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*Attorneys for Plaintiffs Nubia Alvarez and
Andrea Picos*

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN FRANCISCO**

NUBIA ALVAREZ, individually, and on behalf
of all others similarly situated,

Plaintiff,

vs.

SRG OPERATING, INC. dba COVENTRY
PLACE, a Delaware corporation; and DOES 1
through 10, inclusive,

Defendants.

Case No.: CGC-20-583540

[Hon. Ethan P. Schulman, Dept. 302]

CLASS ACTION

**DECLARATION OF KANE MOON IN
SUPPORT OF PLAINTIFFS NUBIA
ALVAREZ AND ANDREA PICOS'
MOTION FOR PRELIMINARY
APPROVAL OF CLASS ACTION
SETTLEMENT**

*[Filed concurrently with the Declaration of
Plaintiff Nubia Alvarez; Declaration of
Plaintiff Andrea Picos; Notice and Motion for
Preliminary Approval; and [Proposed] Order
and Judgment]*

PRELIMINARY APPROVAL HEARING

Date: January 4, 2022

Time: 9:30 a.m.

Dept: 302

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I, KANE MOON, declare as follows:

1. I am an attorney at law duly licensed to practice as such before all of the Courts of the State of California and am one of the attorneys of record for Plaintiff Nubia Alvarez, Plaintiff Andrea Picos, and the putative Class.

2. I have personal knowledge of the matters set forth herein and could competently testify to the facts described herein.

CASE BACKGROUND

3. This is a wage and hour class and PAGA representative action. Plaintiff Nubia Alvarez and Plaintiff Andrea Picos seek to represent a class of individuals who worked for Defendant SRG Operating, Inc., (“Defendant”) in California on an hourly-paid, non-exempt position at any time from February 15, 2019 to September 16, 2021, for various violations of the California Labor Code. Plaintiff Nubia Alvarez (“Plaintiff Alvarez”) worked for Defendant as a receptionist from approximately December 2019 to January 2020 and was paid on an hourly basis. During the class period, Plaintiff and the class members were not paid all wages owed. Plaintiff alleges that Defendant implemented several unlawful employment practices including, but not limited to, regularly using a system of time rounding in a manner that resulted, over a period of time, in a failure to compensate Plaintiffs, the Class, and the Aggrieved Employees properly for all the time they actually worked even though the realities of Defendant’s operations are such that it is possible, practical, and feasible to count and pay for every minute of work performed. Moreover, Plaintiff Alvarez alleged that Defendant systematically failed to provide rest breaks due to Defendant’s rest break policy and practice of prohibiting Plaintiffs, the Class, and the Aggrieved Employees from leaving the premises during breaks. Plaintiff Alvarez believes that there are certifiable issues relating to Defendant’s foregoing unlawful practices based on the records that it produced. In addition to these claims, Plaintiff Alvarez brings claims for unpaid overtime, failure to provide meal periods, failure to timely pay final wages, failure to provide accurate itemized wage statements, unfair business practices, and PAGA penalties.

1 4. Because of Defendant's alleged violations of various provisions of the Labor
2 Code, on March 6, 2020, Plaintiff Alvarez filed a complaint alleging Defendant's systematic: (1)
3 Failure to Pay Minimum and Straight Time Wages [Lab. Code §§ 204, 1194, 1194.2, and 1197];
4 (2) Failure to Pay Overtime Compensation [Lab. Code §§ 1194 and 1198]; (3) Failure to Provide
5 Meal Periods [Lab. Code §§ 226.7, 512]; (4) Failure to Authorize and Permit Rest Breaks [Lab.
6 Code §§ 226.7]; (5) Failure to Timely Pay Final Wages at Termination [Lab. Code §§ 201-203];
7 (6) Failure to Provide Accurate Itemized Wage Statements [Lab. Code § 226]; (7) Unfair Business
8 Practices [Bus. & Prof. Code §§ 17200, et seq.]. On May 8, 2020 Plaintiff filed a First Amended
9 Complaint adding an eighth cause of action for civil penalties under PAGA.

10 5. Plaintiff Picos worked for Defendant as a Caregiver from February 2019 through
11 March 2020. Plaintiff Picos, alleged that Defendant systematically failed to provide rest breaks
12 due to Defendant's break policy, did not provide uninterrupted meal periods, and regularly used a
13 system of time rounding in a manner that resulted, over a period of time, in a failure to
14 compensate Plaintiffs, the Class, and the Aggrieved Employees properly for all the time they
15 actually worked. Because of Defendant's alleged violations of various provisions of the Labor
16 Code, on August 3, 2020, Plaintiff Picos filed a representative action complaint alleging a single
17 cause of action for violations of the PAGA, premised upon Defendant's violations of Labor Code
18 sections 201-204, 226, 226.3, 226.7, 510, 512, 516, 558, 1174, 1182.12, 1194, 1194.2, 1197,
19 1198, 2802, and 2804. On December 8, 2021, Plaintiff Alvarez filed a stipulation seeking leave
20 to file a Second Amended Complaint adding Plaintiff Picos as an additional plaintiff to her suit.

21 6. Defendant ardently opposes the merits of this case and denies Plaintiffs' factual
22 allegations. Defendant maintains that it complied with all its meal and rest period obligations,
23 and that it compensated Plaintiffs, Class Members, and Aggrieved Employees for all hours
24 worked. Moreover, to the extent that Plaintiffs received wage statements that were allegedly
25 inaccurate, Defendant asserted that Plaintiffs suffered no actual damage or harm as a result. (*See,*
26 *e.g., Angeles v. U.S. Airways, Inc.* (N.D. Cal. Feb. 19, 2013) No. C 12-05860 CRB, 2013 WL
27 622032, at *10 ["A plaintiff must adequately plead an injury arising from an employer's failure
28 to provide full and accurate wage statements, and the omission of the required information alone

1 is not sufficient.”].) With respect to Plaintiffs’ claims for waiting time penalties, Defendant
2 alleged that its good-faith belief that it paid all wages precluded the imposition of waiting time
3 penalties since Plaintiff could not prove that Defendant’s alleged failure to pay all final wages at
4 the time of separation was “willful.” (*See, e.g., Pedroza v. PetSmart, Inc.* (C.D. Cal. June 14,
5 2012) No. ED CV 11–298 GHK (DTBx), 2012 WL 9506073, *5.) For these reasons, Defendant
6 claimed that it did not engage in any unfair business practices. Defendant also maintained that
7 Plaintiffs’ claims were improper for class treatment because of an enforceable arbitration
8 agreement that prohibited class actions. (*Id.*)

9 DISCOVERY AND INVESTIGATION

10 7. Following the filing of this action, the Parties agreed to mediate this matter.
11 Thereafter, the Parties agreed to a mediator and a protocol for exchanging documents and
12 information before the mediation. Defendant produced a sample of pay and time records for
13 class members and aggrieved employees, as well as policy manuals in effect during the statutory
14 period, and additional documents. Defendant also provided information regarding the total
15 number of current and former employees.

16 8. After reviewing documents regarding Defendant’s wage and hour policies and
17 practices, and analyzing Defendant’s pay and time records, Class Counsel was able to evaluate
18 the probability of class certification, success on the merits, and Defendant’s maximum monetary
19 exposure for all claims. Class Counsel reviewed these records and prepared a damage analysis
20 prior to mediation. Class Counsel also investigated the applicable law regarding the claims and
21 defenses asserted in the litigation. Moreover, Class Counsel retained an expert to analyze the
22 records produced. Thus, Plaintiffs and their counsel are familiar with the facts of the case and
23 the legal issues raised by the pleadings and were able to act intelligently in negotiating the
24 settlement.

25 SETTLEMENT NEGOTIATIONS

26 9. On May 19, 2021, the Parties participated in private mediation with professional
27 neutral mediator Tripper Ortman, Esq. The settlement negotiations were at arm’s length and,
28 although conducted in a professional manner, were adversarial. The parties went into the

1 mediation willing to explore the potential for a settlement of the dispute, but each side was also
2 prepared to litigate their position through trial and appeal if a settlement had not been reached.
3 After extensive negotiations and discussions regarding the strengths and weaknesses of
4 Plaintiffs' claims and Defendant's defenses, Tripper Ortman (Esq.) issued a mediator's proposal
5 that was accepted by all parties, the material terms of which are encompassed within the Joint
6 Stipulation for Class Action Settlement ("Settlement"), a true and correct copy of which is
7 attached as **Exhibit A** to this declaration.

8 10. No claim form is required in order to receive a settlement payment. Each
9 Settlement Class Member who does not opt-out will be entitled to his or her share of the
10 Settlement Fund that is directly proportional to the number of workweeks during which the class
11 member was employed with Defendant during the class period. The Parties considered
12 alternative methods for calculating individual settlement payments, but ultimately agreed that
13 payments should be based on covered pay periods primarily because the claims of each class
14 member are fairly similar in terms of actual circumstances of employment. For example, nearly
15 all employees were scheduled to work various shift lengths and at various locations during their
16 employment. As receptionists and caregivers who were assigned to various client locations by
17 Defendant, employees' schedules and locations varied; accordingly, it would be most fair to the
18 putative class members if recovery was based on number of pay periods worked.

19 11. The Settlement includes a class representative service payment to each named
20 plaintiff. Subject to Court approval, Plaintiff Alvarez and Plaintiff Picos shall each be paid a
21 service payment of \$10,000.00 (for a total service payment of \$20,000). (Settlement, ¶ 28(n).)
22 This amount is for Plaintiffs' time and effort in bringing and presenting the action. Plaintiffs are
23 also providing a general release of all claims, known or unknown, pursuant to Civil Code Section
24 1542.

25 12. Class Counsel submitted the proposed settlement to the LWDA. A true and correct
26 copy of the confirmation email received from the LWDA is attached as **Exhibit B** to this
27 declaration.
28

1 13. The Settlement provides that Defendant will not oppose a fee application of up to
2 33 1/3% (\$833,333.33) of the Gross Settlement Amount, plus out-of-pocket costs not in excess of
3 \$30,000.00. (Settlement, ¶ 28(m).) At this time, my firm's costs are approximately \$14,035.70.
4 A true and correct copy of my firm's costs to date is attached to this declaration as **Exhibit C**.

5 14. Settlement administration costs are not to exceed \$38,000.00. Currently,
6 settlement administration costs are estimated to be \$29,500.00. A true and correct copy of the
7 settlement administration quote I received from ILYM Group, Inc. is attached to this declaration
8 as **Exhibit D**.

9 **THE PROPOSED SETTLEMENT IS FAIR AND REASONABLE**

10 15. Class Counsel has conducted a thorough investigation into the facts of this case.
11 Based on the foregoing discovery and their own independent investigation and evaluation, Class
12 Counsel is of the opinion that the Settlement is fair, reasonable, and adequate. Furthermore, in
13 light of all known facts and circumstances, the risk of significant delay, trial risk, appellate risk,
14 the defenses that could be asserted by Defendant both to certification and on the merits, the
15 settlement is in the best interests of the Settlement Class Members.

16 16. Based on my analysis of the payroll records provided by Defendant, Plaintiffs'
17 expert's analysis of the payroll records provided by Defendant, and information from Plaintiffs, I
18 evaluated Defendant's maximum exposure. I took into account the risk of not having the claims
19 certified due to an enforceable arbitration agreement and the risk of not prevailing at trial even if
20 the claims are certified. According to the data Defendant provided, there are 4,023 class
21 members, 94,623 total pay periods in the class, approximately 838,326 shifts in the class period,
22 and the weighted average hourly rate is \$15.00 per hour. Accordingly, I calculated Defendant's
23 potential exposure as follows:

Claim	Relevant Time Period	Rate	Number of Violations	Amount
Rounding Claim (unpaid wages/overtime due to rounding)	4,146 unpaid hours	\$15.00 average regular rate (\$22.50 overtime rate)		\$48,330****

			4,146 unpaid hours due to rounding	
Meal Period Violations	94,623 pay periods	\$15.00 average regular rate	Violation rate based on analysis of records by expert	\$628,744.00*
Rest Break Violations	94,623 pay periods	\$15.00 average regular rate	Violation rate based on analysis of records by expert	\$628,744.00*
Labor Code §226 Penalty	94,623 pay periods with effected wage statements	\$50 for initial pay period, and \$100 for each pay period thereafter with a \$4,000 per employee maximum	Violation rate based on analysis of records by expert	\$463,232.00**
Labor Code §203 Penalty	2,857 employees	\$15.00 average regular rate, multiplied by 8 hours per day for 30 days	Violation rate based on analysis of records by expert	\$471,682.00**
PAGA Penalties	94,623 pay periods	\$100 violation penalty per pay period	Violation rate based on analysis of records by expert	\$549,650.00***
Total for Class Claims				\$2,790,382.00
* This figure is discounted based on a 25% probability of prevailing at class certification and on the merits. ** These figures are discounted based on a 5% probability of prevailing at class certification and on the merits. *** These figures are discounted based on a 10% probability of prevailing at class certification and on the merits. **** These figures are discounted based on a 75% probability of prevailing at class certification and on the merits.				

17. As discussed above, Plaintiffs claim that Defendant failed to pay all wages by implementing an unlawful rounding policy which resulted in the systemic underpayment of wages. Specifically, Plaintiffs' expert analysis of time records produced by Defendant found that employees were not compensated for approximately four minutes of work per shift due to Defendant's unlawful rounding policy. In total, and based on a review of records produced by Defendant, Plaintiffs' expert estimates that 4,146 hours were uncompensated due to Defendant's

1 rounding practice. The underpayment of 4,146 hours totals \$64,440.00. The amount was
2 discounted by 25% due to the difficulty of certifying a rounding claim and the defenses to the
3 claim. Plaintiffs counsel still contend that unpaid wages are owed due to unlawful use of
4 rounding, but the records provided by Defendant show that any potential underpayment does not
5 reach the severity of what was originally contemplated. Moreover, as is the case with all claims,
6 the existence of an arbitration agreement realistically means that the Class Members would not
7 be able to recover any of these underpaid wages through a class action. Accordingly, I arrived at
8 a realistic damage estimate of **\$48,330.00 for the rounding claim.**

9 18. As discussed above, Plaintiffs meal period claims are based on the theory that
10 Defendant unlawfully imposed on-duty meal periods on Plaintiff, the Class and Aggrieved
11 Employees. Defendant argued that any failure to take meal periods, or to take late meal periods,
12 was a result of employee choice, not of any policy or practice of Defendant. Defendant also
13 asserts that Plaintiffs' meal period claims would not be amenable to class treatment, since
14 individual inquiries would need to be made with respect to each specific shift that each employee
15 missed a meal period to determine why that specific employee missed that specific meal period
16 on that specific shift. Defendant also argues that meal period claims could not be resolved via
17 class treatment due to the existence of an enforceable arbitration agreement. Furthermore,
18 interviews with Plaintiffs and class members revealed that it would be reasonable to approximate
19 that employees failed to receive compliant meal periods in 1 to 2 days per week. Moreover,
20 Plaintiffs' expert applied this assumption to the data and determined that there are approximately
21 167,665 non-compliant rest breaks in the Class Period (20% of approximately 838,326 shifts
22 equals 167,665 shifts). Thus, potential liability for the meal period claim is \$2,514,975.00
23 (167,665 shifts multiplied by average regular wage rate of \$15.00 per hour). A 75% discount was
24 applied, based on the risk adjusted value that accounts for the difficulty of certifying meal period
25 claims and prevailing on the merits for the risks discussed above.¹ Although Plaintiffs' counsel

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27 ¹ The risk adjustment reflects a combination of risks. Since certification is an uncertain
28 even, as is success on the merits, both risks combine at this stage of the proceedings. For
example, if certification is viewed as an event with a 50% chance of success, and prevailing at
trial is viewed as a second event with a 50% chance of success, the current risk is $0.5 \times 0.5 =$

1 still believes that there were meal period violations, Plaintiffs' counsel understands that the
2 foregoing issues create significant risk with respect to certification due to the individualized
3 nature of the meal period claims. Proof of this claim would require declarations from class
4 members and obtaining such declarations would likely reveal that each class member had a
5 different experience with respect to meal periods. Accordingly, **the risk-adjusted value of the**
6 **meal period claim is \$628,744.00.**

7 19. With respect to the rest break claim, Plaintiffs allege that Defendant failed to
8 provide or authorize rest breaks for employees as required by law. Because Plaintiffs' claims
9 were based on the fact that Defendant's rest break policy was overly restrictive in that it does not
10 allow employees to leave the premises during rest breaks, the maximum recovery was initially
11 calculated based on an assumed 100% violation rate. However, interviews with Plaintiffs and
12 class members revealed that they took proper rest breaks 3-4 days per week, meaning that it is
13 incorrect to assume that Defendant violated the law 100% of the time. Moreover, Defendant
14 argued that it satisfied all its obligations with respect to rest breaks. Based on this, Plaintiffs'
15 expert applied this assumption to the data to determine that there are about 167,665 non-
16 compliant rest breaks in the Class Period (20% of approximately 838,326 shifts equals 167,665
17 shifts). Thus, potential liability for the rest break claim is \$2,514,975.00 (167,665 shifts
18 multiplied by \$15.00 per hour). A 75% discount was applied, based on the risk adjusted value
19 that accounts for the existence of an enforceable arbitration agreement, the difficulty of certifying
20 rest break claims and prevailing on the merits for the risks discussed above. Although Plaintiffs'
21 counsel still believes that there were rest break violations, Plaintiffs' counsel understands that the
22 foregoing issues create significant risk with respect to certification due to the individualized
23 nature of the rest break claim. Proof of this claim would require declarations from class members
24 and obtaining such declarations would likely reveal that each class member had a different
25

26
27 0.25, or a 25% chance of both events resulting in a favorable outcome. Since *Kullar* and *Munoz*
28 do not specify a specific method must be used to evaluate the settlement as compared to the
reasonable maximum recovery, the approach used here is similar to an expected value analysis of
risk events or a present value calculation for future monetary value.

1 experience with respect to rest breaks. Accordingly, **I arrived at a realistic damage estimate of**
2 **\$628,744.00 for the rest break claim.**

3 20. With respect to Plaintiffs' derivative claims for statutory and civil penalties,
4 Plaintiffs estimated that Defendant's realistic potential liability is \$1,484,564.00. While
5 Defendant's maximum potential liability for waiting time penalties is \$9,433,657.00 based on
6 approximately 2,857 terminated class members during Class Period, \$9,264,650.00 for inaccurate
7 wage statements based on approximately 94,623 pay periods, and \$5,496,500 for PAGA
8 penalties based on the Court assessing a \$100 penalty for each pay period during which a
9 violation occurred. I believe that it would be unrealistic to expect the Court to award the full
10 \$24,194,807 in penalties given Defendant's defenses, lack of proof, and the discretionary nature
11 of penalties. Considering that the underlying claims are realistically estimated to be
12 \$1,305,818.00, such a disproportionate award would undoubtedly raise Due Process concerns.
13 Weighing these factors and applying a 95% discount to both the waiting time penalties and
14 inaccurate wage statements accounting for the risk and uncertainty of prevailing at trial, I arrived
15 at \$934,914.00 for these two statutory penalties. Weighing these factors and applying a 90%
16 discount to PAGA penalties while accounting for the risk and uncertainty of prevailing at trial, I
17 arrived at \$549,650.00 as the total value of PAGA penalties. Weighing these factors and
18 accounting for the risk and uncertainty of prevailing at trial, **I arrived at a realistic total of**
19 **\$1,484,564.00 for statutory and civil penalties.**

20 21. Using these estimated figures, Plaintiffs predicted that the realistic maximum
21 **recovery for all claims, including penalties, would be \$2,790,382.00.** This means that the
22 \$2,500,000.00 settlement figure represents approximately 89.6% of the realistic maximum
23 recovery. This is an excellent result for the Class. Indeed, because of the proposed Settlement,
24 class members will receive timely, guaranteed relief and will avoid the risk of an unfavorable
25 judgment. While Plaintiffs are confident in the merits of their claims, a legitimate controversy
26 exists as to each cause of action. Plaintiff also recognize that proving the amount of wages due
27 to each Class Member would be an expensive, time-consuming, and uncertain proposition.
28

1 22. The settlement obviates the significant risk that this Court may deny certification
2 of all or some of Plaintiffs' claims, particularly due to the existence of an enforceable arbitration
3 agreement. Furthermore, even if Plaintiffs obtained certification of all or some of the claims,
4 continued litigation would be expensive, involving a trial and possible appeals, and would
5 substantially delay and reduce any recovery by the Settlement Class Members.

6 23. This settlement avoids the risks and the accompanying expense of further
7 litigation. Although the parties had engaged in a significant amount of investigation, informal
8 discovery and class-wide data analysis, the parties had not yet completed formal written
9 discovery.

10 24. The Net Settlement Amount available for Class Member settlement payments is
11 estimated to be \$1,503,666.67 for a class of 4,023 persons² which results in an average payment
12 of \$373.77 per Class Member. This amount will vary based on the duration of employment
13 during the Class Period.

14 25. The proposed settlement of \$2,500,000.00 therefore represents a substantial
15 recovery when compared to Plaintiffs' reasonably forecasted recovery. When considering the
16 risks of litigation, arbitration agreement, the uncertainties involved in achieving class
17 certification, the burdens of proof necessary to establish liability, the probability of appeal of a
18 favorable judgment, it is clear that the settlement amount of \$2,500,000.00 is within the
19 "ballpark" of reasonableness, and preliminary settlement approval is appropriate.

20 SERVICE PAYMENTS TO PLAINTIFFS ARE REASONABLE

21 26. Throughout this litigation, Plaintiffs, who are former employees of Defendant,
22 have cooperated immensely with my office and has taken many actions to protect the interests of
23 the class. Plaintiffs provided valuable information regarding their duties, time records, and
24 missed meal periods and rest breaks. Plaintiffs participated in decisions concerning this action,
25

26 ² The Net Settlement Amount is: \$2,500,000.00 minus \$20,000.00 for class
27 representatives service payments, minus up to \$38,000.00 in administration costs, minus
28 \$833,333.33 for Class Counsel's attorneys' fees, minus \$75,000.00 to the Labor and Workforce
Development Agency for PAGA penalties, and minus up to \$30,000.00 in attorneys' costs for
Class Counsel's litigation expenses.

1 assisted in preparation for the mediation, and provided my office with the names and contact
2 information of potential witnesses. The information provided by Plaintiffs was instrumental in
3 establishing the wage and hour violations alleged in this action, and the recovery provided for in
4 the settlement agreement would have been impossible to obtain without their participation.

5 27. At the same time, Plaintiffs faced many risks in adding themselves as the class and
6 PAGA representatives in this matter. Plaintiffs faced actual risks with their future employment,
7 as putting themselves on public record in an employment lawsuit could also very well affect their
8 likelihood for future employment. Furthermore, as part of this settlement, Plaintiffs are
9 executing a general release of all claims against Defendant.

10 28. In turn, class members will now have the opportunity to participate in a settlement,
11 reimbursing them for wage violations they may have never known about on their own or been
12 willing to pursue on their own. If these class members would have each tried to pursue their
13 legal remedies on their own, that would have resulted in each having to expend a significant
14 amount of their own monetary resources and time, which were obviated by Plaintiffs putting
15 themselves on the line on behalf of these other class members.

16 29. In the final analysis, this class action would not have been possible without the aid
17 of Plaintiffs, who put their own time and effort into this litigation and placed themselves at risk
18 for the sake of the class members. The requested service payment for Plaintiffs for their service
19 as the class and PAGA representatives and for their general release of all individual claims are a
20 relatively small cost when compared with the time and effort put into the litigation and in
21 comparison, to enhancements granted in other class actions. The requested incentive award is
22 therefore reasonable to compensate Plaintiffs for their active participation in this lawsuit.

23 THE REQUEST FOR ATTORNEYS' FEES AND COSTS IS REASONABLE

24 30. The Settlement provides for attorneys' fees payable to Class Counsel in an amount
25 up to one-third (33 1/3%) of the Settlement Amount, for a maximum fees award of \$833,333.33,
26 plus actual costs and litigation expenses not to exceed \$30,000.00. The proposed award of
27 attorneys' fees to Class Counsel in this case can be justified under either method – lodestar or
28 percentage recovery. Class Counsel, however, intend to base the proposed award of fees, costs

1 and expenses on the percentage method as many of the entries in the time records will have to be
2 redacted to preserve attorney-client and attorney work product privileges.

3 31. I am informed and believe that the fee and costs provision are reasonable. The fee
4 percentage requested is less than that charged by my office for most employment cases. My
5 office invested significant time and resources into this case, with payment deferred to the end of
6 the case, and then, of course, contingent on the outcome.

7 32. It is further estimated that my office will need to expend at least another 50 to 100
8 hours to monitor the process leading up to the final approval and payments made to the class.
9 My office also bears the risk of taking whatever actions are necessary if Defendant fails to pay.

10 33. The risk to my office has been very significant, particularly if we would not be
11 successful in pursuing this class action. In that case, we would have been left with no
12 compensation for all the time taken in litigating this case. Indeed, I have taken on a number of
13 class action cases that have resulted in thousands of attorney hours being expended and
14 ultimately having certification denied or the defendant company going bankrupt. The contingent
15 risk in these types of cases is very real and occur regularly. Furthermore, we were precluded
16 from focusing on, or taking on, other cases which could have resulted in a larger, and less risky,
17 monetary gain.

18 34. Because most individuals cannot afford to pay for representation in litigation on
19 an hourly basis, Moon & Yang, APC represents virtually all of its employment law clients on a
20 contingency fee basis. Pursuant to this arrangement, we are not compensated for our time unless
21 we prevail at trial or successfully settle our clients' cases. Because Moon & Yang, APC is taking
22 the risk that we will not be reimbursed for our time unless our client settles or wins his or her
23 case, we cannot afford to represent an individual employee on a contingency basis if, at the end
24 of our representation, all we are to receive is our regular hourly rate for services. It is essential
25 that we recover more than our regular hourly rate when we win if we are to remain in practice so
26 as to be able to continue representing other individuals in civil rights employment disputes.

27 35. As of the drafting of this motion, my office has incurred around \$13,557.70 in
28 expenses litigating this action, and we anticipate accruing additional expenses up to Final

1 Approval of the Settlement. Additional Class Counsel, Haines Law Group, APC has incurred
2 around \$812.54 in expenses to date litigating this action. These expenses were reasonably
3 necessary to the litigation and were actually incurred by my office and the Haines Law Group,
4 APC. They should be reimbursed in full, up to the maximum amount allowed in the Settlement
5 Agreement. In the event expenses do not reach or exceed the maximum amount allowed in the
6 settlement agreement, the difference will revert to the class members.

7 MY EXPERIENCE AND QUALIFICATIONS

8 36. Moon & Yang, APC has been engaged in the practice of employment and labor
9 law for almost a decade, and presently focuses exclusively on plaintiffs' employment law. The
10 firm and its lawyers have successfully settled hundreds of cases during that time, including class
11 action cases. The firm and its lawyers have also tried both bench and jury trials (representing
12 both plaintiffs and defendants) relating to employment matters. Moon & Yang, APC has been
13 appointed lead or co-lead class counsel in federal and state courts in California. In addition to
14 the present case, I am also class counsel for dozens of other putative wage-and-hour class-action
15 lawsuits pending in various state and federal jurisdictions throughout California.

16 37. I received a B.A. in History in 1998 from UCLA. I received my J.D. from Loyola
17 Marymount Law School in 2006. I became an Active Member of the State Bar of California in
18 June 2007 and have been an Active Member in good standing continuously since then. I am a
19 current member of the California Employment Lawyers Association (CELA). I have been
20 selected to Super Lawyers for 2019 and 2020.

21 38. I co-founded Moon & Yang, APC in March 2010. My practice is focused
22 exclusively on advocating for the rights of employees in wage-and-hour litigation, almost
23 entirely in class actions.

24 39. For the past decade, I have built my practice to have an emphasis on employment
25 and related civil litigation cases, and have both prosecuted and defended employment-related
26 litigation cases. I have been heavily, successfully, and continuously involved in active litigation
27 and trial work, and have conducted bench and jury trials on behalf of both employees and
28 employers in wage and hour cases.

40. I am experienced in prosecuting and defending employment matters, particularly class actions. My firm has focused a substantial percentage of its practice on wage, hour, and working conditions violations. In addition to the present case, I am also class counsel for other wage-and-hour class action lawsuits pending in various counties throughout California, including in federal courts. The following is a list of some of our recent class action settlements that have received preliminary and final approval: *Mark Brulee, et al. v. DAL Global Services, LLC* (C.D. Cal. Dec. 20, 2018) No. CV 17-6433 JVS(JCGx), 2018 WL 6616659 (class size approx. 2,650; lead counsel) (In approving my \$650 hourly rate, the Court found: "Class Counsel's declarations show that the attorneys are experienced and successful litigators. Other courts have approved the attorneys' current rates for the Moon & Yang, APC attorneys." (*Id.* at *10.); *Sison v. Cha Hollywood Medical Center, L.P.*, LASC BC6441 29 (class size approx. 2,100; co-counsel); *Jones v. Fitness Alliance, LLC*, Riverside Superior Court PSC1404079 (class size approx. 1,000; lead counsel); *Gomez v. H Mart Companies, Inc.*, LASC BC671525 (class size approx. 2,500; co-counsel); *Montoya v. Golden 1 Credit Union*, Sacramento Superior Court 34-2018-00228252 (class size approx. 1,900; lead counsel); *Campa v. Bloomingdeals, Inc.*, LASC BC700366 (class size approx. 1,500; lead counsel); *Black v. Mission Healthcare Services, Inc.*, LASC 19STCV04602 (class size approx. 1,000; lead counsel); *Onofre v. Caitac Garment Processing, Inc.*, LASC BC702283 (class size approx. 750; lead counsel); *Martinez v. Bail Hotline Bail Bonds, Inc.*, LASC BC700131 (class size approx. 173; lead counsel); *Jones v. Citiguard, Inc.*, LASC BC664890 (class size approx. 587; lead counsel); *Slaughter v. ACA Security Stems, LP*, LASC BC699137 (class size approx. 300; lead counsel); *Taylor v. Sherman's Delicatessen & Bakery, LLC*, LASC BC722765 (class size approx. 515; lead counsel); *Vertti v. Bagcraft Papercon III, LLC*, LASC 19STCV12729 (class size approx. 260; lead counsel); *Rodriguez v. Rossmoyne, Inc.*, LASC BC699137 (class size approx. 220; lead counsel); *Vargas v. AMS Paving, Inc.*, LASC BC722767 (case size approx. 260; lead counsel); *Garcia v. Comfy U.S.A. Apparel, Inc.*, LASC BC709630 (class size approx. 210; lead counsel); *Lagos v. ThyssenKrupp Elevator Corporation*, LASC BC682972 (\$750,000 for 79 class members; lead counsel); *Aparicio v. Lineage Logistics, LLC*, LASC BC722764 (class size approx. 155; lead counsel).

1 41. This experience is helpful in assessing the reasonableness of settlements such as
2 the one at issue here, and from this experience Class Counsel concluded that this lawsuit could
3 not have been settled on better terms than provided under the present settlement agreement.

4 //

5 **ALLEN FEGHALI'S EXPERIENCE AND QUALIFICATION**

6 42. Allen Feghali received his B.A. in Global and International Studies in 2011 from
7 UCSB, and his J.D. from University of La Verne College of Law in 2014. Mr. Feghali became an
8 Active Member of the State Bar of California in December 2014 and has been an Active Member
9 in good standing continuously since then. Mr. Feghali is a current member of the California
10 Employment Lawyers Association (CELA), and in 2020 was selected by Super Lawyers as a
11 “Southern California Rising Star.”

12 43. Mr. Feghali began working at Moon & Yang, APC in May 2015, and his practice
13 focuses on advocating for the rights of employees at the trial-court and appellate level. Prior to
14 approximately June 2018, with the exception of a handful of cases, Mr. Feghali's practice
15 focused on individual FEHA and wrongful termination claims, as well as individual wage and
16 hour claims. In June 2018, Mr. Feghali became heavily involved in the firm's class action
17 practice.

18 44. Mr. Feghali's current billing rate is \$600.00 per hour. During Mr. Feghali's tenure
19 with Moon & Yang, APC, Mr. Feghali has played a critical role in obtaining outstanding results
20 for employees who have been wronged by their employers. Mr. Feghali's litigation experience
21 includes, but is not limited to:

22 (a) In March 2021, Mr. Feghali obtained a certification order on all causes of
23 action following contested class certification briefing in a wage and hour
24 matter. *Rivera, et al. v. Clearpath Federal Credit Union*, LASC case no.
25 19STCV33504.

26 (b) Mr. Feghali prepared the briefing which resulted in a remand order in
27 *Andrade v. Rehrig Pacific Company* 2020 WL 1934954 (CD Cal. April 22,
28 2020, where Defendant removed a wage and hour class alleging that

1 Plaintiff's claims were pre-empted by the Labor Management Relations
2 Act.

3 (c) Mr. Feghali briefed, argued, and won *Lee, et al. v. The Christian Herald,*
4 *U.S.A., Inc.* No. B266853, 2017 WL 6333905, at *1 (Cal. Ct. App. Dec. 12,
5 2017). There, the Court of Appeal reversed a dismissal of an individual
6 defendant following the trial court's granting of a demurrer without leave
7 to amend relating to alter ego allegations.

8 (d) Mr. Feghali prepared the briefing which resulted in a remand order in
9 *Sotelo v. Belfor USA Group, Inc.* 2018 WL 1352910 (CD Cal. March, 13,
10 2018). Defendants sought to remove the case based on the inclusion of a
11 "sham defendant", but the court agreed with Mr. Feghali's briefing which
12 argued that the individual defendant, who was alleged to have harassed the
13 plaintiff under FEHA, was a proper defendant.

14 (e) In December 2016, Mr. Feghali was second chair in an individual wage
15 and hour trial in the matter of *Herrera v. Shamtoob, et al.* (LASC Case No.
16 BC575656) which resulted in a verdict for the plaintiff. In this trial, the key
17 issue was whether the plaintiff, who the defendant's argued was a "day-
18 laborer", was an employee for purposes of Labor Code protections.

19 (f) Mr. Feghali has been the lead counsel, or co-lead counsel, in individual
20 cases that settled for \$850,000.00, \$375,000.00 and \$250,000.00. In
21 addition to the foregoing, Mr. Feghali has resolved or assisted in the
22 resolution of approximately 80 cases which has resulted in millions of
23 dollars of unpaid wages being returned to low-wage employees.

24 45. Since June 2018, Mr. Feghali's practice has shifted to almost exclusively
25 representing employees in putative wage and hour cases. Mr. Feghali's fee has been approved by
26 this Court, as well as others in Los Angeles County, and counties throughout the state. Mr.
27 Feghali participated in the litigation and resolution of approximately 75 wage and hour class
28 actions, including obtaining preliminary and final approval of settlements. A selection of cases
wherein Mr. Feghali served as lead or co-lead class counsel includes: *Sison v. Cha Hollywood*

1 *Medical Center, L.P.*, No. BC6441 29 (2,137 class members); *Lagos v. ThyssenKrupp Elevator*
2 *Corporation*, No. BC682972 (\$750,000 for 79 class members); *Sotelo v. Belfor USA Group, Inc.*,
3 No. BC688895 (\$325,000 for 342 class members); *Bueno v. Home Furniture International, Inc.*
4 BC722117 (\$310,000 for 180 class members); *Montoya v. Golden 1 Credit Union*, 34-2018-
5 00228252 (\$1,250,000 for 1,893 class members); *De Jesus v. Philippine National Bank*,
6 BC673024 (\$475,000 for 167 class members).

7 ENZO NABIEV'S EXPERIENCE AND QUALIFICATIONS

8 46. Enzo Nabiev is an associate attorney at Moon & Yang, APC. Mr. Nabiev
9 represents employees in all aspects of employment litigation, including wage and hour class
10 action and representative actions involving claims related to overtime and minimum wages, meal
11 and rest break violations, improper wage statements, the California Private Attorneys General
12 Act and unfair business practices.

13 47. Mr. Nabiev received his B.A. in Political Science from the University of
14 California, Berkeley and his Juris Doctorate from The George Washington University Law
15 School, where he served as a member of the Federal Circuit Bar Journal. He also served as a
16 Judicial Extern for the Honorable William Nooter of the Superior Court of the District of
17 Columbia.

18 48. Mr. Nabiev is a member in good standing with the California State Bar and in the
19 United States District Court for the Central and Northern Districts. Mr. Nabiev's billing rate is
20 \$300 per hour.

21 49. My office is qualified to handle this litigation because we are experienced in
22 litigating Labor Code violations in both individual and class actions. The attorneys at my office
23 have been appointed as lead or co-lead counsel in numerous wage and hour class actions in state
24 and federal courts by way of motions for settlement approval. Including myself, Moon & Yang,
25 APC comprises twelve attorneys, all of whom are actively and continuously practicing
26 employment litigation, representing almost entirely employee plaintiffs, in both individual and
27 class actions, in this Superior Court, and other Superior Courts throughout the state, in the Court
28 of Appeal, and in various federal courts. The attorneys at my firm have a high level of knowledge
and experience in areas of wage and hour class actions, and labor and employment law.

1 50. My office invested significant time and resources into the case. My office's efforts
2 included, without limitation, the following:

- 3 (a) Numerous interviews with Plaintiff and review of documents provided by
4 her;
- 5 (b) Legal research and investigation regarding the Defendant's practices at
6 numerous points in the litigation;
- 7 (c) Preparation of multiple drafts of the original class action complaint and
8 finalization and filing of the original class action complaint;
- 9 (d) Extensive "meet and confer" correspondence and discussions with
10 Defendant's counsel to obtain relevant documents and information through
11 informal discovery;
- 12 (e) Contacting witnesses;
- 13 (f) Analysis of the audit results and preparation of a damages model with the
14 aid of a statistics expert;
- 15 (g) Research and preparation of Plaintiffs' mediation brief;
- 16 (h) Attendance at mediation;
- 17 (i) Drafting, negotiating, and reviewing multiple drafts of the Settlement
18 Agreement and attachments; and
- 19 (j) Preparation of the motion for preliminary approval.

20 51. Through the efforts of my office and Plaintiff in this case, a fair and reasonable
21 resolution has been reached that includes a settlement payment by Defendant of \$2,500,000.00 to
22 compensate settlement Class Members for Defendant's wage and hour practices. I am informed
23 and believe that, without the efforts of my office and my co-counsel, the Labor Code and Wage
24 Order violations alleged in the Complaint would have gone completely unremedied.

25 52. I do not believe that I have any conflicts of interest with the Class or with the
26 Class Representatives. I am not related to the Class Representatives. I respectfully submit that I
27 and Moon & Yang, APC are well suited to act as Class Counsel in this action, and we have and
28 will continue to vigorously represent the interests of the Class.

1 I declare under penalty of perjury under the laws of the State of California and the
2 United States that the foregoing is true and correct.

3 Executed on December 8, 2021 at Los Angeles, California.

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6 Kane Moon
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EXHIBIT A

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Attorneys for Plaintiffs Nubia Alvarez and Andrea Picos

[Additional Counsel are listed on the following page]

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN FRANCISCO

NUBIA ALVAREZ, individually, and on
behalf of all others similarly situated,

Plaintiff,

vs.

SRG OPERATING, INC. dba COVENTRY
PLACE, a Delaware corporation; and DOES
1 through 10, inclusive,

Defendants.

Case No.: CGC-20-583540

**JOINT STIPULATION OF CLASS ACTION
SETTLEMENT**

Complaint filed: March 6, 2020
Trial date: Not set

1 Jon Yonemitsu, Bar No. 199026
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6 Attorneys for Defendant
SRG OPERATING, INC.
7 *Attorneys for Defendant*
8 *SRG Operating, Inc.*

1 **JOINT STIPULATION OF CLASS ACTION SETTLEMENT**

2 This Joint Stipulation of Class Action Settlement (“Joint Stipulation of Settlement” or
3 “Settlement” or “Agreement”) is made and entered into by and between Plaintiffs Nubia Alvarez and
4 Andrea Picos, individually, and on behalf of all others similarly situated, (“Plaintiffs” or “Class
5 Representatives”), and Defendant SRG Operating, Inc. (“Defendant” or “SRG”). Plaintiffs and
6 Defendant are collectively referred to herein as “the Parties.”

7 THE PARTIES STIPULATE AND AGREE as follows:

8 **DEFINITIONS**

9 1. For purposes of this Settlement, “Complaint” refers to the operative complaint in the Action at
10 the time the Court grants Preliminary Approval of this Settlement.

11 2. For purposes of this Settlement, this matter, entitled *Alvarez v. SRG Operating, Inc.*, Case No.
12 CGC-20-583540, is referred to herein as the “Action.”

13 3. For purposes of this Settlement, the matter entitled *Picos v. SRG Operating, Inc.*, Case No.
14 20STCV29291, shall be referred to herein as the “Picos Representative Action.”

15 4. For purposes of this Settlement, the “Class Period” is February 15, 2019 to the earlier of
16 September 16, 2021, or the date on which the Court grants preliminary approval.

17 5. For purposes of this Settlement, the “Class” or “Class Members” consist of: All hourly non-
18 exempt employees of Defendant who worked for Defendant in California during the Class Period.
19 “Qualified Class Members” are those Class Members who do not submit timely exclusion requests to the
20 Settlement Administrator.

21 6. For purposes of this Settlement, “Class Counsel” means MOON & YANG, APC and HAINES
22 LAW GROUP, APC.

23 7. For purposes of this Settlement, “Covered Pay Periods” means the number of weeks a Class
24 Member worked at Defendant’s locations in California during the Class Period. Defendant represents that,
25 as of April 15, 2021, Class Members worked approximately 108,703 pay periods during the Class Period.

26 8. For purposes of this Settlement, “Response Deadline” means the date sixty (60) days after the
27 Settlement Administrator initially mails the Notice to Class Members and the last date on which Class
28 Members may submit a request for exclusion or written objection to the Settlement. In the case of a re-

1 mailed Notice, the Response Deadline will be the later of 60 calendar days after initial mailing or 14
2 calendar days from re-mailing. The Response Deadline may be extended only as expressly described
3 herein.

4 9. For purposes of the Settlement, "Defendant's Counsel" means LITTLER MENDELSON, P.C.

5 10. For purposes of this Settlement, "PAGA Allocation" means the amount that the Parties have
6 agreed to pay to the Labor and Workforce Development Agency ("LWDA") in connection with the Labor
7 Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, *et seq.*, "PAGA"). The Parties
8 have agreed that the PAGA Allocation will be \$100,000 from the Gross Settlement Amount. Pursuant to
9 PAGA, Seventy Five Percent (75%), or \$75,000, of the PAGA Penalty Payment will be paid to the
10 LWDA ("PAGA Penalty Payment"), and Twenty Five Percent (25%), or \$25,000, of the LWDA Payment
11 will be included in the Net Settlement Amount for PAGA Members ("PAGA Settlement Payment").

12 11. For purposes of this Settlement, "PAGA Period" means the period between February 15, 2019
13 to the earlier of September 16, 2021, or the date on which the Court grants preliminary approval.

14 12. For purposes of this Settlement, "PAGA Members" means all Class Members that worked
15 during the PAGA Period. It is stipulated by the Parties that, for purposes of this Settlement, all PAGA
16 Members are "aggrieved employees" as defined pursuant to PAGA.

17 13. For purposes of this Settlement, "PAGA Pay Periods" means the number of pay periods each
18 PAGA Member worked during the PAGA Period.

19 14. For purposes of this Settlement, "PAGA Representatives" means Plaintiffs.

20 15. For purposes of this Settlement, "Released PAGA Claims" means all claims asserted through
21 California Labor Code §§ 2698, *et seq.*, that arise out of or are related to the Released Claims set forth
22 below, and are subject to assertion through PAGA.

23 16. For purposes of this Settlement, "Released PAGA Claims Period" means the period between
24 February 15, 2019 to the earlier of September 16, 2021, or the date on which the Court grants preliminary
25 approval.

26 17. For purposes of this Settlement, "Settlement Payments" means all of the payments to Class
27 Members (the "Settlement Class Payments") and all of the payments to PAGA Members (the "PAGA
28 Settlement Payment").

STIPULATED BACKGROUND

18. On March 6, 2020, Plaintiff Nubia Alvarez filed a putative Class Action alleging the following labelled causes of action: (1) Failure to Pay Minimum Wage and Straight Time Wages [Cal. Lab. Code §§ 204, 1194, 1194.2, and 1197]; (2) Failure to Pay Overtime Compensation [Cal. Lab. Code §§ 1194 and 1198]; (3) Failure to Provide Meal Periods [Cal. Lab. Code §§ 226.7, 512]; (4) Failure to Authorize and Permit Rest Breaks [Cal. Lab. Code § 226.7]; (5) Failure to Timely Pay Final Wages at Termination [Cal. Lab. Code §§ 201-203]; (6) Failure to Provide Accurate Itemized Wage Statements [Cal. Lab. Code § 226]; and (7) Unfair Business Practices [Cal. Bus. & Prof. Code §§ 17200, *et seq.*]. (The “Action.”) In the Complaint, Plaintiff Alvarez sought to represent all persons that worked for Defendant in California as an hourly-paid, non-exempt employee at any time during the period beginning four years before the filing of the initial complaint and ending when Notice to the Class is sent.

19. Plaintiff Alvarez satisfied the administrative exhaustion requirement that is a prerequisite to filing a claim for Civil Penalties under the Labor Code Private Attorneys General Act of 2004 [Lab. Code § 2699, *et seq.*] (“PAGA”). On May 8, 2020, Plaintiff Alvarez filed a First Amended Complaint adding a single cause of action for Civil Penalties Under PAGA.

20. On August 3, 2020, Plaintiff Andrea Picos filed a filed a representative action complaint alleging a single cause of action for violations of the PAGA, premised upon Defendant’s violations of Labor Code sections 201-204, 226, 226.3, 226.7, 510, 512, 516, 558, 1174, 1182.12, 1194, 1194.2, 1197, 1198, 2802, and 2804. Plaintiff Picos satisfied the administrative exhaustion requirement that is a prerequisite to filing a claim for Civil Penalties under PAGA.

21. Solely for purposes of settling this case, the Parties and their respective counsel stipulate and agree that the requisites for establishing class certification with respect to the Class Members have been met and are met. More specifically, the Parties stipulate and agree that:

- (a) The Class is ascertainable and so numerous as to make it impracticable to join all Class Members.
- (b) There are common questions of law and fact including, but not limited to, the following:
 - 1) Whether or not Defendant paid proper wages to the Class;

- 2) Whether or not Defendant provided meal periods to the Class;
 - 3) Whether or not Defendant provided rest periods to the Class;
 - 4) Whether or not Defendant paid compensation timely upon separation of employment to former Class Members;
 - 5) Whether or not Defendant paid compensation timely throughout Class Members' employment;
 - 6) Whether or not Defendant provided accurate itemized statements to the Class;
 - 7) Whether or not waiting-time penalties are available to the Class for violation of California Labor Code § 203;
 - 8) Whether or not Defendant maintained requisite records;
 - 9) Whether or not Defendant paid proper meal period pay or rest period pay to the Class; and,
 - 10) Whether or not Defendant failed to reimburse necessary business expenses;
 - 11) Whether or not Defendant engaged in unlawful or unfair business practices affecting the Class in violation of California Business and Professions Code §§ 17200-17208.
- (c) Plaintiffs' claims are typical of the claims of the Class Members.
- (d) Plaintiffs and Class Counsel will fairly and adequately protect the interests of the Class.
- (e) The prosecution of separate actions by individual members of the Class would create the risk of inconsistent or varying adjudications, which would establish incompatible standards of conduct.
- (f) With respect to the Class, questions of law and fact common to the members of the Class predominate over any questions affecting any individual member in such Class, and that a class action is superior to other available means for the fair and efficient adjudication of the controversy.
22. Should, for whatever reason, the Settlement not become effective, the fact that the Parties were

1 willing to stipulate to certification as part of the Settlement shall have no bearing on, and shall not be
2 admissible in connection with, the issue of whether the Class Members and/or the Class Claims should be
3 certified in a non-Settlement context in this Action or in any other lawsuit. Defendant expressly reserves
4 its right to oppose class certification in this or any other action should this Settlement not become
5 effective.

6 23. Defendant denies any liability or wrongdoing of any kind whatsoever associated with the
7 claims alleged in the Complaint, and Defendant further denies that, for any purpose other than settling this
8 lawsuit, the action is appropriate for class or representative treatment. With respect to Plaintiffs' claims,
9 Defendant contends, among other things, that Plaintiffs and the Class Members have been paid proper
10 wages, have been provided meal periods, have been provided rest periods, have been paid timely wages
11 upon separation of employment, did not incur unreimbursed business expenses, and have been provided
12 with accurate itemized wage statements. Defendant contends, among other things, that it has complied at
13 all times with the California Labor Code and the applicable Wage Orders of the Industrial Welfare
14 Commission. Furthermore, with respect to all claims, Defendant contends that its has complied at all
15 times with the California Business and Professions Code.

16 24. It is the desire of the Parties to fully, finally, and forever settle, compromise, and discharge all
17 disputes and claims arising from or related to the Complaint.

18 25. Class Counsel has conducted a thorough investigation into the facts of this Action, including
19 an extensive review of relevant documents, and has diligently pursued an investigation of the claims of the
20 Class against Defendant. Based on its own independent investigation and evaluation, Class Counsel is of
21 the opinion that the Settlement with Defendant for the consideration and on the terms set forth in this Joint
22 Stipulation of Settlement is fair, reasonable, and adequate and is in the best interest of the Class in light of
23 all known facts and circumstances, including the risk of significant delay, the risk the Class will not be
24 certified by the Court, defenses asserted by Defendant, and numerous potential appellate issues.
25 Defendant and Defendant's Counsel also agree that the Settlement is fair and in the best interest of the
26 Class.

27 26. The Parties agree to cooperate and take all steps necessary and appropriate to obtain
28 preliminary and final approval of this Settlement.

1 27. The Parties agree to stay all proceedings in the Action, except such proceedings necessary to
2 implement and complete the Settlement, pending the Final Approval hearing to be conducted by the Court.

3 **PRIMARY TERMS OF SETTLEMENT**

4 28. NOW THEREFORE, in consideration of the mutual covenants, promises and agreements set
5 forth herein, the Parties agree, subject to the Court's approval, as follows:

- 6 (a) It is agreed by and among the Class and Defendant that this case and any claims,
7 damages, or causes of action arising out of the disputes which are the subject of
8 this case, be settled and compromised as between the Class and Defendant, subject
9 to the terms and conditions set forth in this Settlement and the approval of the
10 Court.
- 11 (b) Effective Date: The terms of settlement embodied in this Settlement shall become
12 effective when all of the following events have occurred: (i) this Joint Stipulation
13 of Settlement has been executed by all Parties and their respective counsel; (ii) the
14 Court has given preliminary approval to the Settlement; (iii) the Notice has been
15 given to the Class Members, providing them with an opportunity to dispute
16 information contained in the Notice, to opt out of the Settlement, or to object to the
17 Settlement; (iv) the Court has held a final fairness hearing and entered the Court's
18 Final Order and Judgement; and (v) the later of the following events: (a) when the
19 period for filing any appeal, writ or other appellate proceeding opposing the
20 Settlement has elapsed without any appeal, writ or other appellate proceeding
21 having been filed; (b) when any appeal, writ, or other appellate proceeding
22 opposing the Settlement has been dismissed finally and conclusively with no right
23 to pursue further remedies or relief; or (c) when any appeal, writ or other appellate
24 proceeding has upheld the Court's Final Order and Judgment with no right to
25 pursue further remedies or relief. In this regard, it is the intention of the Parties that
26 the Settlement shall not become effective until the Court's order approving the
27 Settlement is completely final, and there is no further recourse by an appellant or
28 objector who seeks to contest the Settlement.

- 1 (c) Total Maximum Settlement Payment: Defendant's maximum total payment under
2 the Settlement, including all attorney's fees and costs, the Service Payments to the
3 named Plaintiffs, the costs of settlement administration, the PAGA Allocation, and
4 any other payments provided by this Settlement, is \$2,500,000.00 ("Total
5 Maximum Settlement Payment" or "TMSP"), subject to the Escalator Clause and
6 except that, to the extent that any portions of the Class Members' Settlement
7 Payments constitute wages, Defendant will be separately responsible for any
8 employer payroll taxes required by law, including the employer FICA, FUTA, and
9 SDI contributions.
- 10 (d) Escalator Clause: Defendant represents that, as of April 15, 2021, there are
11 108,703 pay periods worked by approximately 4,023 Class Members during the
12 Class Period ("Affected Pay Periods"). If the actual number of Affected Pay
13 Periods, as of April 15, 2021 is more than 7.5% greater than 108,703, Defendant
14 shall increase the TMSP in proportion to the increase in Affected Pay Periods (e.g.
15 if the number of Affected Pay Periods is 10.0% greater than 108,703 pay periods as
16 of April 15, 2021, Defendant will increase the TMSP by 2.5%).
- 17 (e) Non-reversionary Settlement: No portion of the TMSP will revert to Defendant.
- 18 (f) No Claims Required: Class Members will not be required to submit a claim to
19 receive their Settlement payment.
- 20 (g) Net Settlement Amount: The Net Settlement Amount shall be calculated by
21 deducting from the TMSP (\$2,500,000.00) the following sums, subject to approval
22 by the Court: (1) attorney's fees (not to exceed 33 1/3% of the TMSP, or
23 \$833,333.33); (2) reasonable litigation costs (not to exceed \$30,000.00); (3) the
24 Service Payments (not to exceed \$10,000.00 per Named Plaintiff for a total of
25 \$20,000.00); (4) the PAGA Penalty Payment in the amount of \$75,000.00 (which
26 is 75% of the PAGA Allocation); and (5) costs of settlement administration
27 (estimated not to exceed \$38,000). Settlement Payments to the Class Members
28 will be calculated by the Settlement Administrator and paid out of the Net

1 Settlement Amount as set forth below.

2 (h) Payroll Taxes and Required Withholdings: To the extent that any portions of the
3 Qualified Class Members' Settlement Payments constitute wages, Defendant will
4 be separately responsible for any employer payroll taxes required by law, including
5 the employer FICA, FUTA, and SDI contributions. The Settlement Administrator
6 will calculate and submit the Defendant's employer share of payroll taxes after
7 advising Defendant of the total amount owed, in aggregate, as employer-side
8 payroll taxes and receiving a lump sum payment from Defendant in that amount
9 when the TMSP is delivered to the Settlement Administrator.

10 (i) Settlement Class Payments (Excludes PAGA Payments): Settlement Class
11 Payments will be paid out of the Net Settlement Amount. Each Qualified Class
12 Member will be paid a pro-rata share of the Net Settlement Amount (less the
13 PAGA Settlement Payments), as calculated by the Settlement Administrator. The
14 pro-rata share will be determined by comparing the individual Qualified Class
15 Member's Covered Pay Periods employed during the Class Period in California to
16 the total Covered Pay Periods of all the Qualified Class Members during the Class
17 Period as follows: [Pay periods worked by a Qualified Class Member] ÷ [Sum of
18 all Covered Pay Periods worked by all Qualified Class Members] × [Net
19 Settlement Amount – all PAGA Settlement Payments] = individual Settlement
20 Class Payment for a Qualified Class Member. Settlement Class Payments in the
21 appropriate amounts will be distributed by the Settlement Administrator by mail to
22 the Qualified Class Members. Un-cashed, unclaimed or abandoned checks, shall
23 be transmitted to the California State Controller's Office's Unclaimed Property
24 Division in the name of the Settlement Class Member, as set forth below.

25 (j) PAGA Payments: PAGA Settlement Payments will be paid out of the Net
26 Settlement Amount. Each PAGA Member will be paid a pro-rata share of the
27 \$25,000 PAGA Settlement Payment, as calculated by the Settlement
28 Administrator. Class Members will not be permitted to exclude themselves from

1 this portion of the Settlement. The pro-rata share will be determined by comparing
 2 the individual PAGA Member's PAGA Pay Periods during the PAGA Period to
 3 the total PAGA Pay Periods of all the PAGA Members during the PAGA Period as
 4 follows: [PAGA Pay Periods worked by a PAGA Member] ÷ [Sum of all PAGA
 5 Pay Periods worked by all PAGA Members] × [PAGA Settlement Payment] =
 6 individual PAGA Member's portion of the PAGA Settlement Payment. PAGA
 7 Settlement Payments to PAGA Member in the appropriate amounts will be
 8 distributed by the Settlement Administrator by mail to the PAGA Member at the
 9 same time Settlement Class Payments issue to the Settlement Class. Un-cashed,
 10 unclaimed or abandoned checks, shall be transmitted to the California State
 11 Controller's Office's Unclaimed Property Division in the name of the PAGA
 12 Member, as set forth below. The LWDA's PAGA Penalty Payment will issue to
 13 the LWDA at the same time Settlement Payments issue to the Settlement Class.

14 (k) Allocation of Settlement Payments: The Parties have agreed that Settlement Class
 15 Payments will be allocated as follows: 33 1/3% to wages, 33 1/3% to penalties, and
 16 33 1/3% to interest. The PAGA Settlement Payment shares to PAGA Members
 17 will be entirely allocated to penalties. Appropriate federal, state and local
 18 withholding taxes will be taken out of the wage allocations, and each Class
 19 Member will receive an IRS Form W-2 with respect to this portion of the
 20 Settlement Payment. The employer's share of payroll taxes and other required
 21 withholdings will be paid as set forth above, including but not limited to the
 22 Defendant's FICA and FUTA contributions, based on the payment of claims to the
 23 Class Members. IRS Forms 1099 will be issued to each Class Member reflecting
 24 the payments for penalties and interest. Class Members are responsible to pay
 25 appropriate taxes due on the Settlement Payments they receive. To the extent
 26 required by law, IRS Forms 1099 and W-2 will be issued to each Class Member
 27 with respect to such payments.

28 (l) Settlement Payments Do Not Give Rise to Additional Benefits: All Settlement

1 Payments to individual Class Members shall be deemed to be paid to such Class
2 Member solely in the year in which such payments actually are received by the
3 Class Member. It is expressly understood and agreed that the receipt of such
4 Settlement Payments will not entitle any Class Member to additional compensation
5 or benefits under any company bonus, contest or other compensation or benefit
6 plan or agreement in place during the period covered by the Settlement, nor will it
7 entitle any Class Member to any increased retirement, 401(k) benefits or matching
8 benefits or deferred compensation benefits. It is the intent that the Settlement
9 Payments provided for in this Settlement are the sole payments to be made by
10 Defendant to the Class Members, and that the Class Members are not entitled to
11 any new or additional compensation or benefits as a result of having received the
12 Settlement Payments (notwithstanding any contrary language or agreement in any
13 benefit or compensation plan document that might have been in effect during the
14 period covered by this Settlement).

15 (m) Attorney's Fees and Costs: Subject to approval by the Court, Defendant will not
16 object to Class Counsel's application for attorney's fees not to exceed 33 1/3% of
17 the Gross Settlement Amount (\$833,333.33) and reimbursement of litigation costs
18 and expenses not to exceed \$30,000.00. The difference between the amounts
19 requested as attorneys' fees and costs and the actual amounts awarded will be
20 distributed to the class as Settlement Payments.

21 (n) Service Payment: Subject to Court approval, and in exchange for a general release,
22 Defendant will not object to Class Counsel's application for an additional payment
23 of up to \$10,000.00 to each Plaintiff (for a total of \$20,000.00) for service as Class
24 Representatives ("Service Payment"). It is understood that the Service Payment is
25 in addition to the individual Settlement Payment to which Plaintiffs are entitled to
26 along with the other Class Members. In exchange, Plaintiffs have agreed to
27 release the Released Parties from any and all claims, whatsoever regarding
28 Plaintiffs' employment and/or termination of employment including, but not

1 limited to, any claims for wages, bonuses, severance pay, vacation pay,
2 penalties, employment benefits, stock options, retaliation, violation of any
3 personnel policy, any claims based on discrimination, harassment, unlawful
4 retaliation, violation of public policy, or damages of any kind whatsoever,
5 arising out of any theory of wrongful discharge, any theory of negligence, any
6 theory of retaliation, any legal restriction on any of Defendant's right to
7 terminate the employment relationship, or any federal, state, or other
8 governmental statute, executive order, regulation or ordinance, or common law,
9 or any other basis whatsoever, to the fullest extent provided by law through the
10 Class Period ("Plaintiffs' Released Claims"). Plaintiffs understand that this
11 release includes unknown claims and that they are, as a result, waiving all rights
12 and benefits afforded by Section 1542 of the California Civil Code, which
13 provides:

14 **A general release does not extend to claims that the creditor**
15 **or releasing party does not know or suspect to exist in his or**
16 **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.

17 Specifically excluded from Plaintiffs' Released Claims are any claims for workers'
18 compensation benefits. The Service Payment will issue at the same time all
19 Settlement Payments are mailed to the Settlement Class. The difference between
20 the amounts requested as a service payment and the actual amounts awarded will
21 be distributed to the class as Settlement Payments.

- 22 (o) Defendant or the Settlement Administrator will issue an IRS Form 1099 for the
23 Service Payment to the Plaintiffs. The Plaintiffs will be individually responsible
24 for correctly characterizing this compensation on personal income tax returns for
25 tax purposes and for paying any taxes on the amounts received. Should the Court
26 approve a Service Payment in an amount less than that set forth above, the
27 difference between the lesser amount(s) approved by the Court and the Service
28

1 Payment amount(s) set forth above shall be added to the Net Settlement Amount.
2 Plaintiffs agree not to opt out or object to the Service Payment as the Class
3 Representatives.

4 (p) Settlement Administrator: The Settlement Administrator will be ILYM Group,
5 Inc., or such Settlement Administrator as may be mutually agreeable to the Parties
6 and approved by the Court. Settlement Administration Costs are estimated not to
7 exceed \$30,000.

8 (q) Funding of Settlement Account: Defendant agrees to fund the settlement within 21
9 calendar days of the Effective Date.

10 (r) Mailing of Settlement Payments: The Settlement Administrator shall cause the
11 Settlement Payments to be mailed to the Class Members within 14 calendar days
12 after the final funds are deposited with the administrator.

13 (s) Notice of Settlement: Each Class Member will be mailed a notice setting forth the
14 material terms of the proposed Settlement, along with instructions about how to
15 object or request exclusion from the proposed class action Settlement ("Notice").
16 For each Class Member, there will be pre-printed information on the mailed
17 Notice, based on Defendant's records, stating the Class Member's Covered Pay
18 Periods during the Class Period and the estimated total Settlement Payment under
19 the Settlement, including the Settlement Class Payment and the PAGA Settlement
20 Payment that will be distributed irrespective of any exclusion request. The pre-
21 printed information based on Defendant's records shall be presumed to be correct.
22 A Class Member may dispute the pre-printed information on the Notice as to his or
23 her Covered Pay Periods during the Class Period. Class Members must mail any
24 dispute regarding the information on the Notice as to his or her Covered Pay
25 Periods, along with any supporting documentation, to the Settlement Administrator
26 within the Response Deadline. Unless a disputing Class Member submits
27 documentary evidence in support of his or her dispute, the records of the Defendant
28 will be determinative, subject to review by the Court.

- 1 (t) Settlement Notice Language: The Notice will issue in English and Spanish.
- 2 (u) Class Members Cannot Exclude Themselves from the Released PAGA Claims:
- 3 Class Members submitting a Request for Exclusion will nevertheless receive their
- 4 pro-rata share of the PAGA Settlement Payment. If the Court approves the
- 5 compromise of the PAGA Claim, all Class Members are bound by the Court's
- 6 resolution of that Claim. Plaintiffs shall serve a notice of settlement on the
- 7 California Labor and Workforce Development Agency at or before the time
- 8 Plaintiffs file the motion for preliminary approval.
- 9 (v) Resolution of Pay Period Disputes: If a Class Member disputes the accuracy of
- 10 Defendant's records used to calculate Covered Pay Periods, and the Parties'
- 11 counsel cannot resolve the dispute informally, the matter will be referred to the
- 12 Settlement Administrator. The Settlement Administrator will review Defendant's
- 13 records and any information or documents submitted by the Class Member and
- 14 issue a decision regarding the dispute. The Court reviewing this Settlement shall
- 15 have the authority to review and make a final decision regarding any Class
- 16 Member dispute. The Class Member must submit information or documents
- 17 supporting his or her position to the Settlement Administrator prior to the
- 18 expiration of the Response Deadline. Information or documents submitted after
- 19 the expiration of the Response Deadline will not be considered by the Settlement
- 20 Administrator, unless otherwise agreed to by the Parties.
- 21 (w) Right of Class Member to Request Exclusion from the Settlement: Any Class
- 22 Member may request to be excluded from the Class by mailing a "Request for
- 23 Exclusion" from the Settlement within the Response Deadline, stating, as follows
- 24 or in substantially similar terms:

25 "I WISH TO BE EXCLUDED FROM THE CLASS IN THE
26 *ALVAREZ V. SRG OPERATING, INC.*, CLASS ACTION
27 LAWSUIT, SAN FRANCISCO COUNTY SUPERIOR
28 COURT CASE NO. CGC-20-583540. I UNDERSTAND
THAT IF I ASK TO BE EXCLUDED FROM THE CLASS, I
WILL NOT RECEIVE ANY MONEY FROM THE
SETTLEMENT OTHER THAN MY SHARE OF THE PAGA

1 PAYMENT.”

2 Any Request for Exclusion must include the name, address, telephone number, last
3 four digits of the Class Member’s Social Security Number, and the signature of the
4 Class Member requesting exclusion. Any such request must be made in
5 accordance with the terms of the Notice, and the Notice will advise Class Members
6 of these requirements. Any Class Member who timely requests exclusion in
7 compliance with these requirements (i) shall not have any rights under this
8 Settlement other than a right to receive a pro-rata share of the portion of the PAGA
9 payment allocated to the Class Members; (ii) shall not be entitled to receive any
10 Settlement Payments under this Settlement other than as stated in (i) in this
11 paragraph; and (iii) shall not be bound by this Settlement or the Court’s Order and
12 Final Judgment other than as it applies to the PAGA Claim.

- 13 (x) Right of Settlement Class Member to Object to The Settlement: Any Class
14 Member who does not exclude him/herself from the Settlement may object to the
15 Settlement. To object, the Class Member may (1) appear in person at the Final
16 Approval Hearing to explain any objection, (2) have an attorney object for the
17 Class Member, or (3) submit a written brief or statement of objection to the
18 Settlement Administrator. If any Class Member chooses to submit a written
19 objection, the written objection must be mailed to the Settlement Administrator ,
20 and must contain sufficient information to confirm the identity of the objector and
21 the basis of the objection, including (1) the full name of the objecting Class
22 Member; (2) the signature of the objecting Class Member; (3) the grounds for the
23 objection; and (4) be postmarked within the Response Deadline to permit adequate
24 time for processing and review by the Parties of the written statement or objection.
25 The Settlement Administrator shall immediately send any objection to Class
26 Counsel, who shall ensure that any written objections are transmitted to the Court
27 for the Court’s review (either by Class Counsel or as an attachment to declaration
28 from the Settlement Administrator). A Class Member who does not object prior to

1 or at the Final Approval Hearing, will be deemed to have waived any objections
2 and will be foreclosed from making any objections (whether at the Final Approval
3 Hearing, by appeal, or otherwise) to the Settlement.

4 (y) Excessive Opt-Out Requests. If five percent (5%) or more Class Members timely
5 opt out of the Settlement, Defendant shall have the sole and absolute discretion to
6 rescind/void the Settlement within twenty (20) days after receiving from the
7 Settlement Administrator the final list of opt-outs. Defendant agrees to meet and
8 confer in good faith with Class Counsel before rescinding or voiding the
9 Settlement. In the event that Defendant elects to rescind/void the Settlement,
10 Defendant shall provide written notice of such rescission to Class Counsel. Such
11 rescission shall have the same effect as a termination of the Settlement for failure to
12 satisfy a condition of settlement, and the Settlement shall become null and void and
13 have no further force or effect. If Defendant rescinds/voids the Settlement pursuant
14 to this paragraph, then Defendant shall be solely responsible for paying the
15 Settlement Administrator any administrative costs incurred.

16 **THE SETTLEMENT ADMINISTRATOR'S PRIMARY DUTIES**

17 29. Subject to the Court's approval, and subject to reconsideration by the Parties after a
18 competitive bidding process, the Parties have agreed to the appointment of ILYM Group, Inc. to perform
19 the customary duties of Settlement Administrator. The Settlement Administrator will mail the Notice,
20 both in English and Spanish, to the Class Members.

21 30. The Settlement Administrator will independently review the Covered Pay Periods attributed to
22 each Class Member and will calculate the estimated amounts due to each Class Member and the actual
23 amounts due to each Qualified Class Member in accordance with this Settlement. The Settlement
24 Administrator will submit its preliminary calculations and formatted Notice documents to Class Counsel
25 and Defense Counsel for approval before mailing Notices, and will submit its final settlement payment
26 calculations to counsel for approval before mailing payments. The Settlement Administrator shall report,
27 in summary or narrative form, the substance of its findings. The Settlement Administrator shall be granted
28 reasonable access to Defendant's records in order to perform its duties.

1 31. In accordance with the terms of this Settlement, and upon receipt of Gross Settlement Amount
2 from Defendant, the Settlement Administrator will issue and send out the Settlement Payment checks to
3 the Class Members. Tax treatment of the Settlement Payments will be as set forth herein, and in
4 accordance with state and federal tax laws. All disputes relating to the Settlement Administrator's
5 performance of its duties shall be referred to the Court, if necessary, which will have continuing
6 jurisdiction over the terms and conditions of this Settlement until all payments and obligations
7 contemplated by this Settlement have been fully carried out.

8 32. The Settlement Administrator will post the final judgment approving the Settlement on a
9 website maintained by the Settlement Administrator for a period of not less than 90 calendar days after the
10 final judgment is entered. The address of that website will be included in the Notice.

11 **ATTORNEY'S FEES AND COSTS**

12 33. In consideration for resolving this matter and in exchange for the release of all claims by the
13 Class Members, including Plaintiffs, and subject to approval by the Court, Defendant will not object to
14 Class Counsel's application for attorney's fees not to exceed 33 1/3% of the TMSP (\$833,333.33 of
15 \$2,500,000.00) and litigation costs not to exceed \$30,000.00. The amounts set forth above will cover all
16 work performed and all fees and costs incurred to date, and all work to be performed and all fees and costs
17 to be incurred in connection with the approval by the Court of this Settlement and administration of the
18 Settlement. Should Class Counsel request a lesser amount and/or the Court approve a lesser amount(s) of
19 attorney's fees and/or attorneys' costs, the difference between the lesser amount(s) and the maximum
20 amount set forth above shall be added to the Net Settlement Amount. Attorneys' fees and costs approved
21 by the Court shall be paid to Class Counsel at the same time payments are mailed to Class Members. In
22 the event that the Court awards less than 1/3 of the TMSP for attorney's fees, Class Counsel shall retain
23 the right to appeal that portion of any Final Approval Order and Judgment.

24 **THE NOTICE PROCESS**

25 34. A Notice in approximately the form attached hereto as Exhibit "A," and as approved by the
26 Court, shall be sent by the Settlement Administrator to the Class Members by first class mail. The Notice
27 shall be translated into Spanish so that Spanish and English language versions of the Notice are included in
28 the mailing. Any returned envelopes from this mailing with forwarding addresses will be utilized by the

1 Settlement Administrator to forward the Notices to the Class.

2 (a) Within 20 calendar days from the date of preliminary approval of this Settlement
3 by the Court, Defendant shall provide to the Settlement Administrator a class
4 database containing the following information for each Class Member: (1) name;
5 (2) last known address; (3) social security number; and (5) dates of employment at
6 Defendant's locations in California. This database shall be based on Defendant's
7 payroll and other business records and shall be provided in a format acceptable to
8 the Settlement Administrator. Defendant agrees to consult with the Settlement
9 Administrator prior to the production date to ensure that the format will be
10 acceptable to the Settlement Administrator. The Settlement Administrator will run
11 a check of the Class Members' addresses against those on file with the U.S. Postal
12 Service's National Change of Address List. Absent mutual written agreement of
13 counsel for the Parties or Court order, the Settlement Administrator will keep this
14 database confidential and secure and use it only for the purposes described herein,
15 and will return this database to Defendant upon final approval of the settlement or
16 destroy electronic records containing the database after the Settlement is final and
17 all payments are distributed as required under this Agreement.

18 (b) Within 14 calendar days after the Class database is provided to the Settlement
19 Administrator, and following Counsel's approval of the formatted Notice
20 documents and the Settlement Administrator's preliminary calculations, the
21 Settlement Administrator will mail the Notices to the Class Members by First Class
22 United States mail.

23 (c) Notices returned to the Settlement Administrator as non-deliverable on or before
24 the initial Response Deadline shall be resent to the forwarding address, if any, on
25 the returned envelope. A returned Notice will be forwarded by the Settlement
26 Administrator any time that a forwarding address is provided with the returned
27 mail. If there is no forwarding address, the Settlement Administrator will do a
28 "skip trace" or equivalent computer search for a new address using the Class

1 Member's social security number or other information. In any instance where a
2 Notice is re-mailed, the Settlement Administrator must complete re-mailing within
3 three business days, that Class Member will have to respond by the original
4 response deadline or 14 calendar days after re-mailing, whichever is later. A letter
5 prepared by the Settlement Administrator will be included in the re-mailed Notice
6 in that instance, stating the extended response deadline. Upon completion of these
7 steps by the Settlement Administrator, Defendant and the Settlement Administrator
8 shall be deemed to have satisfied their obligations to provide the Notice to the
9 affected Class Member. The affected Class Member shall remain a member of the
10 Settlement Class and shall be bound by all the terms of the Settlement and the
11 Court's Order and Final Judgment.

12 (d) Class Counsel shall provide to the Court, at least five calendar days prior to the
13 final approval hearing, or such other date as set by the Court, a declaration by the
14 Settlement Administrator of due diligence and confirming mailing of the Notices.

15 **DISPOSITION OF SETTLEMENT PAYMENTS AND UNCASHED CHECKS**

16 35. As set forth above, each Class Member will have until the expiration of the applicable
17 Response Deadline to submit to the Settlement Administrator any challenge or dispute to the Class
18 Member's Covered Pay Period information on the Notice. No disputes will be honored if they are
19 submitted after the Response Deadline, unless the Parties mutually agree to accept the untimely dispute.
20 Each Class Member is responsible to maintain a copy of any documents sent to the Settlement
21 Administrator and a record of proof of mailing.

22 36. The Settlement Administrator shall cause the Settlement Payments to be mailed to the
23 Settlement Class Members and PAGA Employees as provided herein. Prior to mailing the Settlement
24 Payment checks, the Settlement Administrator shall check for updated addresses for all recipients, and in
25 the event that any check is returned as undeliverable, the check must be re-mailed within three business
26 days. The check will be re-mailed to the forwarding address, if any, on the returned envelope. If there is no
27 forwarding address, the Settlement Administrator will perform a "skip trace" or equivalent computer
28 search for a new address using the Class Member's social security number or other information.

Settlement Class Payments and PAGA Payments will be combined into one check. Settlement Payment checks shall remain valid and negotiable for 180 calendar days from the date of their issuance. Settlement Payment checks shall state the expiration date of the checks. Settlement Payment checks will automatically be cancelled by the Settlement Administrator if they are not cashed by the Class Member within that time, and the Class Member's relevant claims will remain released by the Settlement. Settlement Payment checks which have expired will not be reissued.

37. Funds from un-cashed or abandoned Settlement Payment checks, based on a 180-day void date, shall be transmitted to the California State Controller's Office's Unclaimed Property Division in the name of the Settlement Class or PAGA Member.

38. Upon completion of its calculation of Settlement Payments, the Settlement Administrator shall provide Class Counsel and Defendant's Counsel with a report listing the amounts of all payments to be made to Class Members (to be identified anonymously by employee number or other identifier). A Declaration attesting to completion of all payment obligations will be provided to Class Counsel and Defendant's Counsel and filed with the Court by Class Counsel.

RELEASE BY THE CLASS

39. Upon the final approval by the Court of this Settlement and payment of all funds due thereunder, and except as to such rights or claims as may be created by this Settlement, the Class Representatives, the Class and each Class Member who has not submitted a valid and timely request for exclusion as to claims other than the PAGA claim, will release claims as follows:

- (a) **Identity of Released Parties.** The released parties are Defendant SRG Operating, Inc. and any of its past, present, and future direct or indirect parents, subsidiaries, predecessors, successors, affiliates, and other related entities which are involved in owning or operating senior living communities in California, including but not limited to, SRG Pacific Mgmt, LLC, SRG Management LLC, SRG California Mgmt LLV, SRG Sacramento Mgmt LLV, SRG ServCo Management LLC, Sherman Oaks Subtenant LLC, SP Sherman Oaks LLC, LVR Subtenant LLC, SP La Vida Real LLC, Maravilla Subtenant LLC, SP Maravilla LLC, Northridge Subtenant LLC, SP Northridge LLC, PDR Subtenant LLC, SP Peninsula Del Rey

1 LLC, Laguna Hill Subtenant LP, Simi Hills Subtenant LP, Golden Gate Subtenant
2 LP, Burbank Subtenant LP, Mission Viejo Subtenant LP, Coventry Subtenant LP,
3 Kensington Subtenant LP, Sierra Pointe Subtenant LP, Cerritos Subtenant LP,
4 Regency Subtenant LP, Las Palmas Subtenant LP, as well as each of its or their
5 past, present and future officers, directors, employees, partners, members,
6 shareholders and agents, attorneys, insurers, reinsurer, and any individual or entity
7 which could be jointly liable with Defendant(collectively "Released Parties").

8 (b) **Date Release Becomes Active.** The Released Claims will be released upon full
9 payment of all funds due under the terms of this Settlement. Class Members will
10 not release the Released Claims or Released PAGA Claims until all funds due
11 under the Terms of the Settlement are paid and the Effective Date has occurred.

12 (c) **Claims Released by Settlement Class Members.** Each and every Class Member,
13 on behalf of himself or herself and his or her heirs and assigns, unless he or she has
14 submitted a timely and valid Request for Exclusion (which will not effectuate an
15 opt-out from the release of Released PAGA Claims), hereby releases the Released
16 Parties from the following claims for the entire Class Period:

- 17 1) all wage and hour claims that were alleged or could have been
18 alleged, known or unknown, including those based on the same or similar
19 facts in the Complaints and First Amended Complaint(s), and the
20 anticipated Second Amended Complaint filed by Named Plaintiffs in the
21 Action under any state law, federal law, common law, equity or other
22 theory, including the Claims set forth in the Lawsuit, specifically, (1)
23 Failure to Pay Wages for All Time Worked at Minimum Wage (LC §§
24 204, 223, 558, 558.1, 1194, 1997); (2) Failure to Pay Proper Overtime
25 Wages for Daily Overtime Hours Worked and All Hours Worked (LC §§
26 204, 510, 558, 558.1 1194, 1198); (3) Failure to Authorize or Permit Meal
27 Periods and Pay Meal Period Premium Wages at the Regular Rate of Pay
28 (LC §§ 512, 226.7); (4) Failure to Authorize or Permit Rest Periods (LC §

226.7); (5) Failure to Provide Complete and Accurate Wage Statements (LC §§ 226, 1174, 1174.5); (6) Failure to Timely Pay all Earned Wages and Final Paychecks Due at Time of Separation of Employment (LC §§ 201-203); (7) Failure to Reimburse Business Expenses (LC § 2802); (9) Unlawful Deductions; (8) Unfair Business Practices (Business & Professions code §§ 17200 et seq.); (9) Suitable Seating; and (10) Violation of the California Private Attorneys General Act of 2004 (Labor Code § 2698, et seq.), including those claims set forth in Named Plaintiffs Letters and Amended Letters to the Labor & Workforce Development Agency for alleged violations of Labor Code sections 201, 202, 203, 204, 218.5, 221, 223, 224, 226(a), 226.3, 226.7, 510, 512(a), 551, 552, 558, 1174, 1174.5, 194, 1194.2, 1197, 1197.1, 1198, 2800, 2802, and the IWC Wage Orders generally, predicated on the same or similar facts and/or claims alleged in the Actions, as well as any and all other claims under California common law, the California Labor Code including but not limited to the Private Attorneys General Act, the Fair Labor Standards Act, California Industrial Welfare Commission Wage Orders, and the California Business and Professions Code alleged in or that could have been alleged under the same or similar facts, allegations and/or claims pleaded in the Actions, as well as any claims for injunctive relief, declaratory relief, restitution, fraudulent business practices or punitive damages alleged or which could have been alleged under the facts, allegations and/or claims pleaded in the complaints filed as part of the Action, any and all other claims under law that were or could have been alleged under the allegations and/or claims pleaded in the Actions. Any and all federal claims, including but not limited to claims under the Fair Labor Standards Act, shall likewise be released, and shall be barred by the settlement by virtue of res judicata, in accordance with *Rangel v. PLS Check Cashers of Cal., Inc.* 889 F.3d 1106 (9th Cir. 2018).

1 The claims set forth in this Paragraph hereinabove shall be collectively
2 referred to as the "Released Claims."

- 3 2) Opt-in to Release Under Fair Labor Standards Act: Settlement Class
4 Members will be advised that they will opt in to a settlement of claims
5 for unpaid compensation under the Fair Labor Standards Act ("FLSA")
6 by cashing or otherwise depositing the check for their Settlement Class
7 Payment. This will be set forth in the Notice.
- 8 3) In addition, *all* Class Members employed during the PAGA Period,
9 whether requesting exclusion from the Settlement or not, shall release all
10 claims arising under the Private Attorneys General Act of 2004, Labor
11 Code § 2698 et seq., to the extent asserted in Named Plaintiffs'
12 administrative exhaustion letters submitted to the LWDA and/or any
13 Complaint in this matter (i.e., the Released PAGA Claims).

14 **DUTIES OF THE PARTIES PRIOR TO COURT APPROVAL**

15 40. The Parties shall submit this Joint Stipulation of Class Action Settlement to the Court in
16 support of Plaintiffs' unopposed motion for preliminary approval for determination by the Court as to its
17 fairness, adequacy, and reasonableness. Upon execution of this Joint Stipulation of Class Action
18 Settlement, the Parties shall apply to the Court for the entry of an order:

- 19 (a) Scheduling a final approval and fairness hearing on the question of whether the
20 proposed Settlement, including payment of attorney's fees and costs, and the Class
21 Representatives' service payment, should be finally approved as fair, reasonable,
22 and adequate as to the members of the Class;
- 23 (b) Certifying the Class for settlement purposes;
- 24 (c) Approving as to form and content the proposed Notice;
- 25 (d) Directing the mailing of the Notice;
- 26 (e) Preliminarily approving the Settlement subject only to the objections of Class
27 Members and final review by the Court;
- 28 (f) Conditionally appointing Plaintiffs and Class Counsel as representatives of the

1 proposed Class Members; and,

2 (g) Appointing ILYM Group, Inc. as the Settlement Administrator, and order the
3 Settlement Administrator to issue Notices as outlined above.

4 **DUTIES OF THE PARTIES FOLLOWING FINAL COURT APPROVAL**

5 41. In conjunction with the hearing of a motion for final approval by the Court of the Settlement
6 provided for in this Joint Stipulation of Settlement, Class Counsel will submit to the Court a proposed final
7 order and judgment containing provisions sufficient to accomplish the following:

- 8 (a) Approving the Settlement, adjudging the terms thereof to be fair, reasonable and
9 adequate, and directing consummation of its terms and provisions;
- 10 (b) Approving Class Counsel's application for an award of attorney's fees and costs;
- 11 (c) Approving the Service Payments to the Class Representatives;
- 12 (d) Adjudging the Settlement Administrator has fulfilled its initial notice and reporting
13 duties under the Settlement.
- 14 (e) Adjudging Plaintiffs and Class Counsel may adequately represent the Final
15 Settlement Class for the purpose of entering into and implementing the Agreement;
16 and
- 17 (f) Entering a final judgment in the action.

18 **NULLIFICATION AND TERMINATION**

19 42. This Settlement will be null and void if any of the following occur: (a) the Court should for any
20 reason fail to certify a class for settlement purposes; (b) the Court should for any reason fail to
21 preliminarily or finally approve of this Settlement in the form agreed to by the Parties, other than
22 adjustments made to the attorney's fees and costs or granting of Service Payments; (c) the Court should for
23 any reason fail to enter the final judgment; (d) the final judgment is reversed, modified, or declared or
24 rendered void; or (e) the Settlement does not become final for any other reason.

25 **PARTIES' AUTHORITY**

26 43. The signatories hereto hereby represent that they are fully authorized to enter into this
27 Settlement and bind the Parties hereto to the terms and conditions thereof.
28

1 **MUTUAL FULL COOPERATION**

2 44. The Parties agree to fully cooperate with each other to accomplish the terms of this Settlement
3 including, but not limited to, execution of such documents and taking such other action as reasonably may
4 be necessary to implement the terms of this Settlement. The Parties to this Settlement shall use their best
5 efforts, including all efforts contemplated by this Settlement and any other efforts that may become
6 necessary by order of the Court, or otherwise, to effectuate this Settlement and the terms set forth herein.
7 As soon as practicable after execution of this Settlement, Class Counsel shall, with the assistance and
8 cooperation of Defendant and Defendant's Counsel, take all necessary steps to secure the Court's
9 preliminary and final approval of this Settlement.

10 **NO PRIOR ASSIGNMENTS**

11 45. The Parties and their respective counsel represent, covenant, and warrant that they have not
12 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to
13 any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein
14 released and discharged except as set forth herein.

15 **NO ADMISSION OF LIABILITY**

16 46. Nothing contained herein, nor the consummation of this Settlement, is to be construed or
17 deemed an admission of liability, culpability, negligence, or wrongdoing on the part of Defendant.
18 Defendant denies all the claims and contentions alleged by the Plaintiffs in this case. The Defendant has
19 entered into this Settlement solely with the intention to avoid further disputes and litigation with the
20 attendant inconvenience and expenses.

21 **ENFORCEMENT ACTIONS**

22 47. In the event that one or more of the Parties to this Settlement institutes any legal action or other
23 proceeding against any other party or parties to enforce the provisions of this Settlement or to declare
24 rights and/or obligations under this Settlement, the successful party or parties shall be entitled to recover
25 from the unsuccessful party or parties reasonable attorney's fees and costs, including expert witness fees
26 incurred in connection with any enforcement actions.

27 **NOTICES**

28 48. Unless otherwise specifically provided herein, all notices, demands or other communications

given hereunder shall be in writing and shall be deemed to have been duly given as of the third business day after mailing by United States registered or certified mail, return receipt requested, addressed as follows:

Class Counsel:

Kane Moon
Allen Feghali
Enzo Nabiev
MOON & YANG, APC
1055 W. Seventh St., Suite 1880
Los Angeles, California 90017
Telephone: (213) 232-3128
Facsimile: (213) 232-3125
kane.moon@moonyanglaw.com
allen.feghali@moonyanglaw.com
enzo.nabiev@moonyanglaw.com

Paul K. Haines
HAINES LAW GROUP APC
2155 Campus Drive, Suite 180
El Segundo, California 90245
phaines@haineslawgroup.com

Defendant's Counsel

Jon Yonemitsu, Bar No. 199026
Noah J. Woods, Bar No. 264823
LITTLER MENDELSON, P.C.
501 W. Broadway, Suite 900
San Diego, CA 92101.3577
Telephone: 619.232.0441
Fax No.: 619.232.4302
jyonemitsu@littler.com
nwoods@littler.com

CONSTRUCTION

49. The Parties hereto agree that the terms and conditions of this Settlement are the result of lengthy, intensive arms-length negotiations between the Parties, and this Settlement shall not be construed in favor of or against any party by reason of the extent to which any party or his, her or its counsel participated in the drafting of this Settlement.

CAPTIONS AND INTERPRETATIONS

50. Paragraph titles or captions contained herein are inserted as a matter of convenience and for

1 reference, and in no way define, limit, extend, or describe the scope of this Settlement or any provision
2 hereof. Each term of this Settlement is contractual and not merely a recital.

3 **MODIFICATION**

4 51. This Settlement may not be changed, altered, or modified, except in writing and signed by
5 counsel for the Parties hereto, and approved by the Court. This Settlement may not be discharged except
6 by performance in accordance with its terms or by a writing signed by the Parties hereto.

7 **INTEGRATION CLAUSE**

8 52. This Settlement contains the entire agreement between the Parties relating to the Settlement
9 and transaction contemplated hereby, and all prior or contemporaneous agreements, understandings,
10 representations, and statements, whether oral or written and whether by a party or such party's legal
11 counsel, are merged herein. No rights hereunder may be waived except in writing.

12 **WAIVER OF APPEALS**

13 53. The Parties agree to waive appeals and to stipulate to class certification for purposes of
14 implementing this Settlement only, with the exception that Class Counsel retains the right to appeal the
15 amount awarded as attorney's fees in the event that the Court awards less than 1/3 of the TMSP as
16 attorney's fees.

17 **BINDING ON ASSIGNS**

18 54. This Settlement shall be binding upon and inure to the benefit of the Parties hereto and their
19 respective heirs, trustees, executors, administrators, successors and assigns.

20 **CLASS COUNSEL SIGNATORIES**

21 55. It is agreed that because the members of the Class are so numerous, it is impossible or
22 impractical to have each member of the Class execute this Settlement. The Notice will advise all Class
23 Members of the binding nature of the Released Claims and Released PAGA Claims, and the release shall
24 have the same force and effect as if this Settlement were executed by each member of the Class.

25 **COUNTERPARTS**

26 56. This Settlement may be executed in counterparts and by electronic or facsimile signatures, and
27 when each party has signed and delivered at least one such counterpart, each counterpart shall be deemed
28 an original, and, when taken together with other signed counterparts, shall constitute one Settlement,

1 which shall be binding upon and effective as to all Parties.

2 **AMENDMENT TO LWDA NOTICE AND COMPLAINT**

3 57. Upon execution of this Settlement, Named Plaintiffs will file an amended PAGA letter with
4 the LWDA ("Amended PAGA Letter"), followed by a joint stipulation in the Alvarez Class Action for
5 leave to file a second amended complaint ("Second Amended Complaint"), to consolidate all claims
6 alleged in the Alvarez Class Action and Picos Representative Action, to include all claims alleged in the
7 Alvarez Class Action and Picos Representative Action (with Picos' claims tolled based on the date of her
8 original PAGA notice), as well as all claims alleged in the other pending PAGA lawsuits against
9 Defendant including, but not limited to, claims for unlawful deduction of wages, suitable seating, unlawful
10 background checks, and unlawful non-compete agreements. Once the Second Amended Complaint is
11 filed, Picos shall file a request for dismissal in the Picos Representative Action without prejudice.

12 **CONFIDENTIALITY & PUBLIC COMMENT**

13 58. The Class Representatives and Class Counsel agree they will not make any disparaging
14 comments about Defendant relating to this Settlement of this class action or disclose the negotiations of
15 the Settlement. The Class Representatives and Class Counsel shall only disclose matters of public record
16 other than to Class Members, who may receive information about the Settlement that is not in the public
17 record after the Court has preliminarily approved the Settlement. Other than as to Class Members or as
18 expressly allowed below, the Parties and attorneys will keep the settlement confidential until the filing of
19 the motion for preliminary approval of the class settlement. Thereafter, the Parties agree to make no
20 comments to the media or otherwise publicize the terms of the Settlement, other than in court filings. To
21 the extent counsel for either Party wish to advertise this settlement, such advertising will be limited to a
22 statement that a matter was settled between a putative class and a "care facility." Any communication
23 about the Settlement to Class Members prior to the Court-approved mailing will be limited to (1) a
24 statement that a settlement has been reached, (2) a statement of any of the details that would necessarily be
25 included in any Court-approved Notice if a Class Member requests details about the proposed Settlement,
26 and (3) a warning that the terms of the proposed Settlement have not yet been approved by the Court.
27 Prior to preliminary approval, the Class Representatives are prohibited from discussing the terms or the
28 fact of the settlement with third parties other than (1) a spouse, (2) accountants or lawyers as necessary for

tax purposes, or (3) Class Members. At all times, the Class Representatives are prohibited from communicating about the terms or the fact of the settlement on any form of social media ("Social Media Bar"). In the event of a proven breach of the Social Media Bar, the violating Plaintiff shall forfeit one-half of the class representative enhancement payment, as a form of liquidated damages. Class Counsel will take all steps necessary to ensure the Class Representatives are aware of, and will adhere to, the restrictions against any public disclosure of the Settlement. Class Counsel will not include or use the settlement for any marketing or promotional purposes other than as expressly allowed above.

FINAL JUDGMENT

59. The Parties agree that, upon final approval of the Settlement, final judgment of this Action will be made and entered in its entirety. The final judgment may be included in the Order granting Final Approval of the Settlement.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action Settlement between Plaintiffs and Defendant as set forth below:

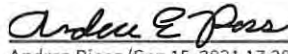
IT IS SO STIPULATED.

Plaintiffs & Class Representatives:

Dated: 7/30/2021

By: 
DocuSigned by:
0328BE468C9442F...
 Nubia Alvarez

Dated: Sep 15, 2021

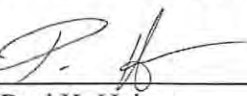
By: 
 Andrea Picos (Sep 15, 2021 17:20 PDT)
 Andrea Picos

Plaintiffs' Counsel:

Dated:

MOON & YANG, APC
 By: 
 Karen Moon
 Allen Feghali
 Attorneys for Plaintiffs

Dated: 9/15/2021

HAINES LAW GROUP, APC
 By: 
 Paul K. Haines
 Attorneys for Plaintiffs

1 **Defendant:**

2 Dated: 9/2/21

SRG Operating, Inc.

3 By: J. Wickliffe Peterson
4 Executive Vice President
5 Print Name
6 Signature
7 Title

8 **Defendant's Counsel:**

9 Dated: September 2, 2021

LITTLER MENDELSON, P.C.

10 NZL
11 By: Jon C. Yonemitsu
12 Noah Woods
13 Attorneys for Defendant

EXHIBIT A

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

Alvarez, et al. v. SRG Operating, Inc.

San Francisco Superior Court Case No. CGC-20-583540

A court authorized this Notice. This is not a solicitation by a lawyer. You are not being sued.

IF YOU ARE OR WERE EMPLOYED BY SRG OPERATING, INC. ("DEFENDANT") IN CALIFORNIA AS A NON-EXEMPT EMPLOYEE AT ANY TIME BETWEEN FEBRUARY 15, 2019 and <<the earlier of September 16, 2021 or the date upon which the Court grants final approval>>, THIS PROPOSED CLASS ACTION SETTLEMENT MAY AFFECT YOUR RIGHTS.

Why should you read this Notice?

A proposed settlement (the "Settlement") has been reached in a class action lawsuit entitled *Alvarez, et al. v. SRG Operating, Inc.*, San Francisco Superior Court Case No. CGC-20-583540 (the "Action"). The purpose of this Notice of Proposed Class Action Settlement ("Notice") is to briefly describe the Action and to inform you of your rights and options in connection with the Action and the proposed Settlement. The proposed Settlement will resolve all claims in the Action.

A hearing concerning final approval of the proposed Settlement will be held on <<**FA Date and Time**>> in Department 302 of the San Francisco Superior Court, Civic Center Courthouse, 400 McAllister Street, San Francisco, CA 94102, to determine whether the Settlement is fair, adequate and reasonable. As a Class Member, you are eligible to receive an individual Settlement Payment under the Settlement and will be bound by the release of claims described in this Notice and the Settlement Agreement filed with the Court, unless you timely request to be excluded from the Settlement.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
DO NOTHING – GET MONEY	If you do nothing, you will be considered part of the Class and will receive settlement benefits as explained more fully below. You will also give up rights to pursue a separate legal action against Defendant for the Released Claims asserted in the Action as explained more fully below.
EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS DEADLINE TO EXCLUDE YOURSELF: << RESPONSE DATE >>	You have the option to pursue separate legal action against Defendant about the claims in the Action. If you choose to do so, you must exclude yourself, in writing, from the Settlement by submitting a written Request to be Excluded. As a result, you will not receive any benefits under the Settlement. However, even if you request exclusion, you will receive payment for PAGA Penalties, and you will release PAGA claims as discussed below.
OBJECT TO THE SETTLEMENT DEADLINE TO SUBMIT WRITTEN OBJECTIONS: << RESPONSE DATE >>	To object to the Settlement, you may mail a written explanation of why you don't like the Settlement to the Settlement Administrator, appear at the final approval hearing, and/or hire an attorney at your expense to object for you. This option is available only if you do <u>not</u> exclude yourself from the Settlement. Do <u>not</u> submit a Request to be Excluded if you wish to object. <i>Written</i> objections must be submitted by << RESPONSE DATE >>. You may arrange to appear at the hearing remotely by visiting: https://sfsuperiorcourt.org/online-services/tentative-rulings

Who is affected by this proposed Settlement?

The Court has certified, for settlement purposes only, the following class (the "Class"):

All non-exempt employees of Defendant who worked for Defendant in California during the Class Period (the "Class Period" is February 15, 2019 through <<the earlier of September 16, 2021 or the date upon which the Court grants final approval>>).

According to Defendants' records, you are a member of the Class ("Class Member").

What is this case about?

In the Action, Plaintiffs Nubia Alvarez and Andrea Picos ("Plaintiff"), on behalf of themselves and the Class, allege that Defendant: (1) failed to pay minimum and straight time wages; (2) failed to pay overtime wages; (3) failed to provide meal periods; (4) failed to authorize and permit rest periods; (5) failed to timely pay all wages to terminated employees; (6) failed to furnish accurate itemized wage statements; (7) violated California's Unfair Competition Law, California Business and Professions Code section 17200 et seq.; and (8) violated provisions of the Labor Code giving rise to civil penalty liability under the Labor Code Private Attorneys General Act of 2004 [Lab. Code § 2699, et seq.]. Plaintiffs seek unpaid wages, actual damages, declaratory relief, statutory penalties, civil penalties under PAGA, restitution, interest, attorneys' fees, and costs.

Defendant denies all liability and is confident that it has strong legal and factual defenses to these claims, but it recognizes the risks, distractions, and costs associated with litigation. Defendant contends that their conduct is and has been lawful at all times relevant and that Plaintiffs' claims do not have merit and do not meet the requirements for class certification.

This Settlement is a compromise reached after good faith, arm's-length negotiations between Plaintiffs and Defendant (the "Parties"), through their attorneys, and is not an admission of liability on the part of Defendant. Both sides agree that this Settlement is fair, adequate and reasonable. Plaintiffs also believe this Settlement is in the best interests of all Class Members.

The Court has not ruled on the merits of Plaintiffs' claims or Defendant's defenses.

Who are the attorneys representing the Parties?

The attorneys representing the Parties in the Action are:

Class Counsel

Kane Moon
Allen Feghali
Enzo Nabiev
MOON & YANG, APC
1055 W. Seventh St., Suite 1880
Los Angeles, California 90017
Telephone: (213) 232-3128
Facsimile: (213) 232-3125
kane.moon@moonyanglaw.com
allen.feghali@moonyanglaw.com
enzo.nabiev@moonyanglaw.com

HAINES LAW GROUP, APC

Paul K. Haines (SBN 248226)
phaines@haineslawgroup.com
Tuvia Korobkin (SBN 268066)
tkorobkin@haineslawgroup.com
Alexandra R. McIntosh (SBN 320904)
amcintosh@haineslawgroup.com
2155 Campus Drive, Suite 180
El Segundo, California 90245
Tel: (424) 292-2350
Fax: (424) 292-2355

Defendant's Counsel

Jon Yonemitsu
Noah J. Woods
LITTLER MENDELSON, P.C.
501 W. Broadway, Suite 900
San Diego, CA 92101
Telephone: 619.232.0441
Fax No.: 619.232.4302
jyonemitsu@littler.com
nwoods@littler.com

Attorneys for Defendant
SRG OPERATING, INC.
Attorneys for Defendant
SRG Operating, Inc.

What are the Settlement terms?

Subject to final Court approval, Defendant will pay \$2,500,000 (the "Total Maximum Settlement Payment") for: (a) individual Settlement Payments to Settlement Class Members; (b) the Court-approved Class Representative Service Payment to Plaintiffs (\$10,000 each for a total of \$20,000); (c) the Court-approved attorneys' fees and costs to Class Counsel (\$833,333.33 in fees and up to \$30,000 in costs to be requested); (d) payment to the Labor

and Workforce Development Agency ("LWDA") for alleged PAGA penalties (\$75,000 of a total of \$100,000 allocated to PAGA penalties); and (e) payment to the Settlement Administrator for settlement administration services (up to an estimated maximum of \$38,000).

Individual Settlement Payments. After deduction from the Gross Settlement Amount for attorneys' fees and costs, the Class Representative Service Payments to Plaintiffs, the payment to the LWDA, and settlement administration costs, there will be a Net Settlement Amount. From this Net Settlement Amount, Defendants will make an individual Settlement Payment to each Class Member who does not request to be excluded from the Settlement ("Settlement Class Members").

\$25,000 of the Net Settlement Amount has been designated the PAGA Payment, and will be distributed to all Class Members based on each Class Member's pro rata number of pay periods worked during the Class Period. The remainder of the Net Settlement Amount shall be divided among all Settlement Class Members on a pro rata basis based upon the total number of pay periods worked by each respective Settlement Class Member as a non-exempt hourly employee in the State of California during the Class Period. Your estimated individual Settlement Payment is listed below.

Your estimated minimum settlement payment is <<Estimated Payment>> and your covered pay periods worked during the relevant period between February 15, 2019 and <<the earlier of September 16, 2021 or the date upon which the Court grants final approval>> are <<Pay Periods>>. To the extent you dispute the number of Pay Periods, you must make your dispute ("Pay Period Dispute") in writing and mail it to the Settlement Administrator. Your Pay Period Dispute must be postmarked no later than <<+60 days from date of mailing>> (the "Response Deadline") to:

ILYM Group, Inc., <<Mailing Address>>

Your Pay Period Dispute must be in writing and contain: (a) your full name, signature, address, telephone number, and the last four digits of your Social Security number; (b) the number of Pay Periods you contend is correct; and (c) any evidence supporting your contention. Defendant's records will be presumed correct unless you prove otherwise by credible evidence. The Settlement Administrator will resolve and decide all Pay Period Disputes, although its decisions will be reviewable by the Court during the Final Approval Hearing. **REMINDER:** If you believe your estimated individual Settlement Amount is incorrect because your Pay Period (the number of total pay periods you worked within the Class Period only) are wrong, the deadline to dispute the pay periods reported for you is <<RESPONSE DATE>>.

For tax reporting purposes, the payments to Settlement Class Members will be allocated 33 1/3% as wages, 33 1/3% as penalties, and 33 1/3% as interest, excluding the \$25,000 in PAGA Settlement Payments, which will be allocated as 100% penalties. The wage portion of the individual Settlement Payments shall be subject to the withholding of applicable local, state, and federal taxes, and the Settlement Administrator shall deduct applicable employee-side payroll taxes from the wage portion of the individual Settlement Payments. The portion of the Settlement Payments allocated to penalties and interest shall be classified as other miscellaneous income and reported on IRS Form 1099-MISC. Any taxes owed on that other miscellaneous income will be the responsibility of Class Members receiving those payments. The employer's share of any payroll taxes will be separately paid by Defendant.

All checks for individual Settlement Payments paid to Class Members shall advise that the checks will remain valid and negotiable for one hundred eighty (180) days from the date of the checks' issuance and shall thereafter automatically be void if not cashed by a Class Member within that time. The funds from any individual Settlement Payment that is not cashed by a Class Member within one hundred eighty (180) days of issuance shall be transmitted to the California State Controller's Office's Unclaimed Property Division in the name of the Settlement Class or PAGA Member. The Settlement Administrator shall void any tax documents issued to Class Members who did not cash their checks within 180 days of issuance. In such event, the Class Member shall nevertheless remain bound by the Settlement.

None of the Parties or attorneys make any representations concerning the tax consequences of this Settlement or your participation in it. Class Members should consult with their own tax advisors concerning the tax consequences of the Settlement. Class Counsel is unable to offer advice concerning the state or federal tax consequences of payments to any Class Member.

Class Counsel Attorneys' Fees and Costs, Class Representative Service Award, Settlement Administration Costs and Payment to the LWDA. Class Counsel will ask the Court to award attorneys' fees up to \$833,333.33

(one-third) of the Total Maximum Settlement Payment and reimbursement of reasonable costs incurred in the Action not to exceed \$30,000. In addition, Class Counsel will ask the Court to authorize a Class Representative Service Payments of \$10,000 for each Plaintiff for a total of \$20,000 for their efforts in bringing the case on behalf of the Class. The Parties estimate the cost of administering the Settlement will not exceed \$38,000.00. A payment in the amount of \$75,000.00 will also be made to the LWDA for PAGA penalties, which represents 75% of the \$100,000 set aside for payment under PAGA.

What claims are being released by the proposed Settlement?

Upon the final approval by the Court of this Settlement and payment of all funds due thereunder, and except as to such rights or claims as may be created by this Settlement, the Class Representative, the Class and each Class Member who has not submitted a valid and timely request for exclusion as to claims other than the PAGA claim, will release claims as follows:

(a) Identity of Released Parties. The released parties are SRG Operating, Inc., and any of its past, present, and future direct or indirect parents, subsidiaries, predecessors, successors, affiliates, and other related entities, including but not limited to SRG Pacific Mgmt, LLC, SRG Management LLC, SRG California Mgmt LLV, SRG Sacramento Mgmt LLV, SRG ServCo Management LLC, Sherman Oaks Subtenant LLC, SP Sherman Oaks LLC, LVR Subtenant LLC, SP La Vida Real LLC, Maravilla Subtenant LLC, SP Maravilla LLC, Northridge Subtenant LLC, SP Northridge LLC, PDR Subtenant LLC, SP Peninsula Del Rey LLC, Laguna Hill Subtenant LP, Simi Hills Subtenant LP, Golden Gate Subtenant LP, Burbank Subtenant LP, Mission Viejo Subtenant LP, Coventry Subtenant LP, Kensington Subtenant LP, Sierra Pointe Subtenant LP, Cerritos Subtenant LP, Regency Subtenant LP, Las Palmas Subtenant LP, as well as each of its or their past, present and future officers, directors, employees, partners, members, shareholders and agents, attorneys, insurers, reinsurer, and any individual or entity which could be jointly liable with Defendant (collectively "Released Parties").

(b) Date Release Becomes Active. The Released Claims will be released upon full payment of all funds due under the terms of this Settlement. Class Members will not release the Released Claims or Released PAGA Claims until and funds due under the Terms of the Settlement are paid and the Effective Date has occurred.

(c) Claims Released by Settlement Class Members. Each and every Class Member, on behalf of himself or herself and his or her heirs and assigns, unless he or she has submitted a timely and valid Request for Exclusion (which will not effectuate an opt-out from the release of Released PAGA Claims), hereby releases the Released Parties from the following claims for the entire Class Period:

1) all wage and hour claims that were alleged or could have been alleged, known or unknown, including those based on the same or similar facts in the Complaints and First Amended Complaint(s), and the anticipated Second Amended Complaint filed by Named Plaintiffs in the Action under any state law, federal law, common law, equity or other theory, including the Claims set forth in the Lawsuit, specifically, (1) Failure to Pay Wages for All Time Worked at Minimum Wage (LC §§ 204, 223, 558, 558.1, 1194, 1997); (2) Failure to Pay Proper Overtime Wages for Daily Overtime Hours Worked and All Hours Worked (LC §§ 204, 510, 558, 558.1 1194, 1198); (3) Failure to Authorize or Permit Meal Periods and Pay Meal Period Premium Wages at the Regular Rate of Pay (LC §§ 512, 226.7); (4) Failure to Authorize or Permit Rest Periods (LC § 226.7); (5) Failure to Provide Complete and Accurate Wage Statements (LC §§ 226, 1174, 1174.5); (6) Failure to Timely Pay all Earned Wages and Final Paychecks Due at Time of Separation of Employment (LC §§ 201-203); (7) Failure to Reimburse Business Expenses (LC § 2802); (8) Unlawful Deductions; (9) Unfair Business Practices (Business & Professions code §§ 17200 et seq.); (10) Suitable Seating; and (11) Violation of the California Private Attorneys General Act of 2004 (Labor Code § 2698, et seq.), including those claims set forth in Named Plaintiffs Letters and Amended Letters to the Labor & Workforce Development Agency for alleged violations of Labor Code sections 201, 202, 203, 204, 218.5, 221, 223, 224, 226(a), 226.3, 226.7, 510, 512(a), 551, 552, 558, 1174, 1174.5, 194, 1194.2, 1197, 1197.1, 1198, 2800, 2802, and the IWC Wage Orders generally, predicated on the same or similar facts and/or claims alleged in the Actions, as well as any and all other claims under California common law, the California Labor Code including but not limited to the Private Attorneys General Act, the Fair Labor Standards Act, California Industrial Welfare Commission Wage Orders, and the California Business and Professions Code alleged in or that could have been alleged under the same or similar facts, allegations and/or claims pleaded in the Actions, as well as any claims for injunctive relief, declaratory relief, restitution, fraudulent business practices or punitive damages alleged or which could have been alleged under the facts, allegations and/or claims pleaded in the complaints filed as part of the Action, any and all other claims under law that were or could have been alleged under the allegations and/or claims pleaded in the Actions. Any and all federal claims, including but not limited to claims under the Fair Labor Standards Act, shall likewise be released, and shall be barred by the settlement by virtue of res judicata, in accordance with *Rangel v. PLS Check Cashers of Cal., Inc.* 889 F.3d 1106

(9th Cir. 2018). The claims set forth in this Paragraph hereinabove shall be collectively referred to as the “Released Claims.”

2) Opt-in to Release Under Fair Labor Standards Act: If you cash or otherwise deposit your Settlement Class Payment check, you will opt in to a settlement of claims for unpaid compensation under the Fair Labor Standards Act (“FLSA”)

3) In addition, all Class Members employed during the PAGA Period, whether requesting exclusion from the Settlement or not, shall release all claims arising under the Private Attorneys General Act of 2004, Labor Code § 2698 et seq., to the extent asserted in Named Plaintiffs’ administrative exhaustion letter submitted to the LWDA and any Complaint in this matter (i.e., the Released PAGA Claims).

What are my options in this matter?

You have two options under this Settlement, each of which is further discussed below. You may: (A) remain in the Class and receive an individual Settlement Payment; or (B) exclude yourself from the Settlement. If you choose option (A), you may also object to the Settlement, as explained below.

If you remain in the Class, you will be represented at no cost by Class Counsel. Class Counsel, however, will not represent you for purposes of making objections to the Settlement. If you do not exclude yourself from the Settlement, you will be subject to any Judgment that will be entered in the Action, including the release of the Released Claims as described above.

OPTION A. Remain in the Class. If you wish to remain in the Class and be eligible to receive an individual Settlement Payment under the Settlement, **you do not need to take any action.** By remaining in the Class and receiving settlement monies, you consent to the release of the Released Claims as described above.

Any amount paid to Class Members will not count or be counted for determination of eligibility for, or calculation of, any employee benefits (for example, vacations, holiday pay, retirement plans, non-qualified deferred compensation plans, etc.), or otherwise modify any eligibility criteria under any employee pension benefit plan or employee welfare plan sponsored by Defendant, unless otherwise required by law.

Objecting to the Settlement: If you believe the proposed Settlement is not fair, reasonable, or adequate in any way, you may object to the Settlement. To object, you may appear in person at the Final Approval Hearing, have an attorney object for you, and/or submit a written brief or statement of objection (“written objection”) to the Settlement Administrator at ILYM Group, Inc., <<Mailing Address>>. If you submit a written objection, it should contain sufficient information to confirm your identity and the basis of the objection, including: (1) your full name; (2) the grounds for the objection; (3) your signature; and (4) be postmarked on or before <<**Response Deadline**>> and returned to the Settlement Administrator at the address listed above to ensure that it is received in time to be transmitted to and considered by the Court. You can also hire an attorney at your own expense to represent you in your objection. The Parties shall file responses to any written objections before the final approval hearing. Regardless of whether you object in writing, the Court may, in its sole discretion, permit you to state any objections you may have at the Final Approval Hearing. **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, unless the Settlement is not finally approved by the Court.**

Regardless of the form, an objection, alone will not satisfy the requirement that a Class Member must formally intervene and become a party of record in the action to appeal a Judgment entered following an Order finally approving this Settlement, as is required under the California Supreme Court decision of *Hernandez v. Restoration Hardware*, 4 Cal. 5th 260 (2018).

OPTION B. Request to Be Excluded from the Settlement and Receive No Money from the Settlement. If you do not want to be part of the Settlement, you must submit a written request to be excluded from the Settlement to the Settlement Administrator at ILYM Group, Inc., <<Mailing Address>>. In order to be valid, your written request to be excluded from the Settlement must be signed and include your name, address, and telephone number (to confirm your identity and make certain that only persons requesting exclusion are removed from the settlement), along with a statement like the following:

“I WISH TO BE EXCLUDED FROM THE CLASS IN THE *ALVAREZ V. SRG OPERATING, INC.*, CLASS ACTION LAWSUIT, SAN FRANCISCO COUNTY SUPERIOR COURT CASE NO. CGC-20-583540. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE

CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE SETTLEMENT OTHER THAN MY SHARE OF THE PAGA PAYMENT.”

Your written request to be excluded from the Settlement must then be signed and postmarked on or before <<**Response Deadline**>>. If you do not submit a written request to be excluded from the Settlement on time (as evidenced by the postmark), your written request to be excluded from the Settlement will be rejected, you will be deemed a participating Class Member, and you will be bound by the release of Released Claims as described above and all other terms of the Settlement. If you submit a written request to be excluded from the Settlement by the deadline to request exclusion, you will have no further role in the Action. **You will not be entitled to any benefit, including money**, as a result of the Action and Settlement (except any portion of the PAGA payment to which you may be entitled). You will not be able to object to the Court about any aspect of the Settlement.

What is the next step in the approval of the Settlement?

The Court will hold a Final Approval Hearing regarding the fairness, reasonableness and adequacy of the proposed Settlement, Class Counsel’s request for attorneys’ fees and costs, the Class Representative Service Payment to Plaintiff, the settlement administration costs, and the payment to the LWDA for PAGA penalties on <<**FA Date and Time**>> in Department 302 of the San Francisco Superior Court, Civic Center Courthouse, 400 McAllister Street, San Francisco, CA 94102. Because of healthcare guidance and Orders of the San Francisco Superior Court related to COVID-19, the hearing may be a telephonic hearing only. If you wish to attend the Final Approval Hearing remotely, visit <https://sfsuperiorcourt.org/online-services/tentative-rulings> for instructions on how to do so. The Final Approval Hearing may be continued without further notice to Class Members. You are not required to attend the Final Approval Hearing to receive an individual Settlement Payment.

How can I get additional information?

This Notice summarizes the Action and the basic terms of the Settlement. More details are in the Joint Stipulation of Class Action Settlement which you can access at the below website. The Joint Stipulation of Class Action Settlement and all other records relating to the lawsuit are available for inspection and/or copying at the Civil Records Office of the San Francisco Superior Court. Because of the San Francisco Superior Court’s COVID-19 pandemic procedures, in order to view documents filed in the lawsuit, Class Members may be required to make an appointment with the Court to view documents. You may also request a copy of the Settlement Agreement from Class Counsel referenced above. You can also obtain information regarding this settlement at: <<WEBSITE>>

PLEASE DO NOT CONTACT THE COURT FOR INFORMATION REGARDING THIS SETTLEMENT.

EXHIBIT B

Allen Feghali

From: FormAssembly <no-reply@formassembly.com> on behalf of DIR PAGA Unit
<lwdadonotreply@dir.ca.gov>
Sent: Wednesday, December 08, 2021 2:55 PM
To: Allen Feghali
Subject: Thank you for your Proposed Settlement Submission

12/08/2021 02:55:01 PM

Thank you for your submission to the Labor and Workforce Development Agency.

Item submitted: Proposed Settlement

If you have questions or concerns regarding this submission or your case, please send an email to pagainfo@dir.ca.gov.

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: http://labor.ca.gov/Private_Attorneys_General_Act.htm

EXHIBIT C

Activities Export

12/08/2021
3:02 PM

Date	Type	Description	Matter	User	Qty	Rate (\$)	Non-billable (\$)	Billable (\$)
11/01/2021	\$	File & Serve Xpress ● Unbilled	01014-Alvarez Alvarez v. SRG Operating Inc. (ED)	Seung Yang	1.00	14.00	-	14.00
09/21/2021	\$	Berger Consulting ● Unbilled	01014-Alvarez Alvarez v. SRG Operating Inc. (ED)	Seung Yang	1.00	450.00	-	450.00
09/08/2021	\$	File & Serve Xpress ● Unbilled	01014-Alvarez Alvarez v. SRG Operating Inc. (ED)	Seung Yang	1.00	7.00	-	7.00
09/08/2021	\$	File & Serve Xpress ● Unbilled	01014-Alvarez Alvarez v. SRG Operating Inc. (ED)	Seung Yang	1.00	7.00	-	7.00
06/26/2021	\$	Berger Consulting ● Unbilled	01014-Alvarez Alvarez v. SRG Operating Inc. (ED)	Seung Yang	1.00	1,687.50	-	1,687.50
04/01/2021	\$	File and Serve Xpress ● Unbilled	01014-Alvarez Alvarez v. SRG Operating Inc. (ED)	Seung Yang	1.00	7.00	-	7.00
01/04/2021	\$	LA Court Connect ● Unbilled	01014-Alvarez Alvarez v. SRG Operating Inc. (ED)	Seung Yang	1.00	15.00	-	15.00
12/01/2020	\$	File & ServeExpress ● Unbilled	01014-Alvarez Alvarez v. SRG Operating Inc. (ED)	Seung Yang	1.00	17.00	-	17.00
12/01/2020	\$	Mediation fee (p) ● Unbilled	01014-Alvarez Alvarez v. SRG Operating Inc. (ED)	Seung Yang	1.00	9,000.00	-	9,000.00
							\$0.00 0.0h	\$14,035.70 0.0h

Activities Export

12/08/2021
3:02 PM

Date ▼	Type	Description	Matter	User	Qty	Rate (\$)	Non-billable (\$)	Billable (\$)
11/30/2020	\$	File & Serve Express ● Unbilled	01014-Alvarez Alvarez v. SRG Operating Inc. (ED)	Seung Yang	1.00	17.00	-	17.00
11/02/2020	\$	File and Serve Xpress ● Unbilled	01014-Alvarez Alvarez v. SRG Operating Inc. (ED)	Seung Yang	1.00	7.00	-	7.00
10/31/2020	\$	File & Serve Express ● Unbilled	01014-Alvarez Alvarez v. SRG Operating Inc. (ED)	Seung Yang	1.00	7.00	-	7.00
10/01/2020	\$	File & Serve Express ● Unbilled	01014-Alvarez Alvarez v. SRG Operating Inc. (ED)	Seung Yang	1.00	7.00	-	7.00
09/30/2020	\$	File & Serve Express ● Unbilled	01014-Alvarez Alvarez v. SRG Operating Inc. (ED)	Seung Yang	1.00	7.00	-	7.00
08/10/2020	\$	File and Serve Express ● Unbilled	01014-Alvarez Alvarez v. SRG Operating Inc. (ED)	Seung Yang	1.00	7.00	-	7.00
08/10/2020	\$	File and Serve Express ● Unbilled	01014-Alvarez Alvarez v. SRG Operating Inc. (ED)	Seung Yang	1.00	7.00	-	7.00
08/10/2020	\$	File and Serve Express ● Unbilled	01014-Alvarez Alvarez v. SRG Operating Inc. (ED)	Seung Yang	1.00	7.00	-	7.00
07/31/2020	\$	File & Serve Express ● Unbilled	01014-Alvarez Alvarez v. SRG Operating Inc. (ED)	Seung Yang	1.00	21.00	-	21.00
							\$0.00 0.0h	\$14,035.70 0.0h

Activities Export

12/08/2021
3:02 PM

Date ▼	Type	Description	Matter	User	Qty	Rate (\$)	Non-billable (\$)	Billable (\$)
07/22/2020	\$	File and Serve Express ● Unbilled	01014-Alvarez Alvarez v. SRG Operating Inc. (ED)	Seung Yang	1.00	27.00	-	27.00
06/30/2020	\$	File & Serve Express ● Unbilled	01014-Alvarez Alvarez v. SRG Operating Inc. (ED)	Seung Yang	1.00	27.00	-	27.00
06/01/2020	\$	File & Serve Express ● Unbilled	01014-Alvarez Alvarez v. SRG Operating Inc. (ED)	Seung Yang	1.00	7.00	-	7.00
03/31/2020	\$	DDS ● Unbilled	01014-Alvarez Alvarez v. SRG Operating Inc. (ED)	Seung Yang	1.00	88.35	-	88.35
03/17/2020	\$	Complaint fee ● Unbilled	01014-Alvarez Alvarez v. SRG Operating Inc. (ED)	Seung Yang	1.00	1,671.85	-	1,671.85
03/17/2020	\$	Admin fee ● Unbilled	01014-Alvarez Alvarez v. SRG Operating Inc. (ED)	Seung Yang	1.00	750.00	-	750.00
03/10/2020	\$	LWDA ● Unbilled	01014-Alvarez Alvarez v. SRG Operating Inc. (ED)	Seung Yang	1.00	75.00	-	75.00
02/19/2020	\$	File and Serve Xpress ● Unbilled	01014-Alvarez Alvarez v. SRG Operating Inc. (ED)	Seung Yang	1.00	98.00	-	98.00
							\$0.00 0.0h	\$14,035.70 0.0h

EXHIBIT D

ILYM | GROUP, Inc.

SETTLEMENT ADMINISTRATION EXPERTS

Case Name: Alvarez v. SRG

Thursday, June 3, 2021

Requesting Attorneys Name:

Allen Feghali

E-Mail Address:

allen.feghali@moonyanglaw.com

ILYM Group Contact

Sean Hartranft

E-Mail

Sean@ilymgroupclassaction.com

Contact Number

949.690.2564

ESTIMATE FOR ADMINISTRATION SOLUTIONS

ASSUMPTIONS	
Estimated Class Size	4,023
Estimated Percentage of Undeliverable Mail	10%
Certified Spanish Translation	Yes
Static Website	Yes
NCOA	Yes

Activity	Rate Type	Unit Cost	Volume	Amount
CASE STARTUP				
Initial Setup - Import and Formatting of Data*	Hourly	\$150.00	6	\$900.00
Programming of Class Database	Hourly	\$175.00	6	\$1,050.00

*ILYM assumes that data will be in a standard format. Client will be notified immediately if not in standard format to correct data or ILYM can convert to standard format @ \$150.00 per hour.

Subtotal \$1,950.00

PROJECT MANAGEMENT				
Project Manager (Case notification and maintenance)	Hourly	\$120.00	10	\$1,200.00
Staff Hours for Processing Opt-Outs, Disputes & Objections	Hourly	\$70.00	6	\$420.00
Staff Hours for Processing Returned Mail	Hourly	\$70.00	4	\$280.00
Report Processing	Hourly	\$70.00	8	\$560.00
NCOA	Flat Fee	\$400.00	1	\$400.00
Toll-Free Call Center Support	Flat Fee	\$275.00	1	\$275.00
Certified Spanish Translation	Flat Fee	\$1,250.00	1	\$1,250.00
ILYM Group Static Website, Includes Hosting	Flat Fee	\$750.00	1	\$750.00
Weekly Reports	Flat Fee	\$500.00	1	Waived

Subtotal \$5,135.00

ILYM | GROUP, Inc.

SETTLEMENT ADMINISTRATION EXPERTS

Activity	Rate Type	Unit Cost	Volume	Amount
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NOTIFICATION/MAILING				
Fulfillment of Notice, English & Spanish	Per Piece	\$1.00	4,023	\$4,023.00
USPS First Class Postage	Per Piece	\$0.55	4,023	\$2,212.65
Re-Mails (Skip Trace/Undeliverable/Requests)	Per Piece	\$1.50	402	\$603.45
Storage, Photocopies, Deliveries	Flat Fee	\$300.00	1	\$300.00

Subtotal \$7,139.10

DISTRIBUTION (Includes EIN, Bank Acct * /QSF Setup)				
Distribution Setup & Management	Hourly	\$150.00	10	\$1,500.00
Account Reconciliation & Distribution Reporting	Hourly	\$125.00	10	\$1,250.00
Check Stub & Release - (including W-2 & 1099)	Per Check	\$1.00	4,023	\$4,023.00
Check Mailing Postage	Per Piece	\$0.55	4,023	\$2,212.65
Re-Mails (Skip Trace/Undeliverable/Requests)	Per Piece	\$1.50	241	\$362.07
Preparation of Taxes	Hourly	\$125.00	24	\$3,000.00
Annual Filing of Tax Return	Per Year	\$1,500.00	1	\$1,500.00

**Additional Bank fees may apply*

Subtotal \$13,847.72

CASE CONCLUSION				
Data Manager Final Reporting	Hourly	\$100.00	8	\$800.00
Project Manager Final Reporting	Hourly	\$120.00	8	\$960.00
Process Unclaimed Funds to State Controller	Flat Fee	\$750.00	1	\$750.00
Declarations	Hourly	\$125.00	6	\$750.00

Subtotal \$3,260.00

Total Case Estimate: \$31,331.82

DISCOUNTED WILL NOT EXCEED: \$29,500.00

ILYM | GROUP, Inc.

SETTLEMENT ADMINISTRATION EXPERTS

All services to be provided by ILYM Group, Inc. (hereinafter, "ILYM") to Client shall be subject to the following terms and conditions:

Services: Subject to the terms hereof, ILYM agrees to provide the Client with Administration Services (hereinafter, "services") as specified in the Proposal provided to Client to which these Terms and Conditions are attached. The estimate is in good faith and does not cover any applicable taxes and fees. The estimate does not make provision for any services or class members/size not delineated in the request for proposal or stipulations. Such services do not in any way constitute legal services or advice. ILYM is performing its services as an Independent Contractor and neither it nor its employees shall be deemed to be employees of the Client.

Mailing and Data Conversion: ILYM's database administration assumes the Client will provide complete data that includes all information required to send notifications and complete the administration process. Data must be provided in a complete, consistent, standardized electronic format. ILYM's standard format is Microsoft Excel, however, ILYM may accept other formats at its discretion. Further developments or enhancements to non-standardized data will be billed to Client by ILYM on a time and materials basis, according to ILYM's Standard Rates.

Charges for Services: Charges to the Client for services shall be on a time and materials basis at our prevailing rates, as the same may change from time to time. Any fee estimates set forth in the proposal are estimates only, based on information provided by Client to ILYM. Actual fees charged by ILYM to Client may be greater or less than such estimate, and Client shall be responsible for the payment of all such charges and expenses in accordance with Section 5 hereof. Charges incurred related to resolving post distribution withholdings and related corrective files due to voids and re-issues of payments and related correspondence with state and federal taxing authorities will not be charged to the Client to the extent that funds are received from the taxing authorities offset these charges. ILYM may derive financial benefits from financial institutions in connection with the deposit and investment of settlement funds with such institutions, including without limitation, discounts on eligible banking services and fees, and loans at favorable rates.

Indemnification: Client will indemnify and hold ILYM (and the officers, employees, affiliates and agents harmless against any Losses incurred by ILYM, arising out of, in connection with, or related to (i) any breach of the terms by Client; (ii) the processing and handling of any payment by ILYM in accordance with Client's instructions, including without limitation, the imposition of any stop payment or void payment on any check or the wrongful dishonor of a check by ILYM pursuant to Client's instructions.

Payment of Charges: ILYM reserves the right to request payment of postage charges and 50% of the final administration charges at the start of the case. ILYM bills are due upon receipt unless otherwise negotiated and agreed to with the Client. In the event settlement terms provide that ILYM is to be paid out of the Settlement Fund, ILYM will request that Counsel endeavor to make alternate payment arrangements for ILYM 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, or no later than the time of disbursement. Decisions of the court and actions of the parties, including disapproval or withdrawal of a settlement, do not affect the Client's liability to ILYM for payment of services. Services are not provided on a contingency fee basis.

Confidentiality: ILYM maintain reasonable and appropriate security measures and safeguards to protect the security and confidentiality of Client data provided to ILYM by Client in connection herewith. Should ILYM ever be notified of any judicial order or other proceedings in which a third party seeks to obtain access to the confidential data created by or for the Client, ILYM will promptly notify the Client, unless prohibited by applicable law. The Client shall have the option to (1) provide legal representation at the Client's expense to avoid such access or (2) promptly reimburse ILYM for any of its costs, including attorneys' fees, reasonably incurred in avoiding, attempting to avoid or providing such access and not paid by the entity seeking the data. If ILYM is required, pursuant to a court order, to produce documents, disclose data, or otherwise act in contravention of the obligations imposed by this Agreement, or otherwise, with respect to maintaining the confidentiality, proprietary nature and secrecy of the produced documents or disclosed data, ILYM will not be liable for breach of said obligation.

Data Rights: ILYM does not convey nor does the Client obtain any right in the programs, system data, or materials utilized or provided by ILYM in the ordinary course of business in the performance of this Agreement.

Document Retention: Unless directed otherwise in writing by Client, ILYM will destroy undeliverable mail on the effective date of the settlement or the date that the disposition of the case is no longer subject to appeal or review, whichever is later. ILYM will maintain claim forms and other correspondence for one year after final distribution of funds or benefits, or until the date that the disposition of the case is no longer subject to appeal or review, whichever is later.

Limitation of damages: ILYM is not responsible to the Client for any special, consequential or incidental damages incurred by Client. Any liability of ILYM to the Client shall not exceed the total amount billed to the Client for the particular services that give rise to any loss.

Termination: The services to be provided under this Agreement may be terminated, at will by the Client upon at least 30 calendar days' prior written notice to ILYM. The Client's obligation to pay for services or projects in progress at the time of notice of withdrawal shall continue throughout that 30 day period. ILYM may terminate this Agreement (i) with 10 calendar days' prior written notice, if the Client is not current in payment of charges or (ii) in any event, upon at least 3 months' prior written notice to the Client.

Notice: Any notice required or permitted hereunder shall be in writing and shall be delivered personally, or sent by registered mail, postage prepaid, or overnight courier service to the responsible officer or principal of ILYM or the Client, as applicable, and shall be deemed given when so delivered personally, or, if mailed, five days after the date of deposit in United States mail, or, if sent by courier, one business day after delivery to such courier service.

Force Majeure: To the extent performance by ILYM of any of its obligations hereunder is substantially prevented by reason of any act of God or by reason of any other matter beyond ILYM's reasonable control, then such performance shall be excused and this Agreement, at ILYM's option, be deemed suspended during the continuation of such condition and for a reasonable time thereafter.

Waiver of Rights: No failure or delay on the part of a party in exercising any right hereunder will operate as a waiver of, or impair, any such right. No single or partial exercise of any such right will preclude any other or further exercise thereof or the exercise of any other right. No waiver of any such right will be effective unless given in a signed writing.

Jurisdiction: The parties hereto submit to the jurisdiction of the Court of the applicable case for purposes of any suit, action or proceeding to enforce any provision of, or based on any right arising out of, this Agreement. The parties hereto hereby waive any objection to the laying of venue of any such suit, action or proceeding in the Court.

Entire Agreement: These terms and conditions and the proposal embody the entire agreement between the parties with respect to the subject matter hereof, and cancels and supersedes all prior negotiations, representations, and agreements related thereto, either written or oral, except to the extent they are expressly incorporated herein. No changes in, additions to, or waivers of, the terms and conditions set forth herein will be binding upon any party, unless approved in writing by such party's authorized representative.

1
2 **PROOF OF SERVICE**

3 STATE OF CALIFORNIA)
4) ss
5 COUNTY OF LOS ANGELES)

6 I am employed in the county of Los Angeles, State of California. I am over the age of 18
7 and not a party to the within action; my business address is 1055 West Seventh Street, Suite 1880,
8 Los Angeles, California 90017. On December 9, 2021, I served the foregoing document described
9 as:

10 **DECLARATION OF KANE MOON IN SUPPORT OF PLAINTIFFS NUBIA ALVAREZ**
11 **AND ANDREA PICOS' MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION**
12 **SETTLEMENT**

13 X by placing ___ the original X a true copy thereof enclosed in sealed envelope(s)
14 addressed as follows:

15 Jon Yonemitsu
16 Noah Woods
17 **LITTLER MENDELSON, P.C.**
18 501 W. Broadway, Suite 900
19 San Diego, CA 92101-3577
20 jyonemitsu@littler.com
21 nwoods@littler.com

22 *Attorneys for Defendant SRG Operating, Inc. dba Coventry Place*

23 [✓] **BY Via Court Approved Efiling & Eservice Vendor: FILE & SERVE EXPRESS:**
24 by transmitting via electric service the document(s) listed above to the parties and or
25 email address(es) set forth below.

26 X (State) I declare under penalty of perjury under the laws of the State of
27 California that the above is true and correct.

28 Executed on December 9, 2021, at Los Angeles, California.

Ximena Reyes
Name

/s/ Ximena Reyes
Signature