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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**

ERNESTO DELGADO, as individuals and on
behalf of all others similarly situated,

Plaintiffs,

vs.

KLOECKNER METALS CORPORATION,
a Delaware corporation; and DOES 1 through
50, inclusive,

Defendants.

Case No.: 20STCV22503

[Assigned to the Honorable Yvette M.
Palazuelos, Department 9]

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

Date: August 1, 2023

Time: 10:00 A.M.

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1. I am a Case Manager at Phoenix Settlement Administrators (“Phoenix”), the Court-appointed Class Action Settlement Administrator for *Delgado v. Kloeckner Metals Corporation* (the “Action”). I have personal knowledge of the facts stated herein and, if called upon to testify, I could and would testify competently to such facts.

3. On March 7, 2023, Phoenix received a data file from Defense Counsel that contained names, last known mailing addresses, Social Security numbers, dates of employment, and workweeks for each Class Member (“Class List”) during the Class Period. The final mailing list contained three hundred thirty-six (336) individuals identified as Class Members.

1 4. On March 13, 2023, Phoenix conducted a National Change of Address (“NCOA”)
2 search in an attempt to update the class list of addresses as accurately as possible. A search of this
3 database provides updated addresses for any individual who has moved in the previous four (4)
4 years and notified the U.S. Postal Service of their change of address.

5 5. On March 13, 2023, Phoenix mailed the Notice via U.S. first class mail, in English,
6 to all three hundred thirty-six (336) Class Members on the Class List. A true and correct copy of
7 the mailed Notice is attached hereto as **Exhibit A**.

8 6. As of the date of this declaration, five (5) Notices have been returned to Phoenix.
9 None were returned with a forwarding address. For the five (5) Notices returned from the Post
10 Office without a forwarding address, Phoenix attempted to locate a current mailing address using
11 TransUnion TLOxp, one of the most comprehensive address databases available for skip tracing.
12 Of the five (5) Notices that were skip traced, five (5) updated addresses were obtained and the
13 Notice was promptly re-mailed to those Class Members via first class mail.

14 7. As of the date of this declaration, zero (0) Notices are considered undeliverable.

15 8. As of the date of this declaration, Phoenix has received zero (0) Requests for
16 Exclusion from Class Members. The deadline to request exclusion from the Class Settlement was
17 April 27, 2023.

18 9. As of the date of this declaration, Phoenix has received zero (0) Notices of
19 Objection from Class Members. The deadline for objecting to the Class Settlement was April 27,
20 2023.

21 10. As of the date of this declaration, Phoenix has received zero (0) Workweek disputes
22 from Class Members. The deadline for submitting a dispute was April 27, 2023.

23 11. There are three hundred thirty-six (336) Class Members who did not submit timely
24 and valid Requests for Exclusion and are therefore deemed Settlement Class Members,
25 representing 100% of the Class. Settlement Class Members have worked a collective total of fifty-
26 four thousand three hundred forty (54,340) Workweeks during the Class Period. Each Workweek
27 is valued at approximately \$4.26.

1 12. The Escalator Clause of the Settlement Agreement indicates there were three
2 hundred thirty-nine (339) Class Members, and that if the number Class Members increases by
3 more than 10% (i.e. if there are more than three hundred seventy-three (373) Class Members), the
4 Gross Settlement Amount shall increase proportionally to such increase in Class Members over
5 three hundred seventy-three (373). Because the number of Class Members did not exceed this
6 amount, the Escalator Clause was not effectuated.

7 13. The Net Settlement Amount of \$231,724.51 available to pay Settlement Class
8 Members was determined by subtracting the requested Class Counsel attorneys' fees
9 (\$155,000.00), and Class Counsel costs (\$18,525.49), requested Enhancement Payment to Plaintiff
10 Delgado (\$10,000.00), the PAGA Amount (\$40,000.00), and the requested Claims Administration
11 Costs (\$9,750.00) from the Gross Settlement Amount (\$465,000.00).

12 14. Based upon the calculations stipulated in the Settlement, the highest Individual
13 Settlement Payment to be paid is approximately \$1,219.60, the lowest Individual Settlement
14 Payment to be paid is approximately \$4.26, while the average Individual Settlement Payment to
15 be paid is approximately \$689.66. Settlement Class Members will be issued payment of their
16 Individual Settlement Payments subject to reduction for the employee's share of taxes and
17 withholdings with respect to the wages portion of the Individual Settlement Payment.

18 15. Additionally, \$40,000.00 of the Gross Settlement Amount has been allocated
19 toward penalties under the Private Attorneys General Act ("PAGA Amount"), of which 75%, or
20 \$30,000.00, shall be paid to the Labor and Workforce Development Agency ("LWDA"), and 25%,
21 or \$10,000.00, of which shall be paid to all current and former hourly non-exempt individuals who
22 are or were employed by Defendant during the PAGA Period. There are two hundred twenty-nine
23 (229) Aggrieved Employees who worked a total of twenty thousand nine hundred ninety-nine
24 (20,999) workweeks during the PAGA Period. The highest Individual PAGA Payment to be paid
25 is approximately \$59.53, and the average Individual PAGA Payment to be paid is approximately
26 \$43.69.

27 16. Pursuant to the Settlement, Defendant has agreed to fund the employer-side taxes
28 due separately and apart from the Gross Settlement Amount.

17. Phoenix's costs associated with the administration of this matter are \$9,750.00. This includes all costs incurred to date, as well as estimated costs involved in completing the settlement distribution. A true and correct copy of the invoice from Phoenix is attached hereto as **Exhibit B.**

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

Executed this 5th day of July 2023, at Orange, California.

[Handwritten signature]

KEVIN LEE

Exhibit A

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT
Ernesto Delgado v. Kloeckner Metals Corporation et al.
(Los Angeles Superior Court, Case No. 20STCV22503)

«PSA_ID»

You are not being sued. This is not an ad. This notice affects your rights. Please read it carefully.

YOU ARE ESTIMATED TO RECEIVE APPROXIMATELY «esa_before_paga» THROUGH THIS CLASS ACTION SETTLEMENT

YOU ARE ESTIMATED TO RECEIVE APPROXIMATELY «PAGA_Amount» THROUGH THIS PRIVATE ATTORNEYS GENERAL ACTION SETTLEMENT

You have received this Notice of Proposed Class Action Settlement because Kloeckner Metals Corporation's ("Defendant") records show you are what is called a "Class Member," and therefore are entitled to a payment from this class action settlement. Class Members are all persons employed by Defendant in California as an hourly non-exempt employee during the period of April 6, 2016 through October 4, 2021 [the "Class Period"].

On February 15, 2023, the Honorable Yvette Palazuelos of the Los Angeles Superior Court granted preliminary approval of this class action Settlement and ordered that all Class Members be notified of the Settlement.

Unless you choose not to participate in the Settlement (in other words, you choose to "opt out") by following the procedures described below, you will be considered a Participating Class Member, and if the Court grants final approval of the Settlement, you will be mailed a check for your share of the settlement proceeds.

The Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at 10:00 a.m. on August 1, 2023, in Courtroom 9 of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA, 90012. You are not required to attend the Hearing, but you are welcome to do so.

What Is This Case About?

Ernesto Delgado is a former employee of Defendant. He is the "Plaintiff" in this case and is suing on behalf of himself and all Class Members. Plaintiff sued Defendant claiming that he and Class Members did not receive all legally compliant meal and rest periods, did not receive payment of final wages at time of separation from employment, that their paystubs did not contain all required information required by law, and unfair competition. Based on these violations, Plaintiff and Class Members also claim associated penalties under the California Private Attorneys General Act of 2004 ("PAGA").

Defendant denies it engaged in any alleged unlawful conduct and assert that it provided all legally compliant meal and rest periods, properly paid all amounts owed to them, properly compensated their employees properly at the time of separation of employment, provided legally compliant wage statements, and the United States District Court has made no ruling on the merits of Plaintiff's claims.

Plaintiff entered into settlement discussions with Defendant in an attempt to resolve the disputed claims in this case. The parties have negotiated a settlement on behalf of themselves and the Class Members with the assistance of a mediator. The parties' agreement has been documented in a Joint Stipulation of Settlement ("Joint Stipulation"). The Court has only preliminarily approved the Joint Stipulation. The Court will decide whether to give final approval to the Settlement at the Final Approval Hearing.

Plaintiff's attorneys are Larry W. Lee, Esq., Kristen Agnew, and Nicholas Rosenthal of Diversity Law Group, P.C. ("Class Counsel"). Class Counsel has investigated and researched the facts and circumstances underlying the issues raised in this case and the applicable law. While Class Counsel believes Plaintiff's claims in this lawsuit have merit, Class Counsel also recognizes that the risk and expense of continued litigation justify settlement. Because of this, Class Counsel believes the proposed Settlement is fair, adequate, reasonable, and in the best interests of the Class Members.

Defendant has denied and continues to deny Plaintiff's factual and legal allegations. Defendant believes this case has little to no merit. By agreeing to settle, Defendant is not admitting liability on any of the factual allegations or claims in this case or that this case can or should proceed as a class action.

Summary of the Settlement Terms

Plaintiff and Defendant have agreed to settle this case on behalf of himself and the Class Members in exchange for the Gross Settlement Amount of \$465,000. The Gross Settlement Amount includes: (1) Individual Settlement Payments to participating Class Members; (2) Claims Administration Costs estimated to be no more than \$11,000; (3) \$10,000 service payment to Plaintiff for his time and efforts in pursuing this case and in exchange for a general release of claims against Defendant; (4) a \$30,000 payment to the California Labor and Workforce Development Agency for settlement of the PAGA claims; and (5) subject to Court approval of an application for fees and costs, an award of up to \$155,000 in attorneys' fees and up to \$25,000 in litigation costs and expenses to Class Counsel. After deducting the Claims Administration Costs, the service payment to Plaintiff, the payment to the California Labor and Workforce Development Agency, and attorneys' fees and costs/expenses, a total of approximately \$234,000 will be available to Class Members who do not opt out of the Settlement ("Net Settlement Amount").

Plan of Distribution to Class Members

Individual Settlement Payments will be calculated and apportioned from the Net Settlement Amount based on the number of weeks a Class Member worked during the Class Period ("Workweeks").

According to Defendant's records, you worked «Total_Weeks» Workweeks during the Class Period. Accordingly, your estimated payment is approximately «esa_before_paga».

If you believe the information provided above as to the number of your Workweeks is incorrect and wish to dispute it, please contact the Claims Administrator at Phoenix Settlement Administrators, P.O. Box 7208, Orange, CA 92863 no later than 30 days after the date this Notice of Class Action Settlement was mailed to you. If you dispute the information stated above, the information Defendant provided to the Claims Administrator will control unless you are able to provide documentation that establishes otherwise.

Plan of Distribution to Aggrieved Employees

PAGA Individual Settlement Payments will be calculated and apportioned from the PAGA portion of the Net Settlement Amount based on the number of weeks an Aggrieved Employee worked during the PAGA Period ("PAGA Workweeks").

According to Defendant's records, you worked «PAGA_work_Weeks» PAGA Workweeks during the PAGA Period. Accordingly, your estimated PAGA payment is approximately «PAGA_Amount».

If you believe the information provided above as to the number of your PAGA Workweeks is incorrect and wish to dispute it, please contact the Claims Administrator at Phoenix Settlement Administrators, P.O. Box 7208, Orange, CA 92863 no later than 30 days after the date this Notice of Class Action Settlement was mailed to you. If you dispute the information stated above, the information Defendant provided to the Claims Administrator will control unless you are able to provide documentation that establishes otherwise.

Class Member Tax Matters

IRS Forms W-2 and 1099-MISC will be distributed to participating Class Members and the appropriate taxing authorities reflecting the payments Class Members receive under the Settlement. Class Members should consult their tax advisors concerning the tax consequences of the payments they receive under the Settlement. For purposes of this Settlement, 20% of each Individual Settlement Payment will be allocated to alleged unpaid wages, 80% will be allocated as penalties and interest. All PAGA payments will be considered 100% penalties exclusively. Again, please consult a tax advisor regarding the significance of how each Individual Settlement Payment is allocated between wages, penalties, and interest. This notice is not intended to provide legal or tax advice. To the extent this notice or any of its attachments is interpreted to contain or constitute advice regarding any United States or Federal tax issue, such advice is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding penalties under the Internal Revenue Code.

Your Options Under the Settlement

Option 1 – Automatically Receive a Payment from the Settlement

If you want to receive your payment from the Settlement, then no further action is required on your part. You will automatically receive your Individual Settlement Payment from the Claims Administrator if and when the Settlement receives final approval by the Court.

If you choose **Option 1** and the Court grants final approval of the Settlement, you will be mailed a check for your share of the Settlement funds. In addition, you will be deemed to have released or waived the following claims (“Released Claims”):

a. All claims, including penalties, costs and attorneys’ fees related thereto, that were or could have been brought under the facts and allegations made in the operative Complaint for violation of Labor Code sections 226.7 and 512, that accrued during the period of April 6, 2016 through October 4, 2021;

b. All claims, including penalties, costs and attorneys’ fees related thereto, that were or could have been brought under the facts and allegations made in the operative Complaint for violation of Labor Code section 226, that accrued during the period of April 6, 2019 through October 4, 2021;

c. All claims, including penalties, costs and attorneys’ fees related thereto, that were or could have been brought under the facts and allegations made in the operative Complaint for violation of Labor Code sections 201, 202 and 203, that accrued during the period of June 26, 2018 through October 4, 2021; and

d. All claims for penalties under the California Private Attorneys’ General Act, including costs and attorneys’ fees related thereto, predicated on the violation of Labor Code sections 201, 202, 203, 212, 213, 226(a), 226.3, 226.7 and 512, that accrued during the period of May 20, 2019 through October 4, 2021.

Released Parties means:

Defendant and its present and former officers, directors, members, managers, shareholders, agents, subsidiaries, insurers, operators, partners, professional employment organizations, successors and assignees.

Option 2 – Opt Out of the Settlement

If you do not wish to participate in the Settlement, you may exclude yourself from participating by submitting a written request to be excluded from the class, to the Claims Administrator. Your written request must expressly and clearly indicate that you do not want to participate in the settlement, and you want to be excluded from the *Ernesto Delgado v. Kloeckner Metals Corporation* settlement. The written request for exclusion must include your name, address, telephone number, and last four digits of your Social Security Number. Sign, date, and mail your written request for exclusion by U.S. First-Class Mail or equivalent, to the address below.

Claims Administrator
c/o Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA 92863
Telephone: (800) 523-5773

The written request to be excluded from the Settlement must be postmarked to the Claims Administrator not later than April 27, 2023. If you submit a request for exclusion which is not postmarked by April 27, 2023, your request for exclusion will be rejected, and you will be included in the Settlement Class.

If you choose **Option 2**, you will no longer be a Class Member. Therefore, you (1) will not receive any class payment from the Settlement, (2) will not be deemed to have released any class claims due to this Settlement, and (3) will be barred from filing an objection to the Settlement. **However, you will still be a part of the PAGA settlement and therefore will release the PAGA claims brought in this matter and will receive a payment for your share of the PAGA settlement.**

Option 3 – *File an Objection to the Settlement*

If you wish to object to the Settlement because you find it unfair or unreasonable, you may object to the terms of the Settlement. Your objection must provide: your full name, address and telephone number, the last four digits of your Social Security Number, the dates you were employed by Defendant, and your objections to the Settlement including each specific reason in support of each objection and any legal support for each objection. Sign, date, and mail your written objection by U.S. First-Class Mail or equivalent, to the address below.

Claims Administrator
c/o Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA 92863
Telephone: (800) 523-5773

Your objection must be mailed and postmarked by not later than April 27, 2023.

Late objections will not be considered. By filing an objection, you are not excluding yourself from the Settlement. To exclude yourself from the Settlement, you must follow the directions described above in Option 2. Please note that you cannot both object to the Settlement and exclude yourself. You must choose one option only.

Regardless of whether or not you have submitted a written objection, you may also appear or appear through counsel of your choice, paid at your own expense, and be heard at the time of the Final Approval Hearing set for August 1, 2023 at 10:00 a.m. in Courtroom 9 of the Los Angeles Superior Court, Spring Street Courthouse located at 312 North Spring Street, Los Angeles, CA, 90012, and discuss your objections with the Court and the Parties. Face masks are not required but are strongly encouraged for all those who choose to appear in person.

If you choose **Option 3**, you will still be entitled to the money from the Settlement. If the Court overrules your objections, you will be deemed to have released the Released Claims.

Additional Information

This Notice of Class Action Settlement is only a summary of this case and the Settlement. For a more detailed statement of the matters involved in this case and the Settlement, you may refer to the pleadings, the Joint Stipulation of Settlement, and other papers filed in this case, which may be inspected at the Los Angeles Superior Court, Spring Street Courthouse, 312 North Spring Street, Los Angeles, CA, 90012, during regular business hours of each court day.

All questions by Class Members regarding this Notice of Class Action Settlement and/or the Settlement should be directed to the Claims Administrator or Class Counsel.

The contact information for Class Counsel is as follows:

DIVERSITY LAW GROUP, P.C.
Larry W. Lee
Kristen Agnew
Nick Rosenthal
515 S. Figueroa Street, Suite 1250
Los Angeles, CA 90071
Telephone: (213) 488-6555
Fax: (213) 488-6554

**PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE, DEFENDANTS, OR
THEIR ATTORNEYS WITH QUESTIONS.**

Exhibit B



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

CASE ASSUMPTIONS

Class Members	336
Opt Out Rate	0%
Opt Outs Received	0
Total Class Claimants	336
Subtotal Admin Only	\$9,876.73
TOTAL COSTS	\$9,750.00

July 5, 2023

Case: Delgado v. Kloeckner Metals Corporation

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

Administrative Tasks:	Rate	Hours/Units	Line Item Estimate
Programming Manager	\$115.00	3	\$345.00
Programming Database & Setup	\$115.00	3	\$345.00
Toll Free Setup*	\$140.00	1	\$140.00
Call Center & Long Distance	\$2.00	40	\$80.00
NCOA (USPS)	\$100.00	1	\$100.00
		Total	\$1,010.00

Data Merger & Scrub / Notice Packet, Opt-Out Form & Postage /Translation

Project Action	Rate	Hours/Units	Line Item Estimate
Notice Packet Formatting	\$105.00	4	\$420.00
Data Merge & Duplication Scrub	\$0.25	336	\$84.00
Notice Packet & Opt-Out Form	\$1.75	336	\$588.00
Postage (up to 1 oz.)	\$0.84	336	\$282.24
		Total	\$1,374.24

Skip Tracing & Remailing Notice Packets / Tracking & Programming Undeliverables

Project Action:	Rate	Hours/Units	Line Item Estimate
Case Associate	\$55.00	3	\$165.00
Skip Tracing Undeliverables	\$1.50	5	\$7.50
Remail Notice Packets	\$1.75	5	\$8.75
Postage	\$0.84	5	\$4.20
Programing Undeliverables	\$50.00	2	\$100.00
		Total	\$285.45

Database Programming / Processing Opt-Outs, Deficiencies or Disputes

Project Action:	Rate	Hours/Units	Line Item Estimate
Programming Claims Database	\$125.00	3	\$375.00
Non Opt-Out Processing	\$125.00	2	\$250.00
Case Associate	\$55.00	3	\$165.00
Opt-Outs/Deficiency/Dispute Letters	\$5.00	2	\$10.00
Case Manager	\$85.00	3	\$255.00
		Total	\$1,055.00

Calculation & Disbursement Programming/ Create & Manage QSF/ Mail Checks			
Project Action:	Rate	Hours/Units	Line Item Estimate
Programming Calculations	\$115.00	3	\$345.00
Disbursement Review	\$115.00	4	\$460.00
Programming Manager	\$95.00	3	\$285.00
QSF Fees, Bank Account & EIN	\$75.00	3	\$225.00
Check Run Setup & Printing	\$100.00	4	\$400.00
Mail Class Checks, W2 and 1099 *	\$2.00	336	\$672.00
Estimated Postage Checks, W2 and 1099	\$0.64	336	\$215.04
Total			\$2,602.04

* Checks are printed on 8.5 x 11 in. sheets with W2/1099 Tax Filing

Tax Reporting & Reconciliation / Re-Issuance of Checks / Conclusion Reports and Declarations			
Project Action:	Rate	Hours/Units	Line Item Estimate
Case Supervisor	\$115.00	3	\$345.00
Remail Undeliverable Checks (Postage Included)	\$3.50	25	\$87.50
Case Associate	\$55.00	4	\$220.00
Reconcile Uncashed Checks	\$85.00	3	\$255.00
Conclusion Reports	\$115.00	3	\$345.00
Case Manager Conclusion	\$85.00	2	\$170.00
Final Reporting & Declarations	\$115.00	1	\$115.00
Uncashed Check Notice Postcard (Postage Included)	\$2.50	75	\$187.50
Uncashed Check QSF Tax Filing	\$150.00	3	\$450.00
IRS & QSF Annual Tax Reporting * (State Tax Reporting Included)	\$1,375.00	1	\$1,375.00
Total			\$3,550.00

* All applicable California State & Federal taxes, which include SUI, ETT, and SDI, and FUTA filings. Additional taxes are Defendant's responsibility.

Total: \$9,876.73