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Attorneys for Plaintiff

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO**

MARIA PINA, as an individual, and on behalf
of all others similarly situated,

Plaintiff,

vs.

BEE INTERNATIONAL, INC, a California
Corporation; and DOES 1 through 100,

Defendants.

Case No. 37-2020-00001997-CU-OE-CTL

*[Assigned for all purposes to the
Hon. Richard S. Whitney, Dept. C-68]*

**DECLARATION OF PAUL K. HAINES
IN SUPPORT OF PLAINTIFF'S
MOTION FOR PRELIMINARY
APPROVAL OF CLASS ACTION
SETTLEMENT**

Date: October 29, 2021
Time: 10:30 a.m.
Dept.: C-68

Complaint Filed: January 13, 2020
Trial Date: None set.

1 I, PAUL K. HAINES, declare as follows:

2 1. I am the principal of Haines Law Group, APC, and counsel for the named Plaintiff
3 Maria Pina (“Plaintiff”) and the proposed Settlement Class in the above-captioned matter. I am
4 a member in good standing of the bar of the State of California and am admitted to practice in
5 this Court. I have personal knowledge of the facts stated in this declaration and could testify
6 competently to them if called upon to do so.

7 2. I am a 2006 graduate of Pepperdine University School of Law, where I graduated
8 *cum laude*. During law school, I worked as a law clerk for the appellate firm of Horvitz & Levy,
9 located in Encino, California. I also spent a semester in law school working as an extern for the
10 Honorable Edward Rafeedie, District Judge for the United States District Court for the Central
11 District of California.

12 3. Since graduating from law school, my practice has focused almost exclusively on
13 employment litigation. In September 2007, I began working as an associate attorney at the
14 international law firm of Littler Mendelson, P.C. at its Los Angeles office, which according to its
15 website is the “largest U.S.-based law firm exclusively devoted to representing management in
16 every aspect of labor and employment law.” While at Littler Mendelson, I was primarily staffed
17 on wage and hour class actions in both state and federal courts, and I also worked on a number of
18 single and multi-plaintiff wage and hour matters as well.

19 4. During my employment at Littler Mendelson, I played a significant role in the
20 class actions that I was staffed on, as I was often the only associate staffed on such cases. In
21 particular, I received a wide array of wage and hour class action experience performing the
22 following types of tasks: drafting demurrers, motions to strike, and motions to dismiss; removing
23 actions from state court to federal court; drafting and responding to written discovery; drafting
24 and opposing discovery related motions; arguing discovery related motions; drafting motions to
25 consolidate related matters; interviewing putative class members and obtaining declarations in
26 connection with class certification; drafting oppositions to motions for class certification; drafting
27 motions for decertification following class certification; conducting exposure analyses to assess
28 the strengths and weaknesses of asserted claims, the likelihood of prevailing at class certification,

1 and potential damages resulting from such claims; drafting mediation briefs; serving as the
2 primary contact to in-house counsel; deposing named plaintiffs and putative class members;
3 deposing retained expert witnesses; and defending the depositions of corporate witnesses. In
4 short, I played an integral role in all aspects of litigation from the inception of a matter through
5 and beyond class certification. I also supervised the work of several junior attorneys who were
6 staffed on the same wage and hour class actions.

7 5. In June 2011, I voluntarily resigned from Littler Mendelson in order to accept an
8 associate attorney position with the international law firm of Morgan, Lewis & Bockius LLP at
9 its Los Angeles office, where I began working in July 2011. During my employment at Morgan,
10 Lewis & Bockius LLP, I worked exclusively on the defense of wage and hour class and collective
11 actions. For the vast majority of these cases, I was the only associate staffed on the matters, and
12 I performed the same job duties as described in the immediately preceding paragraph. In addition
13 to working on wage and hour class actions, at Morgan, Lewis & Bockius I also worked on a
14 number of “hybrid” actions asserting nationwide wage and hour claims under the Fair Labor
15 Standards Act, as well as California-specific claims under Rule 23 of the Rules of Civil Procedure.

16 6. In July 2012, I transitioned into litigating wage and hour class actions from the
17 Plaintiff’s side, first as a Partner with the law firm of Boren, Osher & Luftman, LLP, and since
18 February 2016 as a Shareholder of Haines Law Group, APC. Currently, over ninety percent (90%)
19 of my practice is dedicated exclusively to the prosecution of wage and hour class actions, and my
20 law firm is currently responsible for prosecuting over fifty (50) wage and hour class actions filed
21 in both State and Federal courts throughout California. I have been appointed as Class Counsel in
22 hundreds of wage and hour class action settlements in state and federal courts within California.
23 Some examples of the matters in which I have been appointed as Class Counsel, all of which have
24 been granted final approval, include the following: *Shaw v. Conant Auto Retail, San Diego*, Case
25 No. 37-2014-00044052-CU-OE-CTL, California Superior Court, County of San Diego, Hon.
26 Judge Joan M. Lewis, presiding; *Tirado v. Ricon Corp.*, Case No. BC537042, California Superior
27 Court, County of Los Angeles, Hon. John S. Wiley, presiding; *Horta v. Searles Valley Minerals,*
28 *Inc.*, Case No. CIVDS 1507615, California Superior Court, County of San Bernardino, Hon.

Donald Alvarez presiding; *Rodriguez v. Spartan, Inc.*, Case No. BCV-15-100007-DRL, California Superior Court, County of Kern, Hon. David R. Lampe presiding; *Kostyuk, et al. v. Golden State Overnight Delivery Service, Inc.*, Case No. RG14727191, California Superior Court, Alameda County, Hon. Winifred Y. Smith presiding; *Leverage, et al v. Traeger Pellet Grills, LLC, et al*, Case No. 16-cv-00784-KAW, United States District Court for the Northern district of California, Hon. Kandis A. Westmore presiding; *Nunez v. CompuCom Systems, Inc.*, Case No. BC618385, California Superior Court, County of Los Angeles, Hon. John Shepard Wiley, Jr., presiding; *Morales v. Caremeridian, LLC, et al.*, Case No. BC593191, California Superior Court, County of Los Angeles, Hon. William F. Highberger presiding; *Rodrigues v. CP Kelco U.S., Inc.*, Case No. 37-2017-00004339-CU-OE-CTL, California Superior Court, County of San Diego, Hon. Joel R. Wohlfeil, presiding; *Beach-Barrow, et al v. The Hertz Corp.*, Case No. RG17848833, California Superior Court, County of Alameda, Hon. Ioana Petrou presiding; *Gooding v. Vita-Mix Corp., et al*, Case No. 2:16-cv-03898-ODW (JEMx), United States District Court for the Central District of California, Hon. Otis D. Wright II presiding; *Afa, et al v. Alliance Ground Int'l, LLC*, Case No. BC661449, California Superior Court, County of Los Angeles, Hon. William F. Highberger presiding.

7. I have also moved to certify and have received an order certifying a class action and/or conditionally certifying a collective action in the following cases:

- *Medeiros v. Vortex Financial Management Inc.*, Case No. 30-2013-00644741-CU-OE-CXC, California Superior Court, County of Orange, Honorable Judge Gail A. Andler, presiding (certifying a class of employees who were misclassified as independent contractors);
- *Javine v. San Luis Ambulance Service, Inc.*, Case No. CV13-07480 BRO (SSx), United States District Court, Central District of California, Honorable Judge Beverly Reid O'Connell, presiding (conditionally certifying an unpaid FLSA overtime wage class);
- *Prado v. Warehouse Demo Services, Inc.*, Case No. CV14-3170 JFW (Ex), United States District Court, Central District of California, Honorable Judge John F. Walter, presiding (certifying rest period class and conditionally certifying FLSA unpaid overtime class);

- 1 • *Bower v. Cycle Gear, Inc.*, Case No. CV14-2712 HSG, United States District Court,
2 Northern District of California, Honorable Judge Haywood S. Gilliam, Jr., presiding
3 (conditionally certifying an unpaid FLSA overtime wage class);
- 4 • *Vega v. Weatherford U.S., Limited Partnership*, Case No. CV14-1790-JLT, United States
5 District Court, Eastern District of California, Honorable Jennifer L. Thurston, presiding
6 (conditionally certifying an unpaid FLSA overtime wage class);
- 7 • *Galvan v. AMVAC Chemical Corporation*, Case No. 30-2014-00716103-CU-OE-CXC,
8 California Superior Court, County of Orange, Honorable Judge William Claster, presiding
9 (certifying unpaid overtime wage class and waiting time penalty class);
- 10 • *Camacho v. Residential Fire Systems, Inc.*, Case No. 30-2015-775372-CU-OE-CXC,
11 California Superior Court, County of Orange, Honorable Glenda Sanders, presiding
12 (certifying piece rate pay plan classes, expense reimbursement class, wage statement
13 class, and waiting time penalties class);
- 14 • *Ontiveros v. Safelite Fulfillment, Inc., et al*, Case No. CV 15-7118-DMG (RAOx), United
15 States District Court, Central District of California, Honorable Dolly M. Gee presiding
16 (certifying six classes of employees for rest period violations, wage statement violations,
17 meal period violations, and overtime and double-time violations);
- 18 • *Vazquez, et al v. Kraft Heinz Foods Company*, Case No. 16-cv-2749-WQH-BLM, United
19 States District Court, Southern District of California, Honorable William Q. Hayes
20 presiding (certifying six classes of employees for unpaid wages, meal period violations,
21 wage statement violations, and waiting time penalties);
- 22 • *Caudle, et al. v. Sprint/United Management Company, et al.* Case No. C 17-06874-WHA,
23 United States District Court, Northern District of California, Honorable William H. Alsup
24 presiding (certifying three classes of employees for unlawful wage deduction violations,
25 wage statement violations, and waiting time violations);
- 26 • *Staublein v. Wells Fargo Bank, N.A.*, Case No. CIVDS1712267, California Superior
27 Court, County of San Bernardino, Honorable David Cohn presiding (certifying a wage
28 statement class);

- *Perez v Sunbelt Rentals, Inc.*, Case No. 37-2018-00026405-CU-OE-CTL, California Superior Court, County of San Diego, Honorable Eddie C. Sturgeon, presiding (certifying wage statement class); and
- *Bowlin-Burdick et al v. Life Care Centers of America*, Case No. BC657139, Los Angeles County Superior Court, Hon. Maren E. Nelson (certifying four classes for meal period violations, rest period violations, wage statement violations, and waiting time penalties).

8. In 2015, 2016, and 2017, Thomson Reuters recognized me as a Top Young Attorney in Southern California in the annual Rising Stars Edition of Super Lawyer. This is an honor awarded to no more than two-and-a-half percent of attorneys under the age of forty in Southern California each year. In 2018, 2019, 2020, and 2021, Thomson Reuters recognized me as a “Super Lawyer” in the annual Super Lawyer magazine, an honor awarded to no more than five percent of all attorneys in Southern California each year.

9. As counsel for Plaintiff and the proposed Settlement Class, I have been intimately involved in all aspects of this litigation, and I believe that the proposed Stipulation of Settlement (“Settlement”), a true and correct copy of which is attached hereto as **Exhibit 1**, is a favorable result for the Settlement Class. The Class Notice and Notice of Estimated Settlement Award (together, the “Notice Packet”), are attached to the Settlement as **Exhibits A and B**, respectively.

10. Defendant Bee International, Inc. (“Bee International”) has operated a novelty candy business since 1970. Plaintiff worked for Bee International as a non-exempt employee from approximately October 2018 until approximately January 16, 2019. Plaintiff and Settlement Class members are current and former non-exempt employees of Bee International who worked for Bee International in California at any time during the Class Period.

11. On January 13, 2020, Plaintiff filed the instant action, alleging claims for: (1) failure to pay overtime; (2) minimum wage violations; (3) meal period violations; (4) rest period violations; (5) wage statement violations; and (6) unfair competition. On May 19, 2020, after exhausting her administrative requirements with the Labor & Workforce Development Agency (“LWDA”), Plaintiff filed her operative First Amended Complaint, adding a cause of action for PAGA civil penalties.

12. The parties subsequently agreed to attend mediation in an effort to reach a classwide resolution of Plaintiff's claims. In connection with mediation, Bee International provided Plaintiff with significant informal discovery, including Settlement Class members' timekeeping and payroll records; Bee International's relevant wage and hour policies; and other relevant information. Plaintiff's counsel also hired a labor economist with a Ph.D. in economics to assist us with an analysis and extrapolation of the data produced by Bee International to calculate potential class-wide exposure for Plaintiff's claims.

13. On November 2, 2020, the Parties participated in a full-day mediation with Jeffrey A. Ross, Esq., an experienced and well-respected wage and hour class action mediator. During mediation, the parties vigorously debated their opposing positions, and the legal and factual bases of Plaintiff's claims and Bee International's defenses. Although the parties did not reach settlement at mediation, they continued their negotiations in the ensuing months with Mr. Ross' assistance. The Parties eventually agreed to a settlement in principle, and over the following months they negotiated and formalized the Settlement now before the Court.

14. The monetary terms of the Settlement are summarized below:

• Gross Settlement Amount ("GSA"):	\$300,000.00
• Minus Court-approved attorneys' fees (one-third):	\$100,000.00
• Minus Court-approved verified costs (up to):	\$25,000.00
• Minus Court-approved Class Enhancement Award:	\$5,000.00
• Minus PAGA Payment to LWDA:	\$22,500.00
• <u>Minus estimated settlement administration costs:</u>	<u>\$8,000.00</u>
Net Settlement Amount ("NSA"):	\$139,500.00

15. According to Bee International, there are approximately 149 members total Class Members. Therefore, the average Settlement Award is projected to be approximately \$936.24.

16. As described in the accompanying Motion, Plaintiff contends that Bee International underpaid Settlement Class members due to its unlawful time-rounding practice. Plaintiff alleges that Bee International's uneven timekeeping policies/practices resulted in a systematic underpayment of wages to Settlement Class members. Based on Plaintiff's expert's review of employee timekeeping records, Plaintiff contends Bee International's rounding practice resulted in approximately 2,427 net hours of unpaid wages. Thus, and based on the average

1 minimum wage of approximately \$11.30 during the Class Period, Plaintiff estimates Bee
2 International's maximum exposure for this claim at approximately \$54,850 (2,427 hrs. * \$11.30
3 * 2 (liq. damages per Labor Code § 1194.2). Bee International contends that it utilized an even-
4 handed timekeeping system that, on balance, resulted in employees being paid for all hours
5 actually worked, and that some employees were *overpaid* as a result of its rounding practice.
6 Furthermore, Bee International maintains that when non-exempt employees clocked in early
7 before their shift, they did not perform any compensable work. Bee International also asserts that
8 Plaintiff would be unable to certify this claim given the individualized inquiries that would be
9 necessary to determine whether each employee was in fact underpaid, or overpaid for each
10 workday in question. Given Bee International's defenses and arguments, Plaintiff discounted the
11 maximum exposure by 15% to account for the risk of non-certification, and an additional 20% to
12 account for Bee International's defenses on the merits, to arrive at an estimated exposure of
13 approximately \$37,298.

14 17. Plaintiff alleges that Bee International failed to provide legally-compliant meal
15 periods, such that the meal periods were often short or commenced after the completion of the
16 fifth hour of work, and that this is reflected in employee timekeeping records that show many
17 such non-compliant meal periods. Plaintiff further alleges that for a portion of the Class Period,
18 Bee International did not record employee meal periods. Finally, Plaintiff alleges that Bee
19 International failed to provide second meal periods on shifts over 10.0 hours. Based on Plaintiff's
20 expert's analysis and extrapolation of employee timekeeping and payroll records, there were
21 approximately 10,761 shifts reflecting potential first and/or second meal period violation during
22 the Class Period, and employees' average rate of pay was approximately \$14.94. Therefore,
23 Plaintiff estimated Bee International's maximum exposure for meal period violations as
24 approximately \$160,769 (10,761 non-compliant first meal periods * \$14.94 meal period
25 premium). Bee International argues it has always maintained legally-compliant meal period
26 policies/practices, that it has always provided meal periods consistent with those policies, and
27 that it is only required to "provide" the opportunity to take meal periods, not "ensure" meal
28 periods are taken. Bee International also maintains that any short, missed, or late meal periods

were the result of lawful employee waiver or choice, thereby precluding liability. Bee International also argues that individualized inquiries will be required to determine why each meal period was taken late, or short, or missed, and whether there was a valid waiver, thereby making certification of this claim unlikely. Given these defenses and arguments, Plaintiff discounted Bee International's maximum exposure by 20% to account for the risk of non-certification, and an additional 25% to account for Bee International's defenses on the merits, to arrive at an estimated total of \$96,461.

18. Plaintiff alleges that Bee International failed to authorize and permit third rest periods on shifts in excess of 10.0 hours, in that its written rest period policy only provided for two rest periods per shift. Plaintiff's expert's analysis of employee timekeeping data revealed approximately 181 shifts over 10 hours during the Class Period. Plaintiff thus estimates the maximum exposure for rest period violations at approximately \$2,704.14 (181 shifts * \$14.94). Bee International argues that it has always maintained lawful rest period practices, and has, in fact, authorized and permitted all required rest periods to Class members. Additionally, Bee International maintains any failure to take third rest periods was the result of employee choice. Bee International also asserts that this claim is not amenable to class treatment as individualized inquiries would be required to determine which employees failed to take a third rest period, and the reasons why. These manageability concerns are especially present with respect to rest periods, Bee International contends, since rest periods are not recorded. Although these defenses warrant discounting the value of this claim, because of the relative low value of the claim, Plaintiff did not discount this claim for purposes of her damages analysis, resulting in an estimated exposure of \$2,704.

19. As a result of these alleged violations, Plaintiff alleges that Bee International furnished inaccurate wage statements in violation of Labor Code § 226. Plaintiff's expert's review and extrapolation of the payroll data revealed there were approximately 1,428 allegedly deficient wage statements issued during the relevant time period and approximately 97 unique employees during the applicable time period. Therefore, Plaintiff calculated Bee International's maximum exposure for wage statement violations at \$137,950 [(97 "initial" violations * \$50 initial penalty)

1 + (1,331 “subsequent” violations * \$100 subsequent penalty) = \$137,950]. Bee International
2 argues that any alleged wage statement violations were not “knowing and intentional,” and that
3 Plaintiff cannot show she or other employees “suffer[ed] injury” due to alleged wage statement
4 violations. Bee International further argues that employee wage statements always accurately
5 stated the amount *paid* to employees and therefore did not violate Section 226. Bee International
6 also contends wage statement penalties are not recoverable for Plaintiff’s meal and rest period
7 claims, a view adopted by multiple Courts of Appeal and an issue that is set to be decided by the
8 California Supreme Court. Bee International further argues that the same defenses to class
9 certification as to Plaintiff’s underlying claims apply equally to her derivative wage statement
10 claim. Based on these defenses, Plaintiff discounted the calculated maximum exposure by 15%
11 for a risk of non-certification, and an additional 20% for a risk of being unsuccessful on the merits,
12 to arrive at an estimated total of \$93,806.

13 20. As a result of the foregoing Labor Code violations, Plaintiff alleges that Bee
14 International is liable for PAGA civil penalties. Plaintiff estimates a maximum PAGA exposure
15 of \$142,800, based on approximately 1,428 pay periods during the PAGA Period at the \$100
16 “initial” violation rate under Lab. Code § 2699(f). Since Plaintiff’s PAGA claim is derivative of
17 her underlying wage claims, Bee International asserts the PAGA claim would fail with those
18 claims. Additionally, Bee International contends that, given its good faith defenses, this Court
19 would exercise its discretion to substantially reduce any PAGA penalties if it were to find Bee
20 International liable for any of Plaintiff’s claims. Thus, Plaintiff discounted the maximum figure
21 by 25% for risk of losing on the merits, and by an additional 30% for risk of the Court reducing
22 penalties, to arrive at an estimated exposure of \$74,970.

23 21. Thus, after taking into account Bee International’s various affirmative defenses,
24 difficulties of proof, and other risks as described above, Plaintiff predicted that the potential likely
25 recovery for the Settlement Class at trial would be approximately \$305,239. The proposed
26 settlement of \$300,000 therefore roughly approximates the full value (98.3%) of Plaintiff’s
27 reasonably forecasted recovery. Thus, preliminary approval is appropriate as the Settlement will
28 provide significant monetary relief to the Settlement Class.

1 22. My office will apply for an attorneys' fees award of one-third of the Gross
2 Settlement Amount, which is currently estimated to be \$100,000.00, and up to \$25,000 in verified
3 costs reimbursement. The requested fee is fair compensation for undertaking complex, risky,
4 expensive, and time-consuming litigation on a purely contingent fee basis. My office has incurred
5 substantial attorney fees in conducting pre-filing investigation, analyzing Plaintiff's claims,
6 conducting legal research, reviewing Bee International's documents and policies, conducting
7 substantial analysis of payroll and time records and other records and data produced by Bee
8 International, working with a retained expert to create a comprehensive damages model, preparing
9 for and attending mediation, negotiating and preparing the long-form Settlement Agreement,
10 preparing this Motion, and otherwise litigating this case. I also anticipate my office will incur
11 future attorney time in attending the hearing on this Motion, overseeing the Notice process,
12 fielding questions from Settlement Class members, preparing the final approval papers, and
13 attending the Final Approval Hearing.

14 23. Plaintiff will also apply for a service award in the amount of \$5,000 for her services
15 to the Settlement Class. I believe this is reasonable given Plaintiff's efforts in this case and the
16 risks she undertook on behalf of the Settlement Class, including the risk that she could be liable
17 for Bee International's costs if this case were unsuccessful. Plaintiff was integral in the
18 prosecution of this action, by, among other things, providing substantial factual information and
19 documents to my office, attending in-person and telephonic meetings with my office to discuss
20 the claims and theories at issue in the litigation, and otherwise participating in the prosecution of
21 her claims.

22 24. Plaintiff is typical of the class she seeks to represent, as she experienced the same
23 harms alleged in the action and resolved as part of the Settlement – namely, Bee International's
24 alleged failure to pay all wages owed, alleged failure to provide meal periods, alleged failure to
25 authorize and permit rest periods, and alleged failure to issue accurate wage statements. I am not
26 aware of any conflicts that I, my law firm, or Plaintiff has with any Settlement Class member.

27 25. Although the Parties engaged in significant informal discovery prior to reaching
28 the proposed Settlement, they had not completed formal written and deposition discovery, which

1 would have required expenditure of substantial time and resources. Plaintiff also still had to file
2 for class certification. Even if Plaintiff obtained certification, the Parties would incur considerable
3 attorneys' fees and costs through a possible decertification motion, motions for summary
4 judgment, trial, and potential appeals. The Settlement avoids those risks and accompanying
5 expense, while providing the Settlement Class with certain recovery.

6 26. The method of proposed notice to Settlement Class members – i.e., direct notice
7 by first-class mail – is the best notice practicable under the circumstances. Settlement Class will
8 be provided from Bee International's employment records, and to the extent any addresses have
9 changed, the Settlement Administrator will run all addresses through the National Change of
10 Address database prior to mailing, and will perform "skip traces" on any Notice Packets that are
11 returned to the Settlement Administrator as undeliverable without a forwarding address. Thus,
12 the proposed method of notice is designed to provide actual notice to as many Settlement Class
13 members as possible.

14 I declare under penalty of perjury under the laws of the State of California that the
15 foregoing is true and correct. Executed on June 29, 2021, at El Segundo, California.

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18 Paul K. Haines
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STIPULATION OF SETTLEMENT

This Stipulation of Settlement (“Settlement Agreement”) is reached by and between Plaintiff Maria Pina (“Plaintiff”), individually and on behalf of all members of the Settlement Class (defined below), on one hand, and Bee International, Inc., (“Bee International”), on the other hand. Plaintiff and Bee International are referred to herein collectively as the “Parties.” Plaintiff and the Settlement Class (defined below) are represented by Paul K. Haines and Tuvia Korobkin of Haines Law Group, APC (“Class Counsel”). Bee International is represented by Jim McMullen and Janna Jamil of Gordon Rees Scully Mansukhani, LLP.

On January 13, 2020, Plaintiff filed a class action lawsuit against Bee International in San Diego County Superior Court, in the matter titled *Maria Pina v. Bee International, Inc.*, Case No. 37-2020-00001997-CU-OE-CTL (the “Action” or “Lawsuit”). On May 26, 2020, Plaintiff filed the operative First Amended Class and Representative Action Complaint (“Complaint”) alleging the following causes of action: (i) failure to pay overtime wages; (ii) failure to pay minimum wages; (iii) meal period violations; (iv) rest period violations; (v) failure to furnish accurate itemized wage statements; (vi) unfair competition as a result of the aforementioned violations (Bus. & Prof. Code § 17200 *et seq.*); and (vii) civil penalties pursuant to the Private Attorneys General Act of 2004 (“PAGA”), California Labor Code § 2698, *et seq.*, as a result of the aforementioned violations.

Given the uncertainty of litigation, Plaintiff and Bee International wish to settle both individually and on behalf of the Settlement Class (defined below). Accordingly, Plaintiff and Bee International agree as follows:

1. **Settlement Class.** For the purposes of this Settlement Agreement only, Plaintiff and Bee International stipulate to the certification of the following Settlement Class:

All current and former non-exempt employees of Bee International who worked for Bee International in California at any time from January 13, 2016 to the date of preliminary approval of the Settlement (“Class Period”).

The Parties agree that certification for purposes of settlement is not an admission that class certification is proper under Section 382 of the Code of Civil Procedure. If for any reason this Settlement Agreement is not approved or is terminated, in whole or in part, this conditional agreement to class certification will be inadmissible and will have no effect in this matter or in any claims brought on the same or similar allegations, and the Parties shall revert to the respective positions they held prior to entering into the Settlement Agreement.

2. **Release by Settlement Class Members and Plaintiff.** As of the date that (i) the Final Effective Date (as defined below) occurs and (ii) the settlement is fully funded, Plaintiff and every member of the Settlement Class (except those who opt out) will fully release and discharge Bee International, and any of its former and current parents, subsidiaries, and affiliates, and its officers, directors, employees, partners, shareholders, attorneys, insurers, and agents, and any other successors, assigns, or legal representatives, (altogether referred to herein as the “Released Parties” as follows:

- A. Settlement Class members (except those who opt-out) shall release all claims against Bee International and the Released Parties under California law that have been asserted in the Complaint, or which could have been asserted in the Action based on the facts alleged in the Complaint, including claims for: (i) failure to pay overtime wages; (ii) failure to pay minimum wages; (iii) meal period violations; (iv) rest period violations; (v) failure to furnish accurate itemized wage statement; (vi) any claims for or under Business & Professions Code § 17200 based on any of the above claims, during the Class Period (“Class Released Claims”). The period of release for the Class Released Claims shall extend to the limits of the Class Period. In addition, all Settlement Class members (whether or not they opt out) who worked for Bee International at any time from January 13, 2019 through the end of the Class Period (the “PAGA Period”) will release all claims against Bee International and the Released Parties for civil penalties under PAGA based on the above-mentioned violations that arose during the PAGA Period (the “PAGA Released Claims”).
- B. In light of Plaintiff’s Class Representative Enhancement Award, Plaintiff has agreed to release, as an individual and in addition to the Class Released Claims and PAGA Released Claims described above, all claims, whether known or unknown, under federal, state, or local law against Bee International and the Released Parties, that arose through the date Plaintiff signs this Settlement Agreement (“Plaintiff’s Released Claims”). The Parties understand and agree that the release of Plaintiff’s Released Claims does not resolve any and all workers’ compensation claims of Plaintiff, including her current claim that remains active and ongoing, ADJ 11881784. The WCAB retains exclusive jurisdiction for and any all alleged workers’ compensation claims Plaintiff has or may have against Bee International. Nor do Plaintiff’s Released Claims include claims for unemployment benefits, nor any other claims which cannot be released as a matter of law, and Plaintiff is not, by way of this release, releasing any such claims. Plaintiff understands that this release includes unknown claims and that Plaintiff is, as a result, waiving all rights and benefits afforded by Section 1542 of the California Civil Code with respect to Plaintiff’s Released Claims. That section provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

3. **Gross Settlement Amount.** As consideration, Bee International agrees to pay a non-reversionary “Gross Settlement Amount” of \$300,000.00 in full and complete settlement of the Lawsuit, as follows:
- A. The Parties have agreed to engage Phoenix Settlement Administrators as the “Settlement Administrator” to administer this Settlement.

- B. The term “Final” and “Final Effective Date” means: (i) that the Settlement Agreement has received Final Approval by the Court and there were no timely objections or intervenor requests filed, or that any timely objections and/or interveners have been withdrawn; or (ii) in the event that one or more timely objections or interventions has/have been filed and not withdrawn, then upon the passage of the applicable date for an objector or intervenor to seek appellate review of the Court’s order of Final Approval, without a timely appeal having been filed; or (iii) in the event that a timely appeal of the Court’s order of Final Approval has been filed, then the Settlement Agreement shall be final when the applicable appellate court has rendered a final decision or opinion affirming the Court’s Final Approval order without material modification, and the applicable date for seeking further appellate review has passed, or the date that any such appeal has been either dismissed or withdrawn by the appellant.
- C. Bee International shall deposit the Gross Settlement Amount with the Settlement Administrator as follows: (1) Bee International shall deposit 50% of the Gross Settlement Amount, i.e., \$150,000.00, with the Settlement Administrator no later than 10 business days after the date of Final Approval; and (2) Bee International shall deposit the remaining 50%, i.e., \$150,000.00, with the Settlement Administrator no later than February 1, 2022. Any funds paid prior to the Final Effective Date shall be held by the Settlement Administrator in escrow during the pendency of the settlement approval process. If the Final Effective Date does not occur, then any funds deposited by Bee International will be returned to Bee International. Otherwise, no funds shall revert to Bee International.
- D. The Settlement Administrator shall provide to Defense Counsel instructions for Bee International to deposit the Gross Settlement Amount by electronic transfer, no later than seven (7) calendar days before the first installment payment is due. Bee International expressly agrees to follow the Settlement Administrator’s payment instructions. Bee International’s payment obligations under the Settlement shall be met upon initiating the electronic transfer of funds to the Settlement Administrator, pursuant to its instructions, and the Settlement Administrator’s confirmation that the funds have been received.
- E. This is a non-reversionary settlement. The Gross Settlement Amount includes:
- (1) All payments (including interest) to the Settlement Class;
 - (2) All costs of the Settlement Administrator, which are anticipated to be no greater than Eight Thousand Dollars and Zero Cents (\$8,000.00);
 - (3) Up to \$5,000.00 for Plaintiff’s Class Representative Enhancement Award, in recognition of Plaintiff’s contributions to the Action and services to the Settlement Class, and her general release of claims;
 - (4) Up to one-third of the Gross Settlement Amount (currently estimated to be \$100,000.00) in Class Counsel’s attorneys’ fees, plus actual costs and

expenses incurred by Class Counsel related to the Action as supported by declaration, which are currently estimated to be no greater than \$25,000.00; and

- (5) Thirty Thousand Dollars and Zero Cents (\$30,000.00) of the Gross Settlement Amount has been set aside by the Parties as PAGA civil penalties. Per Labor Code § 2699(i), 75% of such penalties, or \$22,500.00, will be payable to the Labor & Workforce Development Agency (“LWDA”), and the remaining 25%, or \$7,500.00, will be payable to certain Settlement Class members as the “PAGA Amount,” as described below.

Bee International will not oppose the reasonableness of these requests. Any reduction by the Court of these requests will revert to the Net Settlement Amount (defined below).

- E. **Employer Payroll Taxes.** The Gross Settlement Amount does not include employer-side payroll taxes, which shall be paid by Bee International separate from, and in addition to, the Gross Settlement Amount. The employer’s share of payroll taxes shall be deposited by Bee International with the Settlement Administrator no later than the date the second installment of the Gross Settlement Amount is due, i.e. on or before February 1, 2022.
- F. **Escalator Clause.** Bee International represents that Settlement Class members worked approximately 6,812 workweeks for Bee International in California during the Class Period. The Parties agree that this is a material term of the Settlement. If the actual number of workweeks worked by Settlement Class members for Bee International in California during the Class Period is more than 5% greater than 6,812 (i.e., if there are 7,153 or more workweeks), then the Gross Settlement Amount shall increase commensurate with the increase in workweeks (i.e., if the number of workweeks is 7% greater than 6,812, then the Gross Settlement Amount will increase by 7%).

4. **Payments to the Settlement Class.** Settlement Class members are not required to submit a claim form to receive a payment (“Settlement Award”) from the Settlement. Settlement Awards will be determined and paid as follows:

- A. The Settlement Administrator shall first deduct from the Gross Settlement Amount the amounts approved by the Court for Class Counsel’s attorneys’ fees, Class Counsel’s costs and expenses, the Class Representative Enhancement Award, the Settlement Administrator’s fees and expenses for administration, and the amount set aside as PAGA civil penalties payable to the LWDA. The remaining amount shall be known as the “Net Settlement Amount.”
- B. **PAGA Amount:** From the Net Settlement Amount, \$7,500.00 has been allocated as the “PAGA Amount” as stated above. The PAGA Amount will be distributed to all Settlement Class members (whether or not they opt out) who performed work for Bee International in California during the PAGA Period, based on each

Settlement Class member's proportionate number of pay periods worked for Bee International in California during the PAGA Period.

- C. **Remainder of Net Settlement Amount:** The remainder of the Net Settlement Amount will be distributed to all participating Settlement Class members (i.e., those Settlement Class members who do not opt out) based on each participating Settlement Class member's proportionate workweeks worked for Bee International in California ("Workweeks") during the Class Period. This portion of each participating Settlement Class member's Settlement Award shall be calculated by multiplying the remainder of the Net Settlement Amount by a fraction, the numerator of which is the participating Settlement Class member's number of Workweeks worked during the Class Period, and the denominator of which is the total Workweeks worked by all participating Settlement Class members during the Class Period.
- D. **Calculation of Settlement Awards.** Within ten (10) Court days of the Effective Date, the Settlement Administrator will calculate Settlement Award amounts, as well as the amount of the employer's share of payroll taxes due on the wage portion of the Settlement Awards, and provide the same to counsel for review and approval. Within seven (7) calendar days of the Settlement Administrator providing the calculations for the employer's share of payroll taxes, Bee International shall remit the necessary funds for the employer's share of payroll taxes to the Settlement Administrator.
- E. **Payment of Settlement Awards.** Within ten (10) Court days after receiving the second 50% of the Gross Settlement Amount and the employer's share of payroll taxes and upon approval by the Parties' counsel of Settlement Award calculations, the Settlement Administrator will prepare and mail Settlement Awards, less applicable taxes and withholdings, to Settlement Class members. The Settlement Administrator shall simultaneously pay the withholdings to the applicable authorities with the necessary reports, submitting copies to Bee International's counsel. The Settlement Administrator shall also pay the amounts approved by the Court for Class Counsel's attorneys' fees and costs, Plaintiff's Class Representative Enhancement Award, and PAGA payment to the LWDA at the same time it mails Settlement Awards to participating Settlement Class members.
- F. All amounts paid from the PAGA Amount shall be treated as 100% penalties. All amounts paid from the remainder of the Net Settlement Amount shall be allocated as one-third wages, one-third penalties, and one-third interest. The Settlement Administrator will be responsible for issuing to Settlement Class members an IRS Form W-2 (for amounts paid as wages) and an IRS Form 1099 (for amounts paid as penalties and interest). Notwithstanding the treatment of the payments to each Settlement Class member above, none of the payments called for by this Settlement Agreement, including the wage portion, are to be treated as earnings, wages, pay or compensation for any purpose of any applicable benefit or retirement plan, unless required by such plans.

- G. Each member of the Settlement Class who receives a Settlement Award must cash that check within 180 days from the date the Settlement Administrator mails it. Any funds payable to Settlement Class members whose checks are not cashed within 180 days after mailing shall be distributed to Bet Tzedek Employment Rights Project in accordance with Section 384 of the California Code of Civil Procedure.
- H. Neither Plaintiff nor Bee International (nor their respective counsel) shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by its own acts of omission or commission, the same is true for the Settlement Administrator.

5. **Attorneys' Fees and Costs.** Bee International will not object to Class Counsel's request for a total award of attorneys' fees of up to one-third of the Gross Settlement Amount, which is currently estimated to be \$100,000.00. Additionally, Class Counsel will request an award of actual costs and expenses as supported by declaration, in an amount not to exceed \$25,000.00, from the Gross Settlement Amount. These amounts will cover any and all work performed and any and all costs incurred in connection with this litigation, including without limitation: all work performed and all costs incurred to date; and all work to be performed and costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement, including any objections raised and any appeals necessitated by those objections. Class Counsel will be issued an IRS Form 1099 by the Settlement Administrator when the Settlement Administrator pays the fee award approved by the Court.

6. **Class Representative Enhancement Award.** Bee International will not object to a request for a Class Representative Enhancement Award of \$5,000.00 to Plaintiff, for her time and risk in prosecuting this case and Plaintiff's service to the Settlement Class. This award will be in addition to Plaintiff's Settlement Award as a Settlement Class member, and shall be reported on an IRS Form 1099 issued by the Settlement Administrator.

7. **Settlement Administrator.** Bee International will not object to the appointment of Phoenix Settlement Administrators as Settlement Administrator. Bee International will not object to Plaintiff seeking approval to pay up to \$8,000.00 for its services from the Gross Settlement Amount. The Settlement Administrator shall be responsible for sending the Notice Packets to the Settlement Class members in both English and Spanish, calculating Settlement Awards and preparing all checks and mailings, and other duties as described in this Settlement Agreement. The Settlement Administrator shall be authorized to pay itself from the Gross Settlement Amount only after Settlement Awards have been mailed to Settlement Class members. The Settlement Administrator shall also give notice of final judgment by posting the final judgment to its website.

8. **Preliminary Approval.** Within a reasonable time after execution of this Settlement Agreement by the Parties, Plaintiff shall apply to the Court for the entry of an Order:

- A. Conditionally certifying the Settlement Class for settlement purposes only;
- B. Appointing Paul K. Haines and Tuvia Korobkin, of Haines Law Group, APC as Class Counsel;
- C. Appointing Plaintiff Maria Pina as Class Representative for the Settlement Class;

- D. Approving Phoenix Settlement Administrators as Settlement Administrator;
- E. Preliminarily approving this Settlement Agreement and its terms as fair, reasonable, and adequate;
- F. Approving the form and content of the Notice Packet (which is comprised of the Class Notice and Notice of Estimated Settlement Award, attached hereto as **Exhibits A and B**, respectively); and
- G. Scheduling a Final Approval hearing.

9. **Notice to Settlement Class.** Following preliminary approval, the Settlement Class shall be notified as follows:

- A. Within ten (10) business days after entry of an order preliminarily approving this Agreement, Bee International will provide the Settlement Administrator with the names, last known addresses, phone numbers, social security numbers, number of Workweeks worked, and number of Pay Periods worked during the PAGA Period (“Class Data”) for each Settlement Class member during the Class Period. The Class Data shall be treated as confidential by the Settlement Administrator.
- B. Within ten (10) business days from receipt of the Class Data, the Settlement Administrator shall: (i) run the names of all Settlement Class members through the National Change of Address (“NCOA”) database to determine any updated addresses for Settlement Class members; (ii) update the address of any Settlement Class member for whom an updated address was found through the NCOA search; (iii) calculate the estimated Settlement Award for each Settlement Class member, and receive approval from counsel of those calculations; and (iv) mail a Notice Packet to each Settlement Class member at his or her last known address or at the updated address found through the NCOA search, and retain proof of mailing.
- C. Requests for Exclusion. Any Settlement Class member who wishes to opt out of the Settlement must complete and mail a Request for Exclusion (defined below) to the Settlement Administrator within forty-five (45) calendar days of the date of the initial mailing of the Notice Packets (the “Response Deadline”).
 - i. The Notice Packet shall state that Settlement Class members who wish to exclude themselves from the Settlement must prepare and submit a Request for Exclusion by the Response Deadline. The Request for Exclusion must: (1) contain the name, address, telephone number and the last four digits of the Social Security number of the Settlement Class member; (2) contain a statement that the Settlement Class member wishes to be excluded from the Settlement; (3) be signed and dated by the Settlement Class member; and (4) be postmarked by the Response Deadline and mailed to the Settlement Administrator at the address specified in the Class Notice. If the Request for Exclusion does not contain the information listed in (1)-(3), it will not be deemed valid for exclusion from the Settlement, except a Request for Exclusion not containing a Settlement Class member’s last four digits of the Social Security number will

be deemed valid. The date of the postmark on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any Settlement Class member who requests to be excluded from the Settlement Class will not be entitled to any recovery under this Settlement Agreement (except for a portion of the PAGA Amount, if applicable) and will not be bound by the terms of the Settlement or have any right to object, appeal or comment thereon. Notwithstanding the foregoing, and pursuant to *Robinson v. Southern Counties Oil Co.*, 53 Cal.App.5th 476 (2020), no Settlement Class member may exclude him/herself from the PAGA portion of the Settlement. Any Settlement Class member who worked for Bee International in California during the PAGA Period will receive a portion of the PAGA Amount and will release the PAGA Released Claims, as noted above.

- ii. At no time will the Parties or their counsel seek to solicit or otherwise encourage any Settlement Class member to object to the Settlement or opt out of the Settlement Class or encourage any Settlement Class member to appeal from the final judgment.
- iii. Settlement Class members who fail to submit a valid and timely Request for Exclusion on or before the Response Deadline shall be bound by all terms of the Settlement and any Final Judgment entered in this Lawsuit if the Settlement is approved by the Court. No later than seven (7) calendar days after the Response Deadline, the Settlement Administrator shall provide counsel for the Parties with a complete list of all members of the Settlement Class who have timely submitted a Request for Exclusion.

- D. Objections. Members of the Settlement Class who do not opt out may object to this Settlement Agreement as explained in the Class Notice by submitting a written objection to the Settlement Administrator (who shall serve all objections as received on the Parties' counsel, who shall in turn file all such objections with the Court) within the Response Deadline. Bee International's counsel and Class Counsel shall file any responses to objections no later than the deadline to file the Motion for Final Approval, unless the objections are filed within ten (10) days of the Motion for Final Approval filing deadline, in which case Bee International's counsel and Class Counsel shall have ten (10) days to file a response to the objections. To be valid, any written objection must: (1) contain the objecting Settlement Class member's full name, current address, and dates of employment with Bee International, as well as contact information for any attorney representing the objecting Settlement Class member for purposes of the objection; (2) include all objections and the factual and legal bases for same; (3) include any and all supporting papers, briefs, written evidence, declarations, and/or other evidence; (4) be postmarked no later than the Response Deadline; and (5) state if the objecting Settlement Class Member intends to appear at the final approval hearing. Settlement Class members who submit written objections may appear at the Final Approval Hearing. Any attorney seeking to represent an objecting Settlement Class

member at the Final Approval hearing must submit a Notice of Appearance to the Court and serve it on all counsel, no later than the Response Deadline.

- E. Notice of Estimated Settlement Award / Disputes. Each Notice Packet mailed to a Settlement Class member shall contain a Notice of Estimated Settlement Award that discloses the amount of the Settlement Class member's estimated Settlement Award as well as all of the information that was used to calculate the Settlement Award. Settlement Class members will have the opportunity, should they disagree with Bee International's records regarding the information stated in the Notice of Estimated Settlement Award, to provide documentation and/or an explanation to show contrary information. Any such dispute, including any supporting documentation, must be mailed to the Settlement Administrator and postmarked by the Response Deadline. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Settlement Awards under the terms of this Agreement. The Settlement Administrator's determination of the eligibility for and amount of any Settlement Award shall be binding upon the Settlement Class member and the Parties.
- F. Any Notice Packets returned to the Settlement Administrator as non-delivered on or before the Response Deadline shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a "skip trace," to obtain an updated mailing address within five (5) business days of receiving the returned Notice Packet. If an updated mailing address is identified, the Settlement Administrator shall resend the Notice Packet to the Settlement Class member immediately, and in any event within three (3) business days of obtaining the updated address. Settlement Class members to whom Notice Packets are re-sent after having been returned as undeliverable to the Settlement Administrator shall have fourteen (14) calendar days from the date of re-mailing, or until the Response Deadline has expired, whichever is later, to mail a Request for Exclusion, Objection, or dispute. Notice Packets that are re-sent shall inform the recipient of this adjusted deadline, if applicable. If a Settlement Class member's Notice Packet is returned to the Settlement Administrator more than once as non-deliverable, then an additional Notice Packet need not be mailed. Nothing else shall be required of, or done by, the Parties, Class Counsel, or Bee International's Counsel to provide notice of the proposed settlement.

10. **Final Approval.** Following preliminary approval and the close of the period for submitting requests for exclusion, objections, or disputes under this Settlement Agreement, Plaintiff shall apply to the Court for entry of an Order:

- A. Granting final approval to the Settlement Agreement and adjudging its terms to be fair, reasonable, and adequate;

- B. Permanently enjoining all participating Class Settlement members from pursuing, or seeking to reopen, the Class Released Claims and/or the PAGA Released Claims against Bee International and/or the Released Parties;
- C. Approving Plaintiff's and Class Counsel's application for attorneys' fees and costs, Class Representative Enhancement Award, PAGA payment to the LWDA, and settlement administration costs; and
- D. Entering judgment pursuant to California Rule of Court 3.769. Said judgment shall be posted on the website of the Settlement Administrator.

11. Nullification of Settlement Agreement.

A. In the event: (i) the Court denies preliminary approval of the Settlement; (ii) the Court denies final approval of the Settlement; (iii) the Court refuses to enter a Final Judgment as provided herein; or (iv) the Settlement does not become final for any other reason, this Settlement Agreement shall be null and void and any order or judgment entered by the Court in furtherance of this Settlement shall be treated as void from the beginning.

B. To the extent the total number of opt-outs exceed 5% of the number of Settlement Class members, Bee International has the option to nullify this settlement within fifteen (15) court days of the last day of the Response Deadline via a written notice, either email or fax will suffice, to Plaintiff's counsel.

C. If one or more of the events described in (A) or (B) of this section occur, causing the Settlement Agreement to become null and void, the Parties shall proceed in all respects as if this Agreement had not been executed, except that any fees already incurred by the Settlement Administrator shall be paid by the party terminating the Settlement or, otherwise, Bee International will be solely responsible for the costs incurred by the Settlement Administrator for the settlement administration performed to date should it exercise its option to nullify this Agreement based on (B) above. Should the Settlement be nullified under this section, the return of any paid Settlement funds to Bee International shall occur no later than five (5) business days after one or more of the triggering events leading to nullification occurs. In the event an appeal is filed from the Court's Final Judgment, or any other appellate review is sought, administration of the Settlement shall be stayed pending final resolution of the appeal or other appellate review. However, to the extent the Settlement has not yet been fully funded, Bee International's obligation to fund the Settlement shall not be stayed pending appeal.

D. In the event preliminary approval of the Settlement is secured from the Court but the Settlement never receives final approval and the Court's refusal to provide final approval is not specifically attributed to either Bee International or Plaintiff (or their counsel), any settlement administrator costs incurred will be split and borne evenly and severally by Bee International and Plaintiff.

12. No Effect on Employee Benefits. Amounts paid to Plaintiff or other Settlement Class members pursuant to this Agreement shall be deemed not to be pensionable earnings and shall not

have any effect on the eligibility for, or calculation of, any of the employee benefits (e.g., vacations, holiday pay, retirement plans, etc.) of Plaintiff or Settlement Class members.

13. **Non-Disparagement.** Plaintiff agrees that she will not knowingly defame or disparage (including threaten) Bee International, its parents, subsidiaries, affiliates and/or related entities that are owned or operated by Bee International, or any past or present officers, directors or employees and will not say or publish anything with intent to damage or impair in any way the business organization, goodwill, and reputation of Bee International or any of its parents, subsidiaries, affiliates and/or related entities which are owned or operated by Bee International. Likewise, Bee International agrees that neither it nor any of its past or present officers, directors or employees will knowingly defame or disparage (including threaten) Plaintiff and will not say or publish anything with intent to damage or impair in any way Plaintiff's employment with any other employer, her goodwill or reputation. To the extent any prospective employer contacts Bee International regarding Plaintiff, Bee International shall only confirm Plaintiff's position(s) held and dates of employment. The Parties agree that in the event of a breach of this Non-Disparagement provision, it would be impractical or extremely difficult to calculate actual damages. Therefore, the Parties agree that in the event of such breach, the disparaged party shall receive, as liquidated damages, and not as a penalty, the sum of Five Hundred Dollars (\$500.00) per breach, which represents reasonable compensation for loss incurred because of such a breach of the non-disparagement section of this Agreement.

14. **Tax Liability.** The Parties make no representations as to the tax treatment or legal effect of the payments called for hereunder, and Settlement Class members are not relying on any statement or representation by the Parties in this regard. Settlement Class members understand and agree that they will be responsible for the payment of taxes and penalties assessed on the payments described herein and will hold the Parties free and harmless from and against any claims resulting from treatment of such payments as non-taxable damages, including the treatment of such payment as not subject to withholding or deduction for payroll and employment taxes.

15. **Circular 230 Disclaimer.** Each Party to this Agreement (for purposes of this section, the "acknowledging party" and each Party to this Agreement other than the acknowledging party, an "other party") acknowledges and agrees that (1) no provision of this Agreement, and no written communication or disclosure between or among the Parties or their attorneys and other advisers, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended); (2) the acknowledging party (a) has relied exclusively upon his, her, or its own, independent legal and tax counsel for advice (including tax advice) in connection with this Agreement, (b) has not entered into this Agreement based upon the recommendation of any other party or any attorney or advisor to any other party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or advisor to any other party to avoid any tax penalty that may be imposed on the acknowledging party; and (3) no attorney or advisor to any other party has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the acknowledging party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Agreement.

16. **Non-Admission of Liability.** Nothing in this Settlement Agreement shall operate or be construed as an admission of any liability or wrongdoing or that class certification is appropriate in any context other than this Settlement Agreement. Each of the Parties has entered into this Settlement Agreement to avoid the burden and expense of further litigation. Pursuant to California Evidence Code Section 1152, this Settlement Agreement is inadmissible in any proceeding, except a proceeding to approve, interpret, or enforce this Settlement Agreement. If Final Approval does not occur, the Parties agree that this Settlement Agreement is void, but remains protected by California Evidence Code Section 1152.

17. **Waiver and Amendment.** The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by a written agreement signed by counsel for all of the Parties, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

18. **Notices.** All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery and by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

if to Plaintiff:

Paul K. Haines of Haines Law Group, APC
2155 Campus Drive, Suite 1550, El Segundo, CA 90245
phaines@haineslawgroup.com

if to Bee International:

James McMullen of Gordon Rees Scully Mansukhani, LLP
101 W. Broadway, Suite 2000, San Diego, CA 92101
jmcmullen@grsm.com

19. **Entire Agreement.** This Settlement Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof.

20. **Counterparts.** This Settlement Agreement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

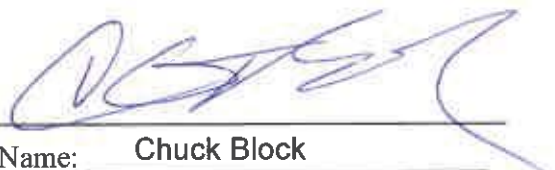
21. **Nondisclosure and Nonpublication.** Until the Motion for Preliminary Approval is filed with the Court, Plaintiff and Class Counsel agree not to disclose or publicize the Settlement Agreement contemplated herein, the fact of the Settlement Agreement, its terms or contents, or the negotiations underlying the Settlement Agreement, in any manner or form, directly or indirectly, to any person or entity, except to Settlement Class members and as shall be contractually required to effectuate the terms of the Settlement Agreement as set forth herein, and except to Plaintiff's spouse or to her attorneys or tax preparers as necessary for those professionals to provide their professional services to Plaintiff.

22. **Enforcement and Continuing Jurisdiction of the Court.** To the extent consistent with class action procedure, this Settlement Agreement shall be enforceable by the Court pursuant to

California Code of Civil Procedure section 664.6. The Court shall retain continuing jurisdiction over this Lawsuit and over all Parties and Settlement Class members, to the fullest extent to enforce and effectuate the terms and intent of this Settlement Agreement, and to adjudicate any claimed breaches of this Settlement Agreement. The Court may award reasonable attorneys' fees and costs to the prevailing party in any motion or action taken based on an alleged violation of any material term of this Settlement Agreement.

DATED: June 1, 2021

BEE INTERNATIONAL, INC.

By: 

Name: Chuck Block

Title: V.P. of Operations

DATED: _____, 2021

PLAINTIFF MARIA PINA

By: _____
Plaintiff and Settlement Class Representative

California Code of Civil Procedure section 664.6. The Court shall retain continuing jurisdiction over this Lawsuit and over all Parties and Settlement Class members, to the fullest extent to enforce and effectuate the terms and intent of this Settlement Agreement, and to adjudicate any claimed breaches of this Settlement Agreement. The Court may award reasonable attorneys' fees and costs to the prevailing party in any motion or action taken based on an alleged violation of any material term of this Settlement Agreement.

DATED: _____, 2021

BEE INTERNATIONAL, INC.

By: _____

Name: _____

Title: _____

DATED: Jun 2, 2021, 2021

PLAINTIFF MARIA PINA

By: *Maria Pina*
Maria Pina (Jun 2, 2021 10:07 PDT)
Plaintiff and Settlement Class Representative

APPROVED AS TO FORM:

DATED: June 1st, 2021

**GORDON REES SCULLY
MANSUKHANI, LLP**

By: 
James McMullen
Attorneys for Bee International

DATED: _____, 2021

HAINES LAW GROUP, APC

By: _____
Paul K. Haines
Attorneys for Plaintiff

APPROVED AS TO FORM:

DATED: _____, 2021

**GORDON REES SCULLY
MANSUKHANI, LLP**

By: _____
James McMullen
Attorneys for Bee International

DATED: 6/4 _____, 2021

HAINES LAW GROUP, APC

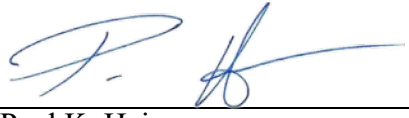
By:  _____
Paul K. Haines
Attorneys for Plaintiff

EXHIBIT A

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN DIEGO

MARIA PINA,

Plaintiff,

vs.

BEE INTERNATIONAL, INC.

Defendant.

Case No. 37-2020-00001997-CU-OE-CTL

**NOTICE OF PENDENCY OF CLASS ACTION
AND PROPOSED SETTLEMENT**

To: All current and former non-exempt employees of Defendant Bee International, Inc. (“Bee International”) who worked for Bee International in California at any time from January 13, 2016 to <<PRELIM APPROVAL DATE>> (“Class Period”).

**PLEASE READ THIS NOTICE CAREFULLY.
YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR NOT.**

Why should you read this Notice?

The San Diego County Superior Court (“Court”) has granted preliminary approval of a proposed class action settlement (the “Settlement”) in the matter titled *Maria Pina v. Bee International, Inc.*, Case No. 37-2020-00001997-CU-OE-CTL (the “Action”). Because your rights may be affected by the Settlement, it is important that you read this Notice carefully.

You may be entitled to money from the Settlement. Bee International’s records show that you were employed by Bee International in California and performed work for Bee International at some point between January 13, 2016 through <<PRELIM APPROVAL DATE>>, and are therefore part of the proposed “Settlement Class.” The Court ordered that this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

The purpose of this Notice is to provide you with a brief description of the Action, to inform you of the terms of the proposed Settlement, to describe your rights in connection with the Settlement, and to explain what steps you may take to participate in, object to, or exclude yourself from the Settlement. If you do not exclude yourself from the Settlement and the Court finally approves the Settlement, you will be bound by the terms of the Settlement and any final judgment. If final judgment is entered in this case, it will be posted to the Settlement Administrator’s website, www.phoenixclassaction.com.

What is this case about?

Plaintiff Maria Pina (“Plaintiff”) has filed a lawsuit alleging that Bee International violated California law by: (i) failing to pay all overtime wages; (ii) failing to pay minimum wages; (iii) failing to provide meal periods; (iv) failing to authorize and permit rest periods; (v) failing to furnish accurate itemized wage statements; and, as a result of the above, (vi) engaging in unlawful business practices. In addition, Plaintiff seeks recovery of derivative civil penalties under the California Labor Code Private Attorneys’ General Act (“PAGA”), interest, and attorneys’ fees and costs. Plaintiff is known as the “Class Representative.” Plaintiff’s attorneys, who also represent the interests of all Settlement Class members, are known as “Class Counsel.”

Bee International has denied and continues to deny that it has done anything wrong, and believes it has acted in compliance with all applicable laws and that Plaintiff’s claims have no merit. Bee International also denies that it owes any wages, restitution, penalties, or other damages. By agreeing to settle, Bee International is not admitting liability on any of the factual allegations or claims asserted in the Action or that the Action can or should proceed as a class action in a non-settlement context.

The Court has not ruled on the merits of Plaintiff’s claims. However, to avoid additional expense, inconvenience, and interference with its business operations, Bee International has concluded that it is in its best interests to settle the Action on the terms summarized in this Notice. After Bee International provided

relevant information to Class Counsel, the Settlement was reached after mediation and arm's-length negotiations between the parties.

The Class Representative and Class Counsel also support the Settlement. Among the reasons for support are the defenses to liability potentially available to Bee International, the risk of denial of class certification, the inherent risks of trial on the merits, and the delays and uncertainties associated with litigation.

If you are still employed by Bee International, your decision about whether to participate in the Settlement will not affect your employment. California law and Bee International's company policies strictly prohibit unlawful retaliation. Bee International will not take any adverse employment action against or otherwise target, retaliate, or discriminate against any Settlement Class member because of the Settlement Class member's decision to either participate or not participate in the Settlement.

Who are the Attorneys?

Attorneys for Plaintiff / the Settlement Class:	Attorneys for Bee International:
HAINES LAW GROUP, APC Paul K. Haines phaines@haineslawgroup.com Tuvia Korobkin tkorobkin@haineslawgroup.com 2155 Campus Drive, Suite 180 El Segundo, California 90245 Tel: (424) 292-2350 Fax: (424) 292-2355 www.haineslawgroup.com	GORDON REES SCULLY MANSUKHANI, LLP James McMullen jmcullen@grsm.com Janna Jamil jjamil@grsm.com 101 W. Broadway, Suite 2000 San Diego, CA 92101 Tel.: (619) 230-7746 Fax: (619) 696-7124 www.grsm.com

What are the terms of the Settlement?

On <<PRELIM APPROVAL DATE>>, the Court granted preliminary approval of the Settlement. If the Court grants final approval of the Settlement, Settlement Class members who do not opt out of the Settlement pursuant to the procedures set forth in this Notice will be bound by the Settlement and will release their claims against Bee International, as specifically described below.

Bee International has agreed to pay \$300,000.00 (the "Gross Settlement Amount") to fully resolve all claims in the Action, including claims by Settlement Class members, attorneys' fees, costs, settlement administration costs, PAGA civil penalties, and the Class Representative's enhancement award.

The following deductions from the Gross Settlement Amount will be requested by the parties:

Settlement Administration Costs. The Court has approved Phoenix Settlement Administrators to act as the "Settlement Administrator," who is sending this Notice to you and will perform many other duties relating to the Settlement. The Court has approved setting aside up to \$8,000.00 from the Gross Settlement Amount to pay the Settlement administration costs.

Attorneys' Fees and Expenses. Class Counsel will ask for fees of up to one-third of Gross Settlement Amount, currently estimated to be \$100,000.00, as reasonable compensation for the work Class Counsel performed, and will continue to perform, in this Action through Settlement finalization. Class Counsel also will ask for reimbursement of up to \$25,000.00 for reimbursement of verified costs Class Counsel incurred in connection with the Action.

Class Representative Enhancement Award. Class Counsel will ask the Court to approve an enhancement award of \$5,000.00 to the Class Representative. This award is to compensate the Class Representative for her service and extra work provided on behalf of the Settlement Class members.

PAGA Civil Penalties. The parties have agreed to allocate \$30,000.00 of the Gross Settlement Amount as alleged civil penalties for the settlement of Plaintiff's PAGA claim. Pursuant to the requirements of the PAGA, 75% of that amount, or \$22,500.00, will be paid to the California Labor & Workforce

Development Agency (“LWDA”). The remaining \$7,500.00 has been designated as the “PAGA Amount” and will be paid to certain Settlement Class members as described below.

Calculation of Settlement Class Members’ Settlement Awards. After deducting the Court-approved amounts for attorneys’ fees, costs, administration costs, Class Representative Enhancement Award, and the payment to the LWDA described above, the balance of the Gross Settlement Amount will form the Net Settlement Amount (“NSA”), which will be distributed to all Settlement Class members. The NSA is estimated to be approximately \$139,500.00.

- PAGA Amount: As noted above, \$7,500.00 of the NSA has been designated as the “PAGA Amount.” The PAGA Amount will be distributed to all Settlement Class members who worked for Bee International in California at any time from January 13, 2019 through <<PRELIM APPROVAL DATE>> (the “PAGA Period”), based on the proportionate number of pay periods worked for Bee International in California during the PAGA Period.
- Remainder of NSA: The remainder of the NSA, estimated at \$132,000.00, will be distributed to all Settlement Class members who do not opt out of the Settlement, based on each participating Settlement Class member’s proportionate number of workweeks worked for Bee International in California (“Workweeks”) during the Class Period.

Allocation and Taxes. For tax purposes, all payments made from the PAGA Amount will be designated as 100% penalties. Payments made from the remainder of the Net Settlement Amount will be treated as one-third wages, one-third penalties, and one-third interest. The Settlement Administrator will issue IRS forms W-2 for all amounts designated as “wages,” and will issue IRS forms 1099 for all amounts designated as penalties and interest. Settlement Class members are responsible for the proper income tax treatment of the Settlement Awards. The Settlement Administrator, Bee International and its counsel, and Plaintiff and Class Counsel cannot provide tax advice. Accordingly, Settlement Class members should consult with their tax advisors concerning the tax consequences and treatment of payments they receive under the Settlement.

Release. If the Court approves the Settlement and the Settlement becomes final, and upon the Settlement being fully funded, the Class Representative, and every member of the Settlement Class (except those who opt out) will fully release and discharge Bee International, and any of its former and current parents, subsidiaries, and affiliates, and its officers, directors, employees, partners, shareholders, attorneys, insurers, and agents, and any other successors, assigns, or legal representatives, (altogether referred to herein as the “Released Parties”) from all claims against Bee International under California law that were asserted in the Complaint, or which could have been asserted in the Action based on the facts and circumstances as alleged in the Complaint, including claims for: (i) failure to pay overtime wages; (ii) failure to pay minimum wages; (iii) meal period violations; (iv) rest period violations; (v) failure to furnish accurate itemized wage statements; and (vi) all claims for or under Business & Professions Code § 17200 based on any of the above claims, during the Class Period (collectively, the “Class Released Claims”). In addition, all Settlement Class members (whether or not they opt out) who worked for Bee International at any time from January 13, 2019 through the end of the Class Period (the “PAGA Period”) will release (vii) all claims against Bee International and the Released Parties for civil penalties under PAGA based on the above-mentioned violations that arose during the PAGA Period (the “PAGA Released Claims”).

Conditions of Settlement. By granting preliminary approval of the Settlement, the Court has determined that the Settlement falls within the range of possible approval as fair, reasonable, and adequate. This Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing finally approving the Settlement.

How can I claim money from the Settlement?

Do Nothing. You do not need to do anything if you want to receive payment from and participate in the Settlement. If you do nothing, you will be entitled to your Settlement Award. Your estimated individual Settlement Award is included in the enclosed Notice of Estimated Settlement Award. You also will be bound by the Settlement, including all of the releases of claims stated herein.

Check Cashing Deadline and Uncashed Checks. You must cash or deposit your Settlement Award check within 180 days from the date that the Settlement Administrator mails the check to you. If you do not cash or deposit your check within 180 days, your check will be voided and the funds from the check will be

distributed to **Bet Tzedek Employment Rights Project** in accordance with Section 384 of the California Code of Civil Procedure.

What other options do I have?

Disputing Information in Notice of Estimated Settlement Award. Your estimated Settlement Award has been calculated and is included in the enclosed Notice of Estimated Settlement Award. As stated above, your estimated Settlement Award is based on the number of Workweeks you worked for Bee International in California during the Class Period, as well as the number of pay periods, if any, you worked for Bee International in California during the PAGA Period. The information contained in Bee International's records regarding the number of Workweeks and pay periods you worked for Bee International in California during each time period is listed on the accompanying Notice of Estimated Settlement Award. If you disagree with the information in your Notice of Estimated Settlement Award, you may submit a dispute, along with any supporting documentation, in accordance with the procedures stated in the Notice of Estimated Settlement Award. Any disputes, along with supporting documentation, must be postmarked no later than **<<RESPONSE DEADLINE>>**. **DO NOT SEND ORIGINALS; DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.** The parties and the Settlement Administrator will evaluate the evidence submitted and discuss in good faith how to resolve any disputes submitted by Settlement Class members. The Settlement Administrator's decision regarding any dispute will be final.

Exclude Yourself from the Settlement. If you **do not** wish to take part in the Settlement, you may exclude yourself by sending to the Settlement Administrator a written "Request for Exclusion" letter or postcard, postmarked no later than **<<RESPONSE DEADLINE>>**, with your full name (as well as any former names you used while you were employed by Bee International), your current address, telephone number, last 4 digits of your social security number, the date, and your signature. The Request for Exclusion must also state that you wish to exclude yourself from the *Pina v. Bee International, Inc.* class action settlement. Please note, however, that you may not exclude yourself from the PAGA portion of the Settlement. Any Settlement Class member who worked for Bee International in California during the PAGA Period will receive a portion of the PAGA Amount and will release the PAGA Released Claims, regardless whether the Settlement Class member submits a Request for Exclusion.

Send the Request for Exclusion directly to the Settlement Administrator at **<<INSERT ADMINISTRATOR CONTACT INFO>>**. Any person who submits a valid and timely Request for Exclusion shall, upon receipt, no longer be a Settlement Class member, shall be barred from participating in the Settlement (other than the PAGA portion), and shall receive no benefits from the Settlement (other than a portion of the PAGA Amount, if applicable). Any person who submits a valid and timely Request for Exclusion will also lack standing to object to the Settlement.

Objecting to the Settlement. If you do not submit a Request for Exclusion, you have the right to object to the terms of the Settlement. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. If you wish to object to the Settlement, or any portion of it, you must mail a written Objection to the Settlement Administrator. Your written Objection must include your full name (as well as any former names used while employed by Bee International), dates of employment with Bee International, current address and phone number, last 4 digits of your social security number, the name and contact information of any attorney representing you, the case name and number, each specific reason in support of your objection, and any legal or factual support for each objection, including any supporting papers, briefs, written evidence, declarations, and/or other evidence. Your Objection must also state whether you intend to appear at the Final Approval Hearing. All written objections or other correspondence must state the name and number of the case, which is *Maria Pina v. Bee International, Inc.*, San Diego County Superior Court Case No. 37-2020-00001997-CU-OE-CTL. Any written Objections must be postmarked on or before **<<RESPONSE DEADLINE>>**.

If you choose to object to the Settlement, you may also appear at the Final Approval Hearing. You have the right to appear either in person or through your own attorney at this hearing. If you wish to appear at the Final Approval Hearing and/or retain an attorney to represent you at the hearing, you must do so at your own expense. Any attorney who intends to represent an individual objecting to the Settlement must file a notice of appearance with the Court and serve counsel for all parties on or before **<<RESPONSE DEADLINE>>**. All objections or other correspondence must state the name and number of the case, which is *Pina v. Bee International, Inc.*, San Diego County Superior Court Case No. 37-2020-00001997-CU-OE-CTL.

If you object to the Settlement, you will remain a member of the Settlement Class, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Settlement Class members who do not object. In other words, by submitting an Objection, you are not excluding yourself from the Settlement.

What is the next step?

The Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement on <<FINAL APPROVAL HEARING DATE/TIME>>, in Department C-68 of the San Diego County Superior Court, located at 330 West Broadway, San Diego, California 92101. At the Final Approval Hearing, the Court also will be asked to rule on Class Counsel's request for attorneys' fees and reimbursement of expenses, the incentive award to the Class Representative, and the Settlement administration costs. The Final Approval Hearing may be postponed without further notice to the Settlement Class. **You are not required to attend the Final Approval Hearing, although any Settlement Class member is welcome to attend the hearing at their own expense.**

If you plan on attending the hearing or otherwise visiting the Court, please consult the Court's website, <https://www.sdcourt.ca.gov>, for information regarding court operations during COVID-19 as well as face covering and social distancing requirements.

How can I get additional information?

This Notice is only a summary of the Action and the Settlement. For more information, you may inspect the Court's files and the Settlement Agreement at the Office of the Clerk of the San Diego County Superior Court, located at 330 West Broadway, San Diego, California 92101, during regular court hours, or download case documents for a fee from the Court website, <https://www.sdcourt.ca.gov>. You may also contact the Settlement Administrator or Class Counsel using the contact information listed above for more information.

PLEASE DO NOT CALL OR WRITE THE COURT FOR INFORMATION ABOUT THIS SETTLEMENT.

REMINDER AS TO TIME LIMITS

The deadline for submitting any Disputes, Requests for Exclusion, or Objections is <<RESPONSE DEADLINE>>. These deadlines will be strictly enforced.

EXHIBIT B

NOTICE OF ESTIMATED SETTLEMENT AWARD

MARIA PINA V. BEE INTERNATIONAL, INC.

SAN DIEGO COUNTY SUPERIOR COURT CASE NO. 37-2020-00001997-CU-OE-CTL

Please complete, sign, and return this Form to <<ADMINISTRATOR CONTACT INFO>> **ONLY IF** (1) your personal contact information has changed, and/or (2) you wish to dispute the information listed in Section (III), below. It is your responsibility to keep a current address on file with the Settlement Administrator.

(I) Please type or print your name:

(First, Middle, Last)

(II) Please type or print the following identifying information if your contact information has changed:

Former Names (if any)

New Street Address

City

State

Zip Code

Phone number (if you wish to be contacted by phone)

(III) Information Used to Calculate Your Estimated Settlement Award:

According to Bee International, Inc.'s ("Bee International") records:

- (a) you worked _____ Workweeks for Bee International in California between January 13, 2016 and <<PRELIM APPROVAL DATE>>.
- (b) You worked _____ pay periods for Bee International in California between January 13, 2019 and <<PRELIM APPROVAL DATE>>.

Based on the above, your Settlement Award is estimated at \$ _____.

(IV) If you disagree with the information included in Section (III) above, please explain why in the space provided below and include copies of any supporting evidence or documentation with this Form:

If you dispute the above information from Bee International's records, Bee International's records will control unless you are able to provide documentation that establishes that Bee International's records are mistaken. If there is a dispute about whether Bee International's information or yours is accurate, the dispute will be resolved by the Parties and the Settlement Administrator as described in the "Notice of Class Action Settlement" that accompanies this Form. The Settlement Administrator's determination will be final.

Date: _____

Signature: _____

ANY DISPUTES (INCLUDING SUPPORTING DOCUMENTS) MUST BE POSTMARKED NO LATER THAN <<RESPONSE DEADLINE>>.