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

JOANNE SOWLE, individually, on a
representative basis, and on behalf of all
others similarly situated;

Plaintiff,

vs.

SHERPAUL CORPORATION, a California
Corporation; and DOES 1 through 20,
inclusive;

Defendants.

Case No.: RIC 2002410
*[Assigned to Hon. Judge Craig Riemer, Dept
1, for all purposes]*

**[PROPOSED] ORDER APPROVING
SETTLEMENT PURSUANT TO THE
PRIVATE ATTORNEYS GENERAL ACT
AND JUDGMENT THEREON**

Hearing

Date: September 26, 2022

Time: 8:30 a.m.

Dept.: 1

Reservation #: 890960827233

Complaint filed: 6/1/2020

The Motion to Approve the PAGA Memorandum of Terms (the “Settlement” or “Settlement Agreement”)¹ between Plaintiff Joanne Sowle and Defendant Sherpaul Corporation (“Defendant” or “Sherpaul”) came before this Court on for a hearing on September 26, 2022, in accordance with Labor Code § 2699(1)(2) of the Private Attorneys General Act of 2004 (“PAGA”).

¹ See Exhibit “A” to the Declaration of Brian Mankin ISO Motion to Approve Settlement Pursuant to PAGA filed on August 12, 2022.

1 Plaintiff's operative Second Amended Complaint (the "Complaint") and LWDA notice
2 letters alleged causes of action against Defendant for: (1) failure to pay minimum wages, (2)
3 failure to pay overtime wages, (3) failure to provide meal periods, (4) failure to provide rest
4 breaks, (5) failure to reimburse business expenses, (6) unlawful deduction of wages, (7) failure to
5 timely pay wages each period, (8) failure to timely pay final wages, and (9) failure to provide
6 accurate itemized wage statements. And these claims were brought on behalf of the State of
7 California and all current and former non-exempt employees employed by Defendant in
8 California at any time from June 1, 2020, through March 17, 2022 (the "Aggrieved Employees").

9 The PAGA Released Claims are defined in the Settlement Agreement as follows: "any
10 and all PAGA claims that Plaintiff alleged against Defendant, on behalf of Aggrieved
11 Employees and State of California, based on the facts stated in the operative Complaint in the
12 Action and in the LWDA notice letter sent on May 1, 2021, including all PAGA claims seeking
13 civil penalties premised upon (1) failure to pay minimum wages, (2) failure to pay overtime
14 wages, (3) failure to provide meal periods, (4) failure to provide rest breaks, (5) failure to
15 reimburse business expenses, (6) unlawful deduction of wages, (7) failure to timely pay wages
16 each period, (8) failure to timely pay final wages, (9) failure to provide accurate itemized wage
17 statements, and (10) all other claims for civil penalties recoverable under the Private Attorneys
18 General Act, Labor Code §§ 2698 *et seq.* that were stated in the Complaint and based solely
19 upon the facts alleged in the Complaint and the notice sent by Plaintiff to the LWDA."

20 The Court, having considered the Settlement, including proposed PAGA penalties,
21 embodied in the Settlement Agreement between Plaintiff and Defendant, pursuant to Labor
22 Code § 2699(1)(2), having considered the papers filed in support of the application for court
23 approval and the arguments of counsel, and good cause appearing, HEREBY ORDERS THE
24 FOLLOWING:

25 1. In a settlement of a PAGA action brought by an aggrieved employee, the Court
26 "shall review and approve any settlement of any civil action filed pursuant to this part." Cal.
27 Lab. Code § 2699(1)(2).

28 / / /

1 2. The Court finds that the instant Action presented a good faith dispute of the
2 PAGA Released Claims as defined in the Settlement Agreement, and the Court finds in favor
3 of settlement approval and this Order is hereby entered resolving all claims set forth in the
4 Complaint and LWDA notice letter pursuant the terms of the Settlement Agreement, and
5 entering the Judgment herein.

6 3. The Court approves the Settlement of the above-captioned action, as set forth in
7 the Settlement Agreement and each of the releases and other terms, as fair, just, reasonable, and
8 adequate. The Parties are directed to perform in accordance with the terms set forth in the
9 Settlement Agreement, including that Defendant is directed to make payments in accordance
10 with the Settlement Agreement, by and through the Settlement Administrator.

11 4. By this Order and Judgment, Plaintiff releases, relinquishes, and discharges all
12 PAGA Released Claims on behalf of herself and the State of California, as defined in the
13 Settlement Agreement. The Parties are to bear their own costs, except as otherwise provided in
14 the Settlement Agreement.

15 5. In accordance with the Settlement Agreement, Defendant agreed to pay
16 \$110,000 (the "Settlement Amount"), inclusive of payments to the LWDA and Aggrieved
17 Employees, attorneys' fees and litigation costs, and Settlement Administrator costs. As part of
18 the Settlement, Plaintiff's Counsel sought an award of attorney's fees of \$36,666.66, actual
19 litigation expenses of \$7,698.16, and \$3,500 to the Settlement Administrator, Phoenix
20 Settlement Administrators. Defendant does not oppose these requests. The Court finds that the
21 Settlement Amount is fair, reasonable and adequate, and approves each of these payments set
22 from the Settlement Amount, and directs Defendant and Settlement Administrator to make the
23 following payments from the Settlement Amount within the time periods set forth below and in
24 the Settlement Agreement:

- 25 a. \$36,666.66 in attorneys' fees to Lauby, Mankin & Lauby LLP;
- 26 b. \$7,698.16 in litigation costs to Lauby Mankin Lauby LLP;
- 27 c. \$3,500 to Phoenix Settlement Administrators for administration costs.

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1 6. After deducting the foregoing payments, the remainder of approximately
2 \$62,135.18 shall form the Net Settlement Amount, which will then be allocated pursuant to
3 Labor Code § 2699(i) with 75% (\$46,604.38) being paid to the LWDA, and the remaining 25%
4 (\$15,533.80) paid to the Aggrieved Employees on a pro rata basis, as set forth in the Settlement
5 Agreement. The Court approves these payments and directs the Settlement Administrator to
6 issue checks to the LWDA and Aggrieved Employees, as set forth Settlement Agreement and
7 in the chart below. The Court approves the proposed notice to Aggrieved Employees and orders
8 that the Settlement Administrator mail the Notice of PAGA Settlement and Payment to the
9 Aggrieved Employees with the settlement check (attached hereto as Exhibit B).

10 7. The Court approves the handling of unclaimed funds set forth in the Settlement
11 Agreement, specifically that any unclaimed funds in the Settlement Administrator's account as
12 a result of a failure to timely cash a settlement check shall be deemed void, and any
13 unclaimed funds in the QSF as a result of the failure to cash Individual Settlement Payment
14 checks shall be issued to the State Controller's Office for the State of California in the name of
15 the Aggrieved Employee.

16 8. The Settlement is not an admission by Defendant or any of the other Released
17 Parties, nor is this Judgment a finding of the validity of any claims in the Action or of any
18 wrongdoing by Defendant or any of the other Released Parties. Neither this Settlement
19 Approval Order, the Settlement, or the Judgment nor any document referred to herein, nor any
20 action taken to carry out the Settlement are, may be construed as, or may be used as an admission
21 by or against Defendant or any of the other Released Parties of any fault, wrongdoing or liability
22 whatsoever. The entering into or carrying out of the Settlement, and any negotiations or
23 proceedings related thereto, shall not in any event be construed as, or deemed to be evidence
24 of, an admission or concession with regard to the denials or defenses by Defendant or any of
25 the other Released Parties and shall not be offered in evidence against Defendant or any of the
26 Released Parties in any action or proceeding in any court, administrative agency or other
27 tribunal for any purpose whatsoever other than to enforce the provisions of this Order, the
28 Settlement, the Judgment, or any related agreement or release. Notwithstanding these

restrictions, any of the Released Parties may file in the Action or in any other proceeding this Order, the Settlement, the Judgment, or any other papers and records on file in the Action as evidence of the Settlement and to support a defense of res judicata, collateral estoppel, release, waiver or other theory of claim preclusion, issue preclusion or similar defense as to any of the Released Claims.

9. The following dates shall govern for purposes of this implementing this Final Order:

September 26, 2022	Final Order is entered and the Effective Date occurs
December 1, 2022	Defendant shall fund \$40,000 to the Settlement Administrator which, pursuant to Paragraph 15(a) of the Settlement Agreement, represents the following: (1) PAGA Penalties payable to the Aggrieved Employees (<i>i.e.</i> , the 25% of the Net Settlement Amount), and (2) Any remaining balance paid toward the Court-approved attorneys' fees.
December 11, 2022	Settlement Administrator to issue payment to the Aggrieved Employees and, if applicable, to Plaintiff's counsel
June 9, 2023	The estimated 180-day deadline for Aggrieved Employees to cash their check (assuming the first payment was timely mailed on December 11, 2022)
December 1, 2023	Defendant shall fund \$50,000 to the Settlement Administrator which, pursuant to Paragraph 15(b) of the Settlement Agreement, represents the following: (1) The remaining balance of the Court-approved attorneys' fees, (2) The Court-approved costs, (3) The Court-approved administrator expenses, and (4) Any remaining balance to the PAGA Penalties payable to the LWDA.
December 11, 2023	Settlement Administrator to issue payment to Plaintiff's counsel for fees and costs, as well as to itself and, if applicable, the LWDA.
April 1, 2024	Defendant shall fund the remaining \$20,000 (the outstanding balance of the Settlement Amount), which shall be used to pay the remaining balance of the PAGA Penalties payable to the LWDA.

April 11, 2024	Settlement Administrator to issue payment to the LWDA
April 26, 2024	Deadline to file a Declaration by Settlement Administrator describing: (i) dates when each payment installment was received, (ii) dates when each round of checks were mailed and to whom (<i>e.g.</i> , to Aggrieved Employees, Plaintiff's counsel, LWDA, etc.), (iii) the total number of checks mailed to Aggrieved Employees, (iv) the number of checks that were uncashed, (v) the total value of the uncashed checks, and (vi) the date that value of uncashed checks was issued to the State Controller's office
May 10, 2024	OSC re: status of funding and filing a Declaration from the Settlement Administrator as set forth herein.

JUDGMENT

10. Pursuant to California Labor Code § 2698, *et seq.*, the Court hereby enters judgment of the Action, with prejudice, for the reasons set forth above, and upon the terms set forth in the Settlement Agreement. Without in any way affecting the finality of this Settlement Approval Order granting final judgment, this Court hereby retains exclusive and continuing jurisdiction over the Action as to all matters relating to: (a) the implementation, enforcement, construction and interpretation of the terms of the Settlement and this Order and Judgment; (b) Settlement administration matters; and (c) such post-judgment matters as may be appropriate under Court rules or as set forth in the Settlement.

Dated: _____

Hon. Craig Riemer

EXHIBIT “B”

<<DATE>>

<<FIRST_NAME>> <<LAST_NAME>>

<<ADDRESS 1>>

<<ADDRESS 2>>

Re: Payment from *Sowle v. Sherpaul Corporation*

Dear <<FIRST_NAME>> <<LAST_NAME>>:

Enclosed is your payment from the settlement of a lawsuit entitled *Joanne Sowle, on behalf of all aggrieved employees and the State of California v. Sherpaul Corporation., a California Corporation; and DOES 1 through 20, inclusive*, which was pending in the Superior Court of the State of California for the County of Riverside, Case No. RIC2002410 (the “Sowle case” or “Lawsuit”).

The *Sowle* case was initially filed on June 1, 2020, and in its current form the lawsuit brings claims against Sherpaul Corporation (“Sherpaul”) pursuant to the California Private Attorneys General Act of 2004, Cal. Lab. Code § 2698 *et seq.* (“PAGA”). As such, the Lawsuit was brought on behalf of the State of California and all current and former non-exempt employees employed by Defendant in California any time from June 1, 2020, through March 17, 2022 (the “Aggrieved Employees”).

Specifically, in the Lawsuit, Mr. Diaz alleged that Legacy failed to pay all required minimum and overtime wages, failed to provide meal periods and rest breaks, failed to reimburse business expenses, subjected Aggrieved Employees to the unlawful deduction of wages, failed to timely pay wages owing during employment, including, but not limited to, failed to timely pay wages at termination, and failed to provide accurate itemized wage statements. As such, the lawsuit sought PAGA civil penalties for these violations.

Sherpaul denies the allegations and denies that it owes any penalties. In an effort to avoid the time, expense and uncertainty of litigation, Ms. Sowle and Sherpaul agreed to settle the case. You have been identified as one of the alleged aggrieved employees on whose behalf Ms. Sowle filed her lawsuit, and for purposes of the Lawsuit, the Settlement, and the following paragraph, you are considered an “Aggrieved Employee.”

As such, the parties’ settlement resolves Ms. Sowle’s claims on behalf of all Aggrieved Employees, including any and all PAGA claims that Plaintiff alleged against Defendant, on behalf of Aggrieved Employees and State of California, based on the facts stated in the operative Complaint in the Action and in the LWDA notice letter sent on May 1, 2021, including all PAGA claims seeking civil penalties premised upon (1) failure to pay minimum wages, (2) failure to pay overtime wages, (3) failure to provide meal periods, (4) failure to provide rest breaks, (5) failure to reimburse business expenses, (6) unlawful deduction of wages, (7) failure to timely pay wages each period, (8) failure to timely pay final wages, (9) failure to provide accurate itemized wage statements, and (10) all other claims for civil penalties recoverable under the Private Attorneys General Act, Labor Code §§ 2698 *et seq.* that were stated in the Complaint and based solely upon the facts alleged in the Complaint and the notice sent by Plaintiff to the LWDA. **Please note: this settlement does not release any Aggrieved Employee’s individual claim for wages or damages.**

The Court approved the Settlement on [REDACTED], 2022. As a result, the enclosed settlement check has been issued and shall remain valid for one hundred eighty (180) days. Checks remaining uncashed for more than 180 days after issuance will be voided and funds represented thereby will be remitted by the State Controller’s Office for the State of California in the name of the each Aggrieved Employee that did not cash their check.