequate, and reasonable. Accordingly, Plaintiff respectfully requests that the Court grant final approval of the proposed settlement.

II. OVERVIEW OF THE SETTLEMENT

The Settlement Agreement ("SA") resolves all claims of the Plaintiff and the proposed Classes. A summary of the settlement terms is as follows:

1. <u>Gross Settlement Amount ("GSA")</u> – Redlands will pay a non-reversionary sum of \$700,000 to settle this case. SA §§ 1.23, 6.1. Redlands will also pay the employer's share of payroll taxes separately from the GSA. *Id.* § 1.23.

- 2. <u>Attorneys' Fees, Costs, and Named Plaintiff's Service Award</u> Class Counsel seeks attorneys' fees of up to \$233,333.33 (1/3 of the GSA) and \$14,964.50 in out-of-pocket litigation costs. SA § 5.2. The Settlement Agreement also provides for payment of \$7,500 to Plaintiff as her Class Representative Service Award, subject to Court approval. SA § 5.3.
- 3. <u>PAGA Payment</u> The Settlement allocates \$25,000 of the GSA to PAGA penalties, of which 75% (\$18,750) will be paid to the California Labor and Workforce Development Agency ("LWDA") and 25% (\$6,250) will be paid to the members of the Class who worked during the PAGA Period. SA § 5.4.
- 4. <u>Settlement Administration Costs</u> The Parties designated Phoenix Settlement Administrators ("Phoenix") as the Settlement Administrator. SA § 1.44. Phoenix's expenses are \$10,000. Lee Decl. ¶ 13.
- 5. Net Settlement Amount ("NSA") The NSA will total approximately \$409,202.17. Lee Decl. ¶ 13. This is the amount remaining after subtracting attorneys' fees, costs, the service award, settlement administration costs, and PAGA penalties from the GSA, subject to Court approval. The average net payment to each Reimbursement Claim Settlement Class Member is \$334.80 and the highest estimated net payment is \$877.53. Lee Decl. ¶ 15. The average net payment to each Adjunct Professor Settlement Class Member is \$132.00 and the highest estimated net payment is \$512.64. Lee Decl. ¶ 16.
- 6. Release and Final Judgment The release contemplated by the proposed Settlement Agreement corresponds to the claims alleged in the First Amended Complaint or that could have been alleged based on the facts asserted therein on Class Members' behalves including claims under Labor Code §§ 201-203, 226(a), (e), 226.2, 226.7, 510, 1194, 2802, 2699 et seq., and IWC Wage Order No. 4-2001, §§ 3, 4, 12, and Business & Professions Code §§ 17200 et seq. SA § 6.1. The Named Plaintiff will also give an additional general release against Defendant. SA § 6.3.

III. OVERVIEW OF NOTICE ADMINISTRATION

A. The Class Received Adequate Notice of the Settlement

Following the Court's order granting preliminary approval of the proposed settlement, the Settlement Administrator mailed the Class Notice to 1,113 Class Members contained in the Class List provided by Defendant. Lee Decl. ¶ 3. Before mailing the Court-approved Notice, the Settlement Administrator updated addresses for the Class Members using the National Change of Address database. *Id.* ¶ 4. The Notice fairly and clearly described the proposed settlement terms for monetary relief, the amount of the service award requested for the Class Representative, attorneys' fees and costs, settlement administration costs, and the manner in which Class Members could object to or request exclusion from the settlement or challenge the number of pay periods reflected in the Class Notice. *See* Lee Decl. Ex. A.

26

27

28

The Class Notice also provided each Class Member with an estimate of their award from the settlement and an explanation of how each share would be calculated. *Id.* After the initial mailing, 22 Class Notices were returned as undeliverable. Lee Decl. ¶ 6. Of these 22 undelivered Class Notices, 21 updated addresses were obtained and remailed, which means that 99.99% of the Notices were successfully mailed to the Class. Lee Decl. ¶ 7.

В. No Class Members Objected, and Only Five Class Members Opted Out

The deadline to file an objection or opt out was July 22, 2023. Lee Decl. ¶¶ 8, 9. As of the filing of this Motion, which is over a month after the Response Deadline, no objections to the settlement were filed and only five (5) requests for exclusion were submitted. Id.

C. There Were No Challenges to Pay Period Calculations

The Notice provided Class Members with directions for how to dispute the pay periods included in their Notice and that formed the basis for their settlement shares. The Settlement Administrator received no disputes. *Id.* ¶ 10.

THE COURT SHOUND GRANT FINAL APPROVAL OF THE SETTLEMENT IV.

Legal Standard for Granting Final Approval

Court approval is required for the settlement of a class action. See Cal. Rule of Court 3.769. In reviewing a proposed class settlement for approval, the Court has broad discretion, and the Court's decision may be reversed only upon a strong showing of clear abuse of discretion. Wershba v. Apple Computer, Inc., 91 Cal. App. 4th 224, 234-35 (2001); Kullar v. Foot Locker Retail, Inc., 168 Cal. App. 4th 116, 127-28 (2008).

Plaintiff now requests this Court to make a final determination that the proposed settlement is fair, reasonable, and adequate. See Officers for Justice v. Civil Serv. Comm'n. of the City & Cnty. of S.F., 688 F.2d 615, 625 (9th Cir. 1982). The law favors settlement, particularly in class actions where substantial resources can be conserved by avoiding the time, cost, and rigors of formal litigation. See, e.g., 7-Eleven Owners for Fair Franchising v. Southland Corp., 85 Cal. App. 4th 1135, 1151 (2000) ("7-11"); Neary v. Regents of Univ. of Cal., 3 Cal. 4th 273, 277-281 (1992); Lealao v. Beneficial Cal., Inc., 82 Cal. App. 4th 19, 52 (2000).

In analyzing whether a settlement is fair and reasonable, courts consider a number of factors, including: (1) the amount offered in settlement; (2) the risk, expense, complexity, and likely duration of further class action litigation; (3) the extent of discovery completed and the stage of the proceedings; (4) the experience and view of counsel, and (5) the reaction of the Class to the proposed settlement. Dunk v. Ford Motor Co., 48 Cal. App. 4th 1794, 1801 (1996); Kullar, 168 Cal. App. 4th at 133 (court must be provided with information about nature and magnitude of claims and the basis for concluding that

13

14

12

1516

18

17

19 20

2122

23

24

2526

27

28

consideration being paid represents reasonable compromise); *Clark v. Am. Residential Services, LLC*, 175 Cal. App. 4th 785, 790, 802-03 (2009).

The Court's role is limited to making a reasoned judgment that the proposed class settlement agreement is not the product of fraud or overreaching by, or collusion between, the negotiating parties, and that the settlement as a whole is fair, reasonable, and adequate to the Class. "[T]he settlement or fairness hearing is not to be turned into a trial or rehearsal for trial on the merits." 7-11, 85 Cal. App. 4th at 1145 (citation omitted). "Due regard should be given to what is otherwise a private consensual agreement between the parties." *Dunk*, 48 Cal. App. 4th at 1801.

B. The Settlement Terms Are Presumptively Fair Based on the Settlement Process and Uniform Support by the Class Member

A settlement agreement is presumptively fair when it is (1) the product of arm's-length bargaining; (2) supported by sufficient investigation or discovery to allow assessment of plaintiff's claims; (3) supported by experienced counsel; and (4) subject to only a small percentage of objections. *See Dunk*, 48 Cal. App. 4th at 1802; 7-11, 85 Cal. App. 4th at 1146. As described in detail in the preliminary approval papers filed on December 27, 2022, this settlement satisfies these factors. The settlement, therefore, is presumptively fair and reasonable.

First, the settlement was reached after an arm's length negotiation between the parties. See Declaration of Julian Hammond ISO Pls.' Mot. for Final Approval of Class Action Settlement and Mot. for Approval of Attorneys' Fees etc. ("Hammond Final Decl.") ¶ 21. Second, Class Counsel conducted thorough and extensive investigation of Plaintiff's claims, and analyzed substantial documents and data obtained from Defendant for purposes of settlement negotiations prior to engaging in settlement negotiations. Id. ¶¶ 18-19. Third, Class Counsel is highly skilled and experienced in similar cases and has extensive class action litigation experience. Hammond Law has been appointed class counsel in numerous class actions and has represented thousands of adjunct instructors in similar unpaid wage cases since 2016, and recently litigated one such case successfully all the way through a trial and appeal. (Gola v. University of San Francisco, 90 Cal. App. 5th 548 (2023), pet'n denied July 14, 2023). Hammond Final Decl. ¶ 28. Fourth, as stated above, to date, none of the 1,113 Class Members objected to the settlement and only 5 have opted out. Lee Decl. ¶¶ 8, 9. Further, the fact that many Class Members are sophisticated university-level instructor makes the "the magnitude of the favorable response...particularly impressive." Id. at 1152-53. The settlement is thus presumptively fair, reasonable, and adequate, and should be finally approved.

C. The Settlement Terms Are Fair, Reasonable and Adequate in Relation to the Potential Benefits and Risks of Further Litigation

The Court should also grant final approval of the settlement based on the following factors which evince the fairness, reasonableness, and adequacy of the settlement: (1) the value of the settlement; (2) the risks inherent in continued litigation; (3) the extent of discovery completed and the stage of the proceedings when settlement was reached; (4) the complexity, expense, and likely duration of the litigation in the absence of settlement; (5) the experience and views of class counsel; and (6) the reaction of the class members. *See Wershba*, 91 Cal. App. 4th at 244-45; *Dunk*, 48 Cal. App. 4th at 1801.

1. The Value of the Settlement Favors Final Approval When Considered Against the Risk, Expense, and Complexity of Continued Litigation

The first two elements for determining whether a settlement is fair, reasonable, and adequate are the amount offered in the settlement and the risk, expense, complexity, and likely duration of further class action litigation. Both of these factors support approving the settlement.

The \$700,000 Gross Settlement Amount, of which approximately \$409,202.17 will be distributed to both Classes, provides Class Members with very meaningful financial relief. Lee Decl. ¶ 13. 99.96% of the Class Members will participate in this settlement, with an average Reimbursement Claim Settlement Claim payment of \$334.80 and the highest net payment of \$877.53, and an average Adjunct Professor Settlement Claim payment of \$132.00 and the highest net payment of \$512.64. Lee Decl. ¶¶ 15, 16. In addition, Class Members who worked during the PAGA Period will also receive their share of PAGA Penalties. Lee Decl. ¶ 17.

The financial relief provided by the settlement is commensurate with the risks posed by continued litigation and is based on substantial damages calculations and evidence. At preliminary approval, Plaintiff calculated the maximum total amount that Class Members could recover as \$2,111,830. Hammond Final Decl. ¶ 45. As discussed in detail in the preliminary approval submission, Plaintiff's Counsel believes that the realistic recovery in this case was \$1,195,870 based on the Defendant's contentions that (a) Plaintiff would recover nothing for the Adjunct Professor Class in light of Defendant's written policy and practice requiring Adjunct Professors to record all time worked and prohibited any off-the-clock work, and thus the APs were paid for training time because they submitted their training time on their timesheets; (b) that Defendant paid out \$744,659 in expense reimbursements to its employees during the Reimbursement Claim Period, and all remote expenses that were submitted were reimbursed; (c) most of the Reimbursement Claim CMs returned to work to the office by summer 2021 so Defendant had no liability after that; (d) that any actual remote work expenses incurred by the Reimbursement Claim Class were much lower than Plaintiff estimated; (e) that Plaintiff would not be able to certify her Adjunct Professor class claims because whether they attended training, whether the

training was mandatory, whether they submitted their hours and were paid, and whether Defendant knew or should have known about each individual Adjunct's training, would lead to multiple individualized inquires; and (e) Plaintiff would not be able to certify her Reimbursement class claims because which departments and schools Reimbursement CMs worked in, and when they started and ended to workfrom-home, would lead to multiple individualized inquires as well. Hammond Final Decl. ¶¶ 45-48.

Therefore, the Gross Settlement Amount, which is 33% of the maximum recovery on all claims and 59% of the Class's realistic recovery, falls well within the range of reasonableness. Id. ¶ 45. This percentage of recovery is consistent with other settlements that other courts have approved as reasonable. *See, e.g., In re Omnivision Technologies, Inc.*, 559 F. Supp. 2d 1036, 1042 (N.D. Cal. 2008) (approving settlement that constituted 9% of the maximum potential damages); *Rodriguez v. W. Publ'g Corp.*, 563 F.3d 948, 965 (9th Cir. 2009) (approving settlement amounting to 30% of the damages estimated by the class expert; court noted that even if the plaintiffs were entitled to treble damages that settlement would be approximately 10% of the estimated damages).

2. Plaintiff Conducted Thorough Investigation and Discovery

Plaintiff conducted thorough investigation and reviewed and analyzed highly relevant class data and documents provided by Defendant as part of informal discovery and gathered additional documents and information available online. Hammond Final Decl. ¶ 18. Based on the information obtained, Plaintiff was able to calculate the class sizes, the number of weeks worked by the Classes, the amount Class Members were reimbursed during the Class Period, and AP Class Members' average hourly rate for purposes of calculating unpaid training time. *Id.* ¶¶ 18-19. Plaintiff prepared a detailed damages analysis to identify the range of settlement figures for the claims alleged. Hammond Final Decl. ¶ 19. Thus, Plaintiff was adequately informed to make the decision to settle this case on the proposed terms. Further, the settlement was reached through arm's-length settlement negotiations between highly skilled counsel with extensive experience in the particular claims alleged by the Plaintiff. Hammond Final Decl. ¶ 26.

3. Class Counsel's Experience and Views Favor Final Approval

As discussed above, Class Counsel is highly experienced and has a successful track record in handling wage and hour class actions and those on behalf of university professors and instructors in particular. Hammond Final Decl. ¶¶ 26- 29. Class Counsel believes the settlement is fair, reasonable, and adequate, and in the best interests of the Class. Hammond Final Decl. ¶ 51. The endorsement of qualified and well-informed counsel regarding the settlement as fair is entitled to significant weight in the final approval process. *See Dunk*, 48 Cal. App. 4th at 1802.

4. Class Members' Uniformly Positive Reaction to the Settlement Favors Settlement

The final element of a fair, reasonable, and adequate settlement is a positive reaction by the Class to the settlement's terms. The Class's uniformly positive response to the settlement here strongly favors final approval. As discussed above, to date, none of the 1,113 class members have objected and only 5 has opted out. Lee Decl. ¶¶ 8-9. *See*, *e.g.*, 7-11, 85 Cal. App. 4th at 1152-53 (1.5% opt-out rate and 0.1% objection rate supported final approval); *Nat'l Rural Telecomm. Coop. v. DIRECTV, Inc.*, 221 F.R.D. 523, 529 (C.D. Cal. 2004) ("[T]he absence of a large number of objections to a proposed class action settlement raises a strong presumption that the terms of a proposed class action settlement are favorable to the class members."). The positive response in this case indicates universal acceptance of the settlement's terms by the Class and supports approval of the settlement.

V. CONCLUSION

Because the settlement provides benefits that are demonstrably fair in relation to the potential risk and benefits of continued litigation, is supported by a robust evidentiary record, is endorsed by counsel with extensive experience in wage and hour litigation, and is overwhelmingly supported by the Class, Plaintiff respectfully requests that the Court grant final approval of the settlement as fair, reasonable, and adequate.

Dated: August 24, 2023

Respectfully submitted,

Julian Hammond ...
Polina Brandler

Attorneys for Plaintiff and the Putative Class