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

JEFFREY CESARIO, individually, and on
behalf of other members of the general public
similarly situated,

Plaintiff,

vs.

HARTWELL CORPORATION, a California
corporation; and DOES 1 through 100,
inclusive,

Defendants.

Case No.: 30-2018-00976928-CU-OE-CXC

Honorable Kirk Nakamura
Department CX103

CLASS ACTION

**DECLARATION OF KEVIN LEE
REGARDING NOTICE AND
SETTLEMENT ADMINISTRATION**

Reservation: 73424949
Date: May 6, 2021
Time: 2:00 p.m.
Department: CX103

Complaint Filed: March 1, 2018
Jury Trial: None Set

DECLARATION OF KEVIN LEE

I, Kevin Lee, declare as follows:

1. I am a Case Manager at Phoenix Settlement Administrators (“PSA” or “Phoenix”), the Court-appointed class action settlement administrator in the action entitled *Jeffrey Cesario v. Hartwell Corporation*. I have personal knowledge of the facts stated herein and, if called upon to testify, I could and would testify competently to such facts.

2. PSA was approved by the Court as Settlement Administrator to provide notice of the Joint Stipulation of Class Action and PAGA Settlement (“Settlement” or “Settlement Agreement”) and perform class administration duties in this action. Pursuant to the Settlement Agreement for this matter, PSA was and is responsible for: (i) formatting, printing, and mailing the Notice of Class Action and PAGA Settlement (“Notice”); (ii) responding to inquiries from Class Members; (iii) receiving and processing requests to be excluded from the Settlement (“Requests for Exclusion”), objections to the Settlement (“Objection”), and disputes regarding the amount of Gross Wages that each individual Class Member was credited to have earned as an hourly, non-exempt employee during the period from March 1, 2014 to December 11, 2021 (“Disputes”); (iv) calculating the Net Settlement Amount and each Class Member’s *pro rata* share of the Net Settlement Amount (“Individual Settlement Share”); (v) issuing checks for payment to each Class Member who does not submit a valid and timely Request for Exclusion (“Settlement Class Member”), reduced for the employee’s share of payroll taxes (“Individual Settlement Payment”); (vi) issuing payment to Class Counsel for Attorneys’ Fees and Litigation Expenses and to Plaintiff for his Service Payment; and (vii) such other tasks as set forth in the Settlement Agreement or as the Parties mutually agree or as the Court orders.

3. On December 14, 2020, Class Counsel provided the Notice in Microsoft Word format to Phoenix.

4. On January 13, 2021, PSA received a data file in Microsoft Excel format from Defendant's Counsel that contained the full names, last known addresses, last known telephone numbers, Social Security numbers, dates of employment for individuals identified as Class

Members, and Gross Wages earned during the Class Period (“Class Information”). The Class Data contained information for three hundred seventy-one (371) individuals identified as Class Members.

5. On February 1, 2021, PSA conducted a National Change of Address (NCOA) search to update the Class Information with current addresses as accurately as possible. A search of this database provides updated addresses for any individual who has moved in the previous four (4) years and notified the U.S. Postal Service of their change of address.

6. On February 1, 2021, PSA mailed the Notice via First-Class U.S. Mail to all three hundred seventy-one (371) Class Members in the Class Information. A true and correct copy of an exemplar Notice is attached hereto as “**Exhibit A.**”

7. As of the date of this declaration, thirteen (13) Notices have been returned as undeliverable to PSA. Zero (0) Notices were returned with a forwarding address. For the thirteen (13) Notices returned from the Post Office without a forwarding address, PSA attempted to locate a more current mailing address using TransUnion TLOxp, one of the most comprehensive address databases available for skip tracing. Of the thirteen (13) Notices that were skip traced, thirteen (13) updated addresses were obtained and the Notices were promptly re-mailed to those Class Members via First-Class U.S. Mail.

8. As of the date of this declaration, no Notices are considered undeliverable.

9. The deadline for Class Members to submit a Request for Exclusion, Objection, and/or Disputes, was March 3, 2021 (“Response Deadline”).

10. PSA has not received any Requests for Exclusion from Class Members.

11. PSA has not received any Objections from Class Members.

12. PSA has not received any Disputes from Class Members.

13. There are three hundred seventy-one (371) Class Members who did not opt out from the Settlement, and are therefore deemed to be Settlement Class Members.

14. The Net Settlement Amount available for Class Members is estimated to be \$2,087,250.00, and was determined by subtracting the requested Attorneys’ Fees (\$1,260,000.00), the amount requested for Litigation Expenses (\$28,000.00), the requested

1 Service Payment to Plaintiff Jeffrey Cesario (\$12,000.00), the LWDA Payment to LWDA
2 (\$206,250.00), and the requested Settlement Administration Costs (\$6,500.00) from the
3 Maximum Settlement Amount (\$3,600,000.00).

4 15. Based on the Net Settlement Amount of \$2,087,250.00 and the calculations
5 stipulated in the Settlement Agreement, the average Individual Settlement Share to Settlement
6 Class Members is estimated to be approximately \$5,626.01, and the highest Individual
7 Settlement Share to a Settlement Class Member is estimated to be approximately \$21,303.99.
8 Individual Settlement Shares are subject to reduction for any required deductions, including the
9 employee's share of payroll taxes and withholdings with respect to the wage portion of the
10 Individual Settlement Share.

11 16. PSA's costs associated with the administration of this matter are \$6,500.00. This
12 includes all costs incurred to date, as well as estimated future costs involved in completing the
13 settlement distribution. A true and correct copy of Phoenix's Invoice is attached hereto as
14 **"Exhibit B."**

15 I declare under penalty of perjury of the laws of the State of California that the foregoing
16 is true and correct.

17 Executed this 12th day of April 2021, at Orange, California.

18
19 
20 KEVIN LEE

Exhibit A

NOTICE OF CLASS ACTION AND PAGA SETTLEMENT

Jeffrey Cesario v. Hartwell Corporation
Superior Court of California, County of Orange, Case No. 30-2018-00976928-CU-OE-CXC

You have received this Notice because records of Hartwell Corporation (“Defendant”) indicate that you are or were employed by Defendant in the State of California at any time during the period from March 1, 2014 through December 11, 2020 in an hourly-paid, non-exempt position.

You do not need to take any action to receive payment under the settlement reached in the Action and your legal rights may be affected.

This Notice is designed to advise you of your rights and options, such as how you can object to or request to be excluded from the Settlement, if you so choose.

PLEASE READ THIS NOTICE CAREFULLY. This notice relates to a proposed settlement of a class action lawsuit. It contains important information about your right to object to or not be included in the Class Settlement.

By order of the Superior Court of California for the County of Orange (the “Court” or “Orange County Superior Court”), in the case entitled *Jeffrey Cesario v. Hartwell Corporation*, Orange County Superior Court, Case No. 30-2018-00976928-CU-OE-CXC (“Action”), preliminary approval of a class action settlement was granted on December 11, 2020. A hearing shall be held on May 6, 2021 at 2:00 p.m. (“Final Approval Hearing”) to determine whether final approval of the settlement should be granted.

YOU ARE NOTIFIED THAT: A settlement has been reached between Plaintiff Jeffrey Cesario (“Plaintiff”) and Defendant (Plaintiff and Defendant are collectively referred to as the “Parties”) in the above-entitled action, which may affect your legal rights.

I. DEFINITIONS

“**Class**” means all individuals employed by Defendant within the State of California in an hourly, non-exempt position at any time during the Class Period.

“**Class Member**” means a member of the Class.

“**Class Period**” means the period from March 1, 2014 through December 11, 2020.

II. BACKGROUND OF THE ACTION

On March 1, 2018, Plaintiff commenced the Action by filing the Class Action Complaint for Damages. On December 11, 2020, the First Amended Class Action Complaint for Damages & Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, *Et Seq.* (“Complaint”) was deemed filed.

Plaintiff alleges that Defendant failed to properly pay minimum and overtime wages; failed to provide compliant meal breaks and associated premiums; failed to provide compliant rest breaks and associated premiums; failed to timely pay wages during employment and at termination and associated penalties including waiting time penalties; failed to provide accurate wage statements; failed to maintain requisite payroll records; failed to reimburse business expenses; and thereby, engaged in unfair business practices in violation of the California Business and Professions Code and conduct giving rise to penalties under PAGA. Plaintiff seeks, among other things, recovery of unpaid wages and meal and rest period premiums, business expenses, restitution, penalties, interest, attorneys’ fees and costs.

Defendant denies all of the allegations in the Action or that it violated any law and contends that at all times it has complied with the law.

The Parties participated in a mediation with a respected class action mediator, and as a result of the mediation, the Parties reached a settlement. The Parties have since entered into the Joint Stipulation of Class Action and PAGA Settlement and Amendment No. 1 to Joint Stipulation of Class Action and PAGA Settlement (collectively referred to as the “Settlement” or “Settlement Agreement”), which was preliminarily approved by the Court on December 11, 2020. The Court has appointed Phoenix Settlement Administrators as the administrator of the settlement (“Settlement Administrator”). The Court has also preliminarily appointed Plaintiff Jeffrey Cesario as representative of the Class (“Class Representative”) and has preliminarily appointed the following Plaintiff’s counsel as counsel for the Class (“Class Counsel”):

Lawyers for Justice, PC
Edwin Aiwazian, Esq.
Arby Aiwazian, Esq.
Joanna Ghosh, Esq.
410 West Arden Avenue, Suite 203
Glendale, California 91203

If you are a Class Member, you need not take any action to receive payment under the Settlement, but you have the opportunity to request exclusion from or object to the Settlement if you so choose, as explained more fully in Section IV below.

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendant that the claims in the Action have merit or that Defendant has any liability to Plaintiff or to Class Members. Plaintiff and Defendant, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the Settlement is fair, reasonable, and adequate, and is in the best interests of the Class.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The Maximum Settlement Consideration is Three Million Six Hundred Thousand Dollars (\$3,600,000). The portion of the Maximum Settlement Consideration that is available for payment to Class Members who do not submit timely and valid Requests for Exclusion seeking exclusion from the Settlement (“Settlement Class Members”) is referred to as the “Net Settlement Consideration.” The Net Settlement Consideration will be the Maximum Settlement Consideration less the following payments which are subject to approval by the Court: (1) Attorneys’ Fee (not to exceed 35% of the Maximum Settlement Consideration, i.e., \$1,260,000 out of \$3,600,000) to Class Counsel; (2) Litigation Expenses for reimbursement of actual litigation costs and expenses in an amount not to exceed Twenty-Eight Thousand Dollars (\$28,000) to Class Counsel; (3) Service Payment in the amount of Twelve Thousand Dollars (\$12,000) to Plaintiff; (4) Settlement Administration Costs (which are currently estimated not to exceed \$10,000) to the Settlement Administrator; and (5) the amount of Two Hundred Six Thousand Two Hundred Fifty Dollars (\$206,250) to be paid to the Labor and Workforce Development Agency (“LWDA Payment”) (i.e., 75% of the \$275,000 allocated to penalties pursuant to PAGA).

Each Settlement Class Member will be entitled to receive payment under the Settlement of his or her share of the Net Settlement Consideration (“Individual Settlement Share”) based on the ratio of gross wages earned during the Class Period by that Class Member as a non-exempt employee of Defendant in California (“Gross Earned Wages”) in comparison with the Gross Earned Wages of all Settlement Class Members, multiplied by the Net Settlement Consideration.

Each Individual Settlement Share is considered to be one-fourth (1/4) wages (to be reported on an IRS Form W2) and three-fourths (3/4) non-wages (to be reported on an IRS Form 1099, if applicable). Settlement Class Members will be issued payment of their Individual Settlement Share after reduction for the applicable employee’s share of payroll taxes with respect to the wages portion of the Individual Settlement Share (the net payment is referred to as the “Individual Settlement Payment”). The employer’s share of payroll taxes with respect to the wages portion of each Individual Settlement Share will be paid by Defendant separately and in addition to the Maximum Settlement Consideration. Settlement Class Members are responsible for any taxes payable on the non-wages portion of their Individual Settlement Shares.

If the Court grants final approval of the settlement, payments will be mailed to the address that is on file with the Settlement Administrator. **If the address to which this Notice was mailed is not correct, or if you move after you receive this Notice, you must make sure to provide your correct mailing address to the Settlement Administrator in a timely fashion, to ensure receipt of payment that you may be entitled to.**

B. Your Gross Earned Wages Based on Defendant's Records

According to Defendant's records, you are credited with «Gross_Earnings» Gross Earned Wages.

If you wish to dispute the Gross Earned Wages credited to you, you must mail a written statement to the Settlement Administrator ("Dispute") at the following address:

Cesario, et al. v. Hartwell Corporation
c/o Phoenix Settlement Administrators
PO Box 7208, Orange, CA 92863
Toll-Free: (800) 523-5773 / Fax: (949) 209-2503

A Dispute must: (a) state the case name and number of the Action (*Cesario, et al. v. Hartwell Corporation*, Orange County Case No. 30-2018-00976928-CU-OE-CXC); (b) state the Class Member's full name, address, telephone number, and last four digits of his/her Social Security number; (c) clearly state the amount of Gross Earned Wages that the Class Member contends should be credit to him/her; (d) be signed by the Class Member or his/her lawful representative; and (e) be mailed to the Settlement Administrator and postmarked no later than March 3, 2021.

C. Your Estimated Individual Settlement Share

As explained above, your estimated Individual Settlement Share is based on the amount of Gross Earned Wages credited to you.

Under the terms of the Settlement:

- **Your estimated Individual Settlement Share is estimated to be «Est_Set_Amt».**

The settlement approval process may take six months or more. Your Individual Settlement Share reflected in this Notice is only an estimate. Your actual Individual Settlement Payment may be higher or lower than estimated. **You must make sure your correct mailing address is on file with the Settlement Administrator to ensure that you receive any payment that you may be entitled to.**

D. Released Claims

"Released Claims" means any and all claims, causes of action, debts, liabilities, demands, obligations, guarantees or damages that were asserted in the Operative Complaint or which could have been pled based on the factual allegations in the Complaint, against the Released Parties during the Class Period, including but not limited to alleged violations of California Labor Code sections 201-204, 226, 226.7, 510, 512, 1174, 1194, 1197, 1197.1, 1198, 2698, *et seq.*, 2800, and 2802, California Business and Professions Code section 17200, *et seq.*, applicable IWC wage orders and the Fair Labor Standards Act, including nonpayment or under payment of minimum and overtime wages, nonpayment or under payment of premiums for meal or rest period violations, failure to timely pay wages, failure to pay all wages due at termination, failure to maintain accurate records, failure to provide accurate and itemized wage statements, failure to reimburse business expenses, unfair or unlawful business practices (including under Business & Professions Code sections 17200, *et seq.*), and related penalties, interest, costs, attorneys' fees, injunctive relief, or declaratory relief

"Released Parties" means Defendant and each and all of its present, former and future controlling persons, parent companies, affiliates, subsidiaries, successors-in-interest, benefit plans sponsored by such companies, shareholders, owners, officers, directors, principals, employees, agents, attorneys, insurers, managers, trustees, fiduciaries, representatives, divisions, predecessors, successors, and assigns.

As of the Effective Date, the Settlement Class Members, on behalf of themselves and each of their heirs, representatives, successors, assigns, and attorneys, hereby compromise, release, resolve, relinquish, discharge, and settle the Released Claims.

E. Attorneys' Fees and Litigation Expenses

Class Counsel will seek Attorneys' Fees in an amount not to exceed One Million Two Hundred Sixty Thousand Dollars (\$1,260,000) and Litigation Expenses for reimbursement of actual litigation costs and expenses in an amount not to exceed Twenty-Eight Thousand Dollars (\$28,000), subject to approval by the Court. The Attorneys' Fees and Litigation Expenses awarded by the Court will be paid from the Maximum Settlement Consideration. Class Counsel has been prosecuting the Action on behalf of Plaintiff and Class Members on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

F. Service Payment

In consideration for his service in connection with the Action, Plaintiff will seek a Service Payment in the amount of Twelve Thousand Dollars (\$12,000), to be paid from the Maximum Settlement Consideration subject to approval by the Court. If awarded, the Service Payment shall be paid to Plaintiff in addition to his Individual Settlement Share under the Settlement.

G. PAGA Payment

As explained above, Two Hundred Seventy-Five Thousand Dollars (\$275,000) of the Maximum Settlement Consideration is allocated for penalties pursuant to PAGA ("PAGA Payment"). Pursuant to California Labor Code section 2699(i), and subject to approval by the Court under California Labor Code section 2699(1), seventy-five percent (75%) of the PAGA Payment (i.e., \$206,250) will be paid to the Labor and Workforce Development Agency and the remaining twenty-five percent (25%) of the PAGA Payment (i.e., \$68,750) will be distributed on a *pro rata* basis to Settlement Class Members as part of the Net Settlement Consideration.

H. Settlement Administration

Payment to the Settlement Administrator, Phoenix Settlement Administrators, is estimated not to exceed Ten Thousand Dollars (\$10,000) for the costs of the notice and settlement administration process, including and not limited to, the expense of distributing this Notice, processing Requests for Exclusion, Objections, and Disputes, calculating Individual Settlement Shares, calculating and remitting applicable taxes, and distributing payments and tax forms under the settlement. The Settlement Administration Costs will be paid from the Maximum Settlement Consideration, subject to approval by the Court.

IV. WHAT ARE YOUR RIGHTS AND OPTIONS UNDER THE SETTLEMENT?

A. Participate in the Settlement

If you want to receive money from the Settlement, you do not have to do anything. You will automatically be issued your Individual Settlement Payment. If you wish to exclude yourself from the Settlement, you must submit a written request to the Settlement Administrator ("Request for Exclusion"). Unless you elect to exclude yourself from the Settlement by submitting a timely and valid Request for Exclusion, you will be bound by the terms of the Settlement and any judgment that may be entered by the Court based thereon, and you will be deemed to have released the Released Claims described in Section III.D above. You will not be separately responsible for the payment of attorney's fees or reimbursement of litigation expenses, unless you retain your own counsel, in which event you will be responsible for your own attorney's fees and litigation expenses.

B. Request Exclusion from the Settlement

If you do not wish to participate in the Settlement described in this Notice, you may seek exclusion from the Settlement by submitting a written request to the Settlement Administrator ("Request for Exclusion"). **A timely and complete Request for Exclusion must:** (a) state the case name and number of the Action (*Cesario, et al. v. Hartwell Corporation*, Orange County Case No. 30-2018-00976928-CU-OE-CXC); (b) state the Class Member's full name, address, telephone number, and the last four digits of his/her Social Security number; (c) clearly state that the Class Member intends to opt out of the Settlement; (d) be signed by the Class Member or his/her lawful representative; and (e) be mailed to the Settlement Administrator and postmarked no later than March 3, 2021.

A Class Member who does not request exclusion from the Settlement by submitting a timely and valid Request for Exclusion will be a Settlement Class Member and will be bound by the Settlement if the Court grants final approval of the Settlement.

C. Object to the Settlement

You can object to the terms of the Settlement as long as you have not submitted a timely and valid Request for Exclusion.

If you want to object to the Settlement, you must submit a written objection to the Settlement Administrator (“Objection”). **A complete and timely Objection** must: (a) state the case name and number of the Action (*Cesario, et al. v. Hartwell Corporation*, Orange County Case No. 30-2018-00976928-CU-OE-CXC); (b) state the Settlement Class Member’s full name, address, telephone number, and the last four digits of his/her Social Security number; (c) if the Settlement Class Member is represented by counsel, the contact information of said counsel; (d) contain the word “objection” and/or “object” and describe, in clear and concise terms, the Settlement Class Member’s objection; (e) be signed by the Settlement Class Member or his/her lawful representative; and (f) be mailed to the Settlement Administrator and postmarked no later than March 3, 2021.

If you submit an Objection, you can hire an attorney at your own expense to represent you in your objection, however, this is not necessary as the Court will hear your objection at the Final Approval Hearing whether or not you have hired an attorney. **Even if you submit an Objection, you will be bound by the terms of the Settlement, including the release of Released Claims as set forth above, if the Settlement is finally approved by the Court.**

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Orange County Superior Court, in Department CX102 of the Civil Complex Center located at 751 West Santa Ana Blvd., Santa Ana, California 92701, on May 6, 2021 at 2:00 p.m., to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to rule on the request for Attorneys’ Fees, Litigation Expenses, Service Payment, and Settlement Administration Costs.

The hearing may be continued without further notice to Class Members. It is not necessary for you to appear at the Final Approval Hearing.

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the settlement. For the precise terms and conditions of the settlement, you should review the detailed Settlement Agreement and other papers which are on file with the Court. You may view the Settlement Agreement and documents filed in the Action, including the Preliminary Approval Order, online at <http://www.occourts.org/online-services/case-access/> (online access may be subject to a fee) or on the Settlement Administrator’s website at <http://www.phoenixclassaction.com/class-action-lawsuits/judgments/>.

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THE SETTLEMENT.

YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER IF YOU HAVE QUESTIONS: (800) 523-5773.

YOU MAY ALSO CONTACT CLASS COUNSEL IF YOU HAVE ANY QUESTIONS.

Exhibit B



CASE ASSUMPTIONS

Class Members	371
Opt Out Rate	0%
Opt Outs Received	0
Total Class Claimants	371
Subtotal Admin Only	\$8,082.13

Not-to-Exceed Total \$6,500.00

For 371 Class Members

April 12, 2021

Case: Cesario v. Hartwell Corporation - Opt Out Administration

Phoenix Contact: Kevin Lee

Contact Number: 949.566.3490

Email: kevin@phoenixclassaction.com

Case & Database Setup / Toll Free Setup & Call Center / NCOA (USPS)

Administrative Tasks:	Rate	Hours/Units	Line Item
Programming Manager	\$100.00	2	\$200.00
Programming Database & Setup	\$100.00	2	\$200.00
Toll Free Setup*	\$150.00	1	\$150.00
Call Center & Long Distance	\$2.00	73	\$146.00
NCOA (USPS)	\$100.00	1	\$100.00
Total			\$796.00

Data Merger & Scrub / Notice Packet, Opt-Out Form & Postage / Reminder Postcard / Reporting

Project Action	Rate	Hours/Units	Line Item
Notice Packet Formatting	\$100.00	2	\$200.00
Data Merge & Duplication Scrub	\$0.10	371	\$37.10
Notice Packet & Opt-Out Form	\$1.30	371	\$482.30
Postage (up to 2 oz.)*	\$0.46	371	\$170.66
Static Website	\$100.00	1	\$100.00
Total			\$990.06



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CLASS ACTION ADMINISTRATION SOLUTIONS

Skip Tracing & Remailing Notice Packets / Tracking & Programming Undeliverables

Project Action:	Rate	Hours/Units	Line Item
Case Associate	\$55.00	4	\$220.00
Skip Tracing Undeliverables	\$0.85	13	\$11.05
Remail Notice Packets	\$0.75	13	\$9.75
Postage	\$0.50	13	\$6.50
Programming Undeliverables	\$50.00	0	\$0.00
Total			\$247.30

Database Programming / Processing Opt-Outs, Deficiencies or Disputes

Project Action:	Rate	Hours/Units	Line Item
Programming Claims Database	\$150.00	2	\$300.00
Non Opt-Out Processing	\$200.00	1	\$200.00
Case Associate	\$55.00	4	\$220.00
Opt-Outs/Deficiency/Dispute Letters	\$10.00	6	\$60.00
Case Manager	\$85.00	3	\$255.00
Total			\$1,035.00

Calculation & Disbursement Programming/ Create & Manage QSF/ Mail Checks

Project Action:	Rate	Hours/Units	Line Item
Programming Calculations	\$135.00	2	\$270.00
Disbursement Review	\$135.00	1	\$135.00
Programming Manager	\$95.00	1	\$95.00
QSF Bank Account & EIN	\$135.00	2	\$270.00
Check Run Setup & Printing	\$135.00	2	\$270.00
Mail Class Checks *	\$1.10	371	\$408.10
Postage	\$0.50	371	\$185.50
Total			\$1,633.60



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CLASS ACTION ADMINISTRATION SOLUTIONS

Tax Reporting & Reconciliation / Re-Issuance of Checks / Conclusion Reports and Declarations			
Project Action:	Rate	Hours/Units	Line Item
Case Supervisor	\$115.00	4	\$460.00
Remail Undeliverable Checks (Postage Included)	\$1.35	74	\$100.17
Case Associate	\$55.00	4	\$220.00
Reconcile Uncashed Checks	\$85.00	4	\$340.00
Conclusion Reports	\$115.00	4	\$460.00
Case Manager Conclusion	\$85.00	4	\$340.00
Final Reporting & Declarations	\$115.00	4	\$460.00
IRS & QSF Annual Tax Reporting * (State Tax Reporting Included)	\$1,000.00	1	\$1,000.00
Check to Cy-Pres	\$150.00	1	Included
Uncashed Checks to the State of California Contolers Office Estimated <u>69</u> Total Class Members	\$20.00	67	\$1,335.60
Total			\$3,380.17

Estimate Total:	\$8,082.13
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CLASS ACTION ADMINISTRATION SOLUTIONS

TERMS AND CONDITIONS

Provisions: The case estimate is in good faith and does not cover any applicable taxes and fees. The estimate does not make any provision for any services or class size not delineated in the request for proposal or stipulations. Proposal rates and amounts are subject to change upon further review, with Counsel/Client, of the Settlement Agreement. Only pre-approved changes will be charged when applicable. No modifications may be made to this estimate without the approval of PSA (Phoenix Settlement Administrators). All notifications are mailed in English language only unless otherwise specified. Additional costs will apply if translation into other language(s) is required. Rates to prepare and file taxes are for Federal and California State taxes only. Additional charges will apply if multiple state tax filing(s) is required. **Pricing is good for ninety (90) days.**

Data Conversion and Mailing: The proposal assumes that data provided will be in ready-to-use condition and that all data is provided in a single, comprehensive Excel spreadsheet. PSA cannot be liable for any errors or omissions arising due to additional work required for analyzing and processing the original database. A minimum of two (2) business days is required for processing prior to the anticipated mailing date with an additional two (2) business days for a National Change of Address (NCOA) update. Additional time may be required depending on the class size, necessary translation of the documents, or other factors. PSA will keep counsel apprised of the estimated mailing date.

Claims: PSA's general policy is to not accept claims via facsimile. However, in the event that facsimile filing of claims must be accepted, PSA will not be held responsible for any issues and/or errors arising out of said filing. Furthermore, PSA will require disclaimer language regarding facsimile transmissions. PSA will not be responsible for any acts or omissions caused by the USPS. PSA shall not make payments to any claimants without verified, valid Social Security Numbers. All responses and class member information are held in strict confidentiality. Additional class members are \$10.00 per opt-out.

Payment Terms: All postage charges and 50% of the final administration charges are due at the commencement of the case and will be billed immediately upon receipt of the data and/or notice documents. PSA bills are due upon receipt unless otherwise negotiated and agreed to with PSA by Counsel/Client. In the event the settlement terms provide that PSA is to be paid out of the settlement fund, PSA will request that Counsel/Client endeavor to make alternate payment arrangements for PSA charges that are due at the onset of the case. The entire remaining balance is due and payable at the time the settlement account is funded by Defendant, or no later than the time of disbursement. Amounts not paid within thirty (30) days are subject to a service charge of 1.5% per month or the highest rate permitted by law.

Tax Reporting Requirements

PSA will file the necessary tax returns under the EIN of the QSF, including federal and state returns. Payroll tax returns will be filed if necessary. Under the California Employment Development Department, all taxes are to be reported under the EIN of the QSF with the exception of the following taxes: Unemployment Insurance (UI) and Employment Training Tax (ETT), employer-side taxes, and State Disability Insurance (SDI), an employee-side tax. These are reported under Defendant's EIN. Therefore, to comply with the EDD payroll tax filing requirements we will need the following information:

1. Defendant's California State ID and Federal EIN.
2. Defendant's current State Unemployment Insurance (UI) rate and Employment Training Tax (ETT) rate. This information can be found in the current year DE 2088, Notice of Contribution Rates, issued by the EDD.
3. Termination dates of the class members, or identification of current employee class members, so we can account for the periods that the wages relate to for each class member.
4. An executed Power of Attorney (Form DE 48) from Defendant. This form is needed so that we may report the UI, SDI, and ETT taxes under Defendant's EIN on their behalf. If this form is not provided we will work with the EDD auditors to transfer the tax payments to Defendant's EIN.
5. Defendant is responsible for reporting the SDI portion of the settlement payments on the class member's W-2. PSA will file these forms on Defendant's behalf for an additional fee and will issue an additional W-2 for each class member under Defendant's EIN, as SDI is reported under Defendant's EIN rather than the EIN of the QSF. The Power of Attorney (Form DE 48) will be needed in order for PSA to report SDI payments.