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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

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

*[Concurrently filed herewith: Declarations of
Sarah Grossman-Swenson, Randy Renick,
Regina Delgado, Alicia Grijalva, Javier
Terrazas, and Jack Sobczak and Exhibits;
Notice of Lodging of Billing Records;
[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

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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 Plaintiffs Regina Delgado, Alicia Grijalva, and Javier
6 Terrazas, individually and on behalf of the certified class and all similarly situated individuals
7 (“Plaintiffs” or “Plaintiff Class”), will and hereby do move this Court for entry of the proposed order
8 filed concurrently herewith:

- 9 1. Finally approving the class action settlement for \$233,000,000 for the Disney Settlement
10 Class;
- 11 2. Awarding Private Attorneys General Act penalties to the California Labor and Workforce
12 Development Agency in the amount of \$17,475,000;
- 13 3. Awarding settlement administration costs to A.B. Data, Ltd., in the amount of up to
14 \$200,000;
- 15 4. Awarding service awards of \$20,000 for each of the three Disney class representatives
16 (for a total of \$60,000);
- 17 5. Finding that the Court has personal jurisdiction over the Disney Settlement Class
18 Members and subject matter jurisdiction to approve the Settlement Agreement, including all exhibits
19 thereto;
- 20 6. Reaffirming the certification of the Disney Settlement Class certified in the Court’s
21 Preliminary Approval Order;
- 22 7. Reaffirming the appointment of Class Counsel, the Class Representatives, and the
23 Settlement Administrator; and
- 24 8. Finally approving the proposed settlement as fair, reasonable, and adequate.
25 Plaintiffs have separately sought an award of attorneys’ fees in the amount of \$34,950,000
26 (fifteen percent of the common fund) and reimbursement of costs to Plaintiffs’ counsel from the Disney
27 Defendants in the amount of \$452,532.85.

1 Plaintiffs also move for entry of judgment. The Proposed Order Granting Final Approval and
2 Proposed Judgment are filed concurrently herewith. This motion is brought pursuant to Rule 3.769 of
3 the California Rules of Court, on the grounds that the terms of the Settlement and plan of allocation is
4 fair, reasonable, and adequate, and that the Notice of Settlement to the Class Members was proper and
5 adequate.

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

10 DATED: August 13, 2025

Respectfully submitted,

11 MCCracken, Stemerman & Holsberry, LLP
12

13
14 By: 
15 Sarah Grossman-Swenson
16 *Attorneys for Plaintiffs & Plaintiff Class*

17 HADSELL STORMER RENICK & DAI LLP
18

19 By: /s/ Randy Renick
20 Randy Renick
21 *Attorneys for Plaintiffs & Plaintiff Class*
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1 **PLAINTIFFS' MOTION FOR FINAL APPROVAL**

2 **I. INTRODUCTION**

3 The \$233,000,000 proposed non-reversionary wage-and-hour settlement in this case was reached
4 by Plaintiffs Regina Delgado, Alicia Grijalva, and Javier Terrazas on behalf of more than 50,000 Disney
5 employees in the Settlement Class (collectively, "Plaintiffs").¹ The settlement followed determination in
6 this case that Defendants The Walt Disney Company and Walt Disney Parks and Resorts US, Inc.
7 ("Disney") was subject to the Anaheim Living Wage Ordinance ("LWO"). If the proposed Settlement is
8 approved, all class members will be reimbursed completely for their damages, plus 10% interest, plus
9 penalties. Following preliminary approval, all class members were provided with a customized notice
10 explaining their rights, options, and estimated recovery. Not a single class member—out of more than
11 50,000 individuals—has objected to the Settlement. Declaration of Randy Renick ("Renick Decl.") ¶ 39.
12 And only three class members have opted out. *Id.* ¶ 35. Final approval should be granted.

13 The Settlement fully compensates all class members for wages, service charges, and retirement
14 contributions owed under the LWO for the time period when Disney's employees were underpaid.²
15 Renick Decl. ¶¶ 20-22. Additionally, the settlement provides for payment of interest at 10% on all
16 monies owed to the Class, and for statutory and PAGA penalties.

17 The allocation of backpay to the Plaintiff Class will be equal to the wages and service charges
18 owed to each individual employee, based on their actual hours worked and wages earned. The allocation
19 of statutory and PAGA penalties for wage statement and overtime penalties will be based on the class
20 members' number of work weeks with alleged violations and, for "waiting time" penalties, the number
21 of class members who were owed wages under the LWO when their employment ended. Renick Decl.
22 ¶¶ 23-24. Class members will receive payments based on their payroll records without the need to return
23 a claim form.

24 _____
25 ¹ Plaintiff Kathleen Grace represents employees employed by Sodexo at the Disney parks in Anaheim.
26 Sodexo provides contracted food services to one of the Disney Defendants. This Court granted the
27 motion for preliminary approval of the class action settlement Plaintiff Grace reached with the Sodexo
28 Defendants on May 2, 2025. Plaintiff's motion for final approval of the Sodexo settlement will be filed
separately.

² The conditionally certified Disney settlement class includes resolution of approximately \$5.7 million in
underpaid service charges to Disney employees.

1 Plaintiffs also seek final approval of Private Attorneys General Act (“PAGA”) penalties to the
2 California Labor and Workforce Development Agency in the amount of \$17,475,000 (75% of
3 \$23,300,000), service awards to the three Disney named plaintiffs in the amount of \$20,000 each (for a
4 total of \$60,000), and settlement administration costs of \$200,000. Plaintiffs’ request for attorneys’ fees
5 in the amount of \$34,950,000 (fifteen percent of the common fund) and reimbursement of costs to
6 Plaintiffs’ counsel in the amount of \$452,532.85 from the Disney Defendants is addressed in the Motion
7 for Attorneys’ Fees and Costs, which was filed and posted on the class settlement website on July 17,
8 2025. Renick Decl. ¶ 45; Declaration of Jack Sobczak (“Sobczak Decl.”) ¶ 11. As ordered by the Court
9 for final approval, Plaintiffs are submitting their billing records and costs supporting their fee request
10 herewith. *Id.* The Proposed Order Granting Final Approval and Proposed Judgment are also filed
11 concurrently herewith.

12 This Settlement is an outstanding result for the class. It makes all class members whole for all
13 losses they experienced, with 10% annual interest, and substantial penalties on top of that. It avoids a
14 trial and likely appeals related to the contours of statutory and PAGA penalties, which would delay
15 payment to the more than 50,000 class members for years. After Plaintiffs provided Notice to the
16 Settlement Class pursuant to this Court’s Order Granting Preliminary Approval, there have been only
17 three opt-outs and not a single objection to the Settlement.

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

20 **II. SETTLEMENT TERMS**

21 **A. Summary of Settlement Terms**

22 The Settlement Agreement provides for the following terms:

23 1. **Settlement Class:** The Settlement Class is defined as “all nonexempt current and former
24 individuals employed by Disney in Disney theme parks and hotels in Anaheim, California, on or after
25 January 1, 2019, who reside in California, and who were not paid hourly wages or service charges of at
26 least the amounts required by Title 6, Chapter 6.99 of the Anaheim Municipal Code at any time from
27 January 1, 2019, to the date of the order on the Preliminary Approval Motion.” Renick Decl. ¶ 33;
28 Declaration of Sarah Grossman-Swenson (“Swenson Decl.”) ¶ 2 & Exh. 1 (“Agreement”) at § 1.32.

2. **Settlement Amount:** The total settlement amount is \$233,000,000 (TWO-HUNDRED THIRTY-THREE MILLION 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 awards to the named plaintiffs, 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 Disney Defendants. After deductions for fees, costs, administration, and service awards, the net settlement amount will be at least \$197,050,000, and the amount distributed to the class after the payment to the LWDA will be at least \$179,575,000, whereas the amount owed to the Class in lost income with interest is \$141,499,851. Renick Decl. ¶ 16.

3. **Release:** All Class Members who did not opt out by timely filing a request for exclusion will release all claims they had against the Disney Defendants arising from the facts alleged in the Second Amended Complaint and occurring during the Class Period. Renick Decl. ¶ 17.

4. **PAGA:** Class Members who are PAGA Aggrieved Employees will be releasing their representative PAGA claims regardless of whether they submitted an exclusion request if the Settlement Agreement is approved by the Court. The three Class Members who elected to exclude themselves from the Class will still be entitled to their portion of the PAGA settlement amount. Renick Decl. ¶ 18.

B. Plan of Allocation

Each Class Member who did not opt out of the Settlement will receive their share of the wages, service charges, and 401(k) contributions which Plaintiffs allege the Disney Defendants failed to pay during the Class Period before the Disney Defendants came into compliance with the Ordinance. The average total recovery per class member, including all categories of backpay, interest, and penalties, is \$3,502.38. Sobczak Decl. ¶ 9. The amount of awards ranged from \$0.21 to \$154,483.89. *Id.* The amounts have been calculated using the Disney Defendants’ records, including payroll and service charge 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

- **\$133,394,332 allocated to Claims for Alleged Lost Wages (\$102,746,720) and 10% Annual Interest (\$30,647,612).**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. ¶ 20.
- **\$7,430,213 allocated to Claims for Alleged Lost Service Charges (\$5,686,193) and 10% Annual Interest (\$715,593).** Each Class Member who performed work for which the Disney Defendants collected a service charge but did not pay the entirety to the Class Member during the Class Period will receive all of their alleged lost income from this practice based on hours worked and the services performed by the employees. *Id.* ¶ 21.
- **\$935,454 allocated to Claims for 401(k) Contributions (\$715,593) and Interest (\$219,861).** Each Class Member who was a participant in the Disney Defendants' 401(k) plan during the Class Period and made elective deferrals will receive a share of this allocation in cash based on the amount of the Disney Defendants matching contributions that Plaintiffs claim was lost because the match was measured against the alleged underpayment of wages due under the Ordinance. *Id.* ¶ 22.
- **\$17,098,860 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.* ¶ 23.
- **\$14,891,141 allocated to Statutory Penalties for Waiting Time Claims.** Each Class Member whose employment with Disney ended between July 14, 2023, and the Date of Preliminary Approval will receive a per capita share of this allocation. *Id.* ¶ 24.

Private Attorney General Act ("PAGA") Penalties

Ten percent of the Settlement, or \$23,300,000, is allocated to PAGA penalties, of which 75% (\$17,475,000) will be paid to the California Labor and Workforce Development Agency ("LWDA"), as required by law. The remaining 25% (\$5,825,000) 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

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 46.549% to waiting time penalties and 53.451% 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 86.684% to wage statement PAGA penalties, 9.245% to overtime PAGA penalties, and 4.071% 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.

Decl. ¶ 25.

- **\$5,049,354 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.* ¶ 26.
- **\$538,521 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.* ¶ 27.
- **\$237,125 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.* ¶ 28.

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

- Plaintiffs seek an award of attorneys’ fees of 15% (\$34,950,000) of the \$233,000,000 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 \$452,532.85 (which is under the cost maximum of \$740,000 included in the notice). Renick Decl. ¶ 45. Plaintiffs will file a supplemental declaration identifying any additional litigation costs on August 29, 2025, two weeks prior to the hearing, which will include costs to compensate Econ One for allocation calculations that are needed to be performed to distribute final settlement monies. *Id.*
- In addition, Class Counsel seeks Service Awards of \$20,000 to each of the three Class Representatives for their services in representing the Class, in addition to the Individual Settlement Awards they will receive as Class Members. *Id.* ¶ 53.
- 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 \$200,000. Class Counsel will ask the Court to authorize those costs to be paid to the Settlement Administrator based on invoiced costs. *Id.* ¶ 51.

III. NOTICE TO THE CLASS AND ADMINISTRATION OF CLAIMS

On March 25, 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. ¶¶ 34-35; 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. Disney 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

1 AB Data to provide notice to the class. Based on Econ One’s calculations, AB Data was able to
2 customize Notices for each Class Member that included the estimated individual settlement payment for
3 each Class Member. Sobczak Decl. ¶ 7; Johnson Declaration, Exh. 1, ¶¶ 10-13.

4 On May 20, 2025, AB Data provided 50,498 individualized notices by e-mail to each Class
5 Member for whom an email address was available. Sobczak Decl. ¶ 5. There were 978 records which
6 did not include an email address. *Id.* On June 3, 2025, AB Data provided notice by U.S. Mail to each
7 Class Member for whom an email address was not available or for whom the email was invalid, for a
8 total of 6,942 notices sent by mail. *Id.* AB Data received information update correspondence from Class
9 Members, including individual requests to receive notice via a preferred method, which may have
10 caused a single record to receive multiple copies. In total, AB Data caused Notice to be served, either
11 electronically or by US Mail, on 51,476 unique Class Members, with Class Members in some instances
12 receiving notice both electronically and by US Mail. *Id.*

13 AB Data received approximately 69 of the mailed notices return undeliverable as addressed. *Id.* ¶
14 6. Each returned notice was researched for an updated address in multiple address skiptracing databases
15 and, if an update was available, caused to be remailed accordingly. Approximately 23 of these returned
16 Notice records received an address update and successfully remailed Notice. *Id.* When class members
17 reached out to the Administrator because they had not received the notice, they were provided with
18 customized login information for the website, where they were able to access their custom notice with
19 individual estimated settlement payment. *Id.* ¶ 8.

20 AB Data tracked the opt-outs, objections, and disputes submitted by class members. Sobczak
21 Decl. ¶¶ 15-17. AB Data did not receive *any* objections to the settlement. *Id.* ¶ 16; Renick Decl. ¶ 39.

22 AB Data received three requests for exclusion by August 4, 2025, the deadline in the Court’s
23 Order Granting Preliminary Approval. *Id.* ¶ 15. The prior class administrator, CAC, had received 19 opt-
24 outs in response to the notice provided in 2021, and 6 prior opt-outs in response to the 2024 notice.
25 Renick Decl. ¶¶ 30, 32. Those individuals were provided with notice in 2025 based on the updated and
26 expanded class definition, which now included service charges as well. *Id.* ¶ 36. None of the original
27 opt-outs chose to opt out in 2025 after receiving notice of their likely recovery. *Id.* Plaintiffs’ counsel
28 attempted to reach out to each of those individuals to re-confirm their intent to remain in the class, and

no one requested that they be permitted to opt out of the settlement. *Id.*

AB Data received 17 data disputes, which they reviewed in conjunction with Econ One, Class Counsel, and Disney Counsel. To date, AB Data has been able to resolve all of the disputes and found one to be supported. Renick Decl. ¶ 37; Sobczak Decl. ¶ 17. AB Data will make a final calculation of each Class Member's allocation, including the adjustment for the one sustained dispute. Sobczak Decl. ¶ 17.

Finally, AB Data received communications from 55 individuals who have not received notice and self-identified as class members. Sobczak Decl. ¶ 18. Of those individuals, 53 were current or former Disney employees who did not have wages below the LWO minimum at any time during the class period and thus were properly excluded from the class. Sobczak Decl. ¶ 18; Renick Decl. ¶ 38. Two of the self-identifying individuals were found to have damages during the Class Period, were provided Notice, and will be added to the Class. Renick Decl. ¶ 38. Plaintiffs will include in a supplemental declaration filed on August 29, 2025, two weeks before the hearing, the final costs and recalculation of class member shares after accounting for the three opt-outs, self-identifying individuals, and disputes. Because the amount of additional allocation is far less than the difference between Plaintiff's original estimated costs (\$740,000) and actual costs (less than \$500,000), these calculations will not result in any decrease to the estimated allocations provided in the customized notices provided to class members. Renick Decl. ¶ 45.

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

A class action may not be compromised or settled without approval of the Court. Cal. R. Ct. 3.769. The decision to approve or reject a proposed settlement is committed to the sound discretion of the Court. *Wershba v. Apple Computer, Inc.* (2001) 91 Cal. App. 4th 224, 234-35. Public policy and the 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.

1 *Id.*; *Rebney v. Wells Fargo Bank* (1990) 220 Cal. App. 3d 1117, 1138.

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

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

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

18 Of the factors that the Court must consider in determining fairness, “[t]he most important factor
19 is the strength of the case for plaintiffs on the merits, balanced against the amount offered in
20 settlement.” *Kullar*, 168 Cal.App.4th at p. 130 [citation omitted]. “A settlement need not obtain 100%
21 of the damages sought in order to be fair and reasonable.” *Wershba*, 91 Cal. App. 4th at p. 250, (citing
22 settlements found to be fair and reasonable even though monetary relief was “relatively paltry” or only
23 “a fraction of the potential recovery”).⁷

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

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

5 From extensive mediation briefing, Plaintiffs understood that Disney Defendants would argue
6 that Plaintiffs should not be entitled to penalties at all, or at least not until after October 25, 2023, when
7 the California Supreme Court denied review of the Court of Appeal's decision.⁸ If the Court rejected
8 the Disney Defendants' argument that penalties are entirely unavailable, but accepted the Disney
9 Defendants' arguments that penalties should not apply until after October 25, 2023, then the net
10 settlement amount *exceeds* the amount that Plaintiffs could obtain at trial including penalties (which
11 penalties the Disney Defendants would then have argued should be discretionarily reduced by the
12 Court). The net settlement amount of penalties, which settles all penalties exposure, represents recovery
13 of 66% of statutory penalties and 34% of PAGA penalties sought after July 13, 2023, or 193% of
14 statutory penalties and 388% of PAGA penalties sought after October 25, 2023. Johnson Decl., Table 7.
15 While Plaintiffs are confident that they would prevail on damages and interest, Plaintiffs' recovery of
16 penalties is by no means certain. The trial court agreed with the Disney Defendants on summary
17 judgment that they were not obligated to comply with the Living Wage Ordinance and might not be
18 inclined to award substantial penalties at trial particularly given the Court's considerable discretion in
19 awarding PAGA penalties. Any penalties awarded would be subject to appeal, further prolonging the
20 litigation, and denying the Class payment of wages to which they are entitled after the Court of
21 Appeal's decision and the Supreme Court's decline of review.

22 In assessing the value of each claim, Plaintiffs' counsel considered the Disney's defenses to
23 penalties, the chances of prevailing on penalties, applicable case law and regulations, the circumstances
24 of the case, and potential risks and delays. Renick Decl. ¶ 56; Swenson Decl. ¶ 9. The strength of
25 Plaintiffs' claims, with consideration of the Disney Defendants' defenses and the risks if the Parties

26 moving parties are not required to present an "explicit statement of value" or to present evidence of the
27 "maximum amount the plaintiff could recover if it prevailed on all its claims." *Munoz, supra*, 186
28 Cal.App.4th at p. 409.

⁸ The procedural history of the case is set forth in the declaration of counsel. Renick Decl. ¶¶ 5-11.

were to litigate through final judgment and appeal, balanced against the proposed settlement amount that makes all Class Members whole for the damages they sustained from Disney's non-compliance with the LWO, weigh strongly in favor of finding that the Settlement is fair, adequate, and reasonable.

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

Plaintiffs recognize the inherent risks and uncertainty of litigation, including that the Class could receive less in penalties than they were offered in mediation, as well as the significant benefit of providing relief to the Class now. Plaintiffs' claims involved disputed legal and factual issues with regard to proper remedies, which the Parties briefed extensively for mediation. While Plaintiffs firmly believe in the strength of their arguments with respect to statutory penalties and PAGA penalties, substantial discretion is accorded to the Court and jury in awarding penalties. The Disney Defendants' defenses raise a substantial possibility that significantly lower penalties would be awarded. The Disney Defendants have argued that their noncompliance with the Ordinance was done in good faith as they did not have a basis to believe they were subject to the LWO, and such a defense may serve as a complete bar to penalties if accepted by the jury and the Court. Renick Decl. ¶ 55.

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

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

This case had been litigated to completion on liability; it was established that Disney had to comply with the Living Wage Ordinance. The Parties had engaged in extensive discovery at the time the case was settled. After remand, Disney produced all of its relevant payroll data, as well as detailed service charge data. Plaintiffs engaged a well-respected economic expert to analyze the backpay, interest, and penalties owed to the Plaintiff Class. *See* Johnson Decl., Exhs. 1-2. Plaintiffs' expert

analyzed millions of data entries to calculate the damages and penalties potentially owed to the Class. Renick Decl. ¶ 46; Swenson Decl. ¶¶ 6-7; Johnson Decl., Exh. 1. The detailed discovery enabled Plaintiffs' experts to precisely calculate the amounts owed to Class Members down to the penny. The extensive and thorough discovery permitted Plaintiffs to make a detailed assessment of the damages that they would claim at trial for each Class Member. The Parties had exchanged thoroughly researched opening and reply mediation briefs regarding penalties and had extensive knowledge about the strengths and weaknesses of each other's cases, which enabled them to negotiate a fair settlement with the assistance of Mediator Layn Phillips. Swenson Decl. ¶ 8; Renick Decl. ¶ 11. The Settlement was the result of a mediator's proposal following arm's-length bargaining and vigorous negotiations in mediation. Renick Decl. ¶ 13. Disney agreed to pay all Class Members all damages owed, plus interest, and penalties. This weighs strongly in favor of settlement.

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

The total settlement is \$233,000,000, which includes payment to the Class Members, the Named Plaintiffs' service awards, the LWDA payment for PAGA penalties, attorneys' fees and costs, the employees' share of payroll taxes, and administration costs. After costs and fees, if granted in full by the Court, Class members will share in the sum of approximately \$179,862,467.15. Renick Decl. ¶ 45.

While the settlement does not provide for injunctive relief, the Disney Defendants have been complying with the hourly requirements in the Ordinance since October 29, 2023, and with the service charge requirements since, at the latest, July 2024. There is no threat that the Disney Defendants will reverse course, and no reason to believe that the Disney Defendants would fail to comply with the LWO in light of the Court of Appeal's decision. Thus, injunctive relief is not necessary to ensure compliance with the Living Wage Ordinance going forward.

The settlement wholly compensates the Plaintiff Class for all damages incurred, as well as full interest, in addition to a meaningful recovery of highly disputed penalties. This is an outstanding result compared with what Plaintiffs might obtain at trial. Plaintiffs' Counsel are highly experienced in class action and other complex litigation. Renick Decl. ¶¶ 3, 57; Swenson Decl. ¶ 3. Plaintiffs' Counsel have substantial experience litigating living wage ordinance class actions and wage and hour class actions and are fully familiar with the legal and factual issues in this case. Plaintiffs' Counsel believe that the

1 settlement is fair, reasonable, and adequate. Renick Decl. ¶ 57; Swenson Decl. ¶ 9. These factors support
2 a presumption of fairness as well as a finding that that the Settlement is fair, adequate, and reasonable.

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

4 There are no government entities participating in the Settlement. The Labor & Workforce
5 Development Agency (“LWDA”) has been aware of the Settlement since December 13, 2024, when
6 Plaintiffs submitted a copy of the Settlement to LWDA in accordance with Labor Code § 2699(1)(2).
7 Renick Decl. ¶ 48. The LWDA has not filed an objection to the Settlement. *Id.* Indeed, at over \$17
8 million, this settlement will provide a significant recovery for the LWDA.⁹

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

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

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

20 The Private Attorneys General Act (“PAGA”), Labor Code section 2698, *et seq.*, provides that
21 the recovery of any civil penalties under PAGA shall be apportioned 75% to the LWDA and 25% to the
22 aggrieved employees.¹⁰ The Settlement Agreement provides that \$23,300,000 of the settlement is
23 allocated to the PAGA claim with \$17,475,000 as payment to the LWDA for resolution of the PAGA

24 ⁹ In 2016-18, the LWDA collected a total of \$22.8 - \$30.3 million in PAGA penalties each year from *all*
25 settlements in the state. In 2019, it collected \$88 million statewide. (See UCLA Labor Center,
26 *California’s Hero Labor Law*, at p. 8, Table 2 (Feb. 2020), available at <https://courts.ca.gov/system/files/opinion-citing/s274340-link1.pdf>.)

27 ¹⁰ As the PAGA notice for the claim in this case was filed prior to June 19, 2024, the 2024 amendments
28 to PAGA that require a different allocation, among other things, do not apply. (See Lab. Code § 2699,
subd. (v).)

claims and the remaining \$5,825,000 allocated to all class members regardless of whether they opt out of the class claims. Renick Decl. ¶ 25. This resolution was reached as part of the overall Settlement which resulted from good faith negotiations, and the amount is more than reasonable. *See Hopson v. Hanesbrands, Inc.* (N.D. Cal. Apr. 3, 2009) Case No. 08-00844, 2009 WL 928133 at *9 (finding \$1,500 payment to LWDA of \$408,420.32 class action settlement reasonable where PAGA penalties negotiated in good faith with “no indication that [the] amount was the result of self-interest at the expense of other Class Members”); *see also Nordstrom Com. Cases* (2010) 186 Cal. App. 4th 576, 579, 589 (affirming approval of class action settlement “which does not allocate any damages to the PAGA claims” where PAGA penalty claims “were at issue” and “resolved as a part of the overall settlement of the case”).

VI. PLAINTIFFS SHOULD BE AWARDED THE REQUESTED SERVICE AWARDS.

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

“In determining whether to make an incentive award, the court may consider (1) the risk, both financial and otherwise, the class representative faced in bringing the suit; (2) the notoriety and 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, Mr. Terrazas, Ms. Delgado, and Ms. Grijalva each volunteered to represent the interests of the class against Disney. Due to the commitment of the named Plaintiffs, other members of the class will benefit significantly.

Risk and personal difficulties: The retaliation and reputational risk the three plaintiffs have taken on by agreeing to be named Plaintiffs and Class Representatives is a heavy burden. By associating

1 their names with a lawsuit, they put themselves at risk of retaliation. Terrazas Decl. ¶ 16; Delgado Decl.
2 ¶ 17; Grijalva Decl. ¶ 16. Plaintiffs also took on the reputation of employees who will file a lawsuit
3 against their employer, which has the real potential of jeopardizing future employment. Terrazas Decl. ¶
4 16; Delgado Decl. ¶ 17; Grijalva Decl. ¶ 16. Plaintiffs have experienced and will continue to endure the
5 stress of knowing that they may be prevented from future employment for bringing this lawsuit on
6 behalf of the Class. *Id.*

7 ***Time and effort and duration of litigation:*** Each of the named plaintiffs provided information to
8 Plaintiffs' counsel regarding Disney's pay practices, and each facilitated communications with
9 numerous co-workers regarding the case. Each named plaintiff spent considerable time pursuing the
10 litigation, which included gathering documents and providing them to Plaintiffs' Counsel; numerous
11 meetings and calls with counsel to discuss documents, the company practices and policies, and other
12 facts relevant to the legal claims; reaching out to co-workers; being available to counsel to provide
13 information and answer questions; and being available during mediation and settlement negotiations.
14 Terrazas Decl, ¶¶ 8-13; Delgado Decl. ¶¶ 8-14; Grijalva Decl. ¶¶ 8-13. They each prepared for and sat
15 for deposition, responded to extensive written discovery requests, and produced documents. Ms.
16 Delgado attended the appellate argument. Delgado Decl. ¶ 11. In addition, the three named plaintiffs
17 took very seriously their responsibility to the class and spent many hours throughout the litigation
18 maintaining contact with co-workers and keeping class members up to date regarding the status of the
19 litigation. They estimate that they spent 129 hours (Terrazas), 63.5 hours (Grijalva), and 82 hours
20 (Delgado) in their capacity as named plaintiffs and class representatives in the lawsuit, respectively,
21 which has gone on for nearly six years.

22 ***Personal benefit:*** If the Court accepts the requested costs and fees, of the net payment to the
23 Class for wages, interest, and penalties, Ms. Grijalva will receive \$6,878.02; Mr. Terrazas will receive
24 \$32,159.95; and Ms. Delgado will receive \$6,413.76. Sobczak Decl. ¶ 10. A \$20,000 enhancement
25 award for each Named Plaintiff is reasonable and within the range of awards approved by courts given
26 the risk to Plaintiffs, duration of the litigation and burden of involvement, and the substantial benefit to
27 the Class. *See, e.g., Trujillo v. Valet Living* (Oct. 20, 2021) 34-2020-00273711-CU-OE-GDS, 2021 Cal.
28 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 \$34,950,000 (15% of the Disney Settlement Fund) in attorney’s fees and reimbursement of \$452,532.85 in costs from the Disney Defendants on July 17, 2025.¹¹ Renick Decl. ¶ 45. As addressed in the fee motion, the requested fee award and reimbursement of litigation costs are fair, reasonable, and appropriate. Lodged herewith are Plaintiffs’ Counsel’s billing records in support of their fee request. *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. Renick Decl. ¶ 43. Swenson Decl., Exh. 1, 2.4.4 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. ¶ 44.

¹¹ 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. ¶ 14.

1 **IX. CONCLUSION**

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

4 DATED: August 13, 2025

Respectfully submitted,

5 MCCRACKEN, STEMERMAN & HOLSBERRY, LLP

6
7 
8 By: _____

9 Sarah Grossman-Swenson
10 Attorneys for Plaintiffs & Plaintiff Class

11 HADSELL STORMER RENICK & DAI LLP

12 /s/ Randy Renick
13 By: _____

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