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Attorneys for Plaintiff and the Class

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

BRANDEN BAGGOT, as an individual and on
behalf of all others similarly situated, and as a
private attorney general,

Plaintiff,

vs.

FOTO-KEM INDUSTRIES, INC., a California
corporation; and DOES 1 through 50, inclusive,

Defendants.

Case No. 20STCV31051

[Hon. William F. Highberger]

**DECLARATION OF JODEY LAWRENCE
ON BEHALF OF PHOENIX SETTLEMENT
ADMINISTRATORS**

Date: November 18, 2021

Time: 11:30 a.m.

Department: 10

Complaint Filed: August 17, 2020

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1. I am the President of Business Development at Phoenix Settlement Administrators (PSA), the Court-appointed settlement administrator in *Baggot v. Foto-Kem Industries, Inc.* I have personal knowledge of the facts set forth below, except as to those matters stated on information and belief and, as to those matters, I believe them to be true. If called as a witness, I could testify competently as to the matters stated in this declaration.

3. On June 21, 2021, PSA received a data file from defense counsel that contained names, last known mailing addresses, Social Security numbers, and number of Pay Periods for each Class Member during the Class Period and PAGA Period. The final mailing list contained four hundred forty-two (442) Class Members.

5. On June 25, 2021, PSA mailed the Notice Packet via U.S. first class mail, in English to all four hundred forty-two (442) Class Members on the Class List. There are a total of 6,853 pay periods worked by the Class from April 6, 2016, and January 18, 2021. A true and correct copy of the mailed Notice Packet is attached hereto as **Exhibit A**.

6. As of the date of this declaration, fourteen (14) Notice Packets have been returned to PSA. A total of two (2) were returned with a forwarding address. For the twelve (12) Notice Packets returned from the Post Office without a forwarding address, PSA attempted to locate a current mailing address using TransUnion TLOxp, one of the most comprehensive address databases available for skip tracing. Of the twelve (12) Notice Packets that were skip traced, eleven (11) updated addresses were obtained and the Notice Packet was promptly re-mailed to those Class Members via first class mail.

7. As of the date of this declaration, only one (1) Notice Packet is considered undeliverable. Specifically, the Notice Packet is undeliverable since an updated address could not be obtained and forwarding information was not provided by the Post Office.

8. PSA has received two (2) Requests for Exclusion (i.e. “Opt-Out’s”). The deadline for Class Members to submit an “Opt-Out” request was August 9, 2021.

9. PSA has received zero (0) Objections to the Settlement. The deadline for Class Members to submit an “Objection” to the Settlement was August 9, 2021.

10. There are no outstanding disputes.

11. The Net Settlement Fund of \$196,367.84 available to pay Class Members was determined by subtracting the Class Counsel’s requested fee award (\$116,666.67), Class Counsel’s costs payment (\$10,965.49), Class Representative Enhancement (\$10,000.00), payment to the LWDA (\$7,500.00), and the PSA’s costs (\$8,500.00) from the Maximum Settlement Amount (\$350,000.00). Based upon the calculations stipulated in the Settlement, the highest individual settlement payment to be paid will be approximately \$2,042.51, and the lowest individual settlement payment to be paid will be approximately \$28.37, with the average individual settlement payment to be paid being approximately \$440.61.

12. Additionally, \$2,500.00 of the Gross Settlement Amount has been designated as the “PAGA Amount” which shall be distributed to the Settlement Class members. There are two hundred eighty-eight (288) Class Members who will receive a portion of the PAGA share. The average PAGA Payment to these individuals is \$8.68.

13. Only one (1) of the Opt-outs will receive a share of the PAGA amount. The other Opt-out did not work during the PAGA Period (April 6, 2019, through January 18, 2021). The one (1) Opt-out will receive \$4.09 as their share of the PAGA amount.

14. PSA's costs associated with the administration of this matter are \$8,500.00. 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 PSA is attached hereto as **Exhibit B**.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on October 21, 2021, at Fullerton, California.


Jodey Lawrence

EXHIBIT A

This notice is being sent pursuant to court order. This is not a solicitation from a lawyer.

NOTICE OF PENDING CLASS ACTION SETTLEMENT

Branden Baggot v. Foto-Kem Industries, Inc.,

Superior Court of the State of California for the County of Los Angeles Case No. 20STCV31051

If you were employed by Foto-Kem Industries, Inc. in California as a non-exempt employee and earned shift premium wages between April 6, 2016, and January 18, 2021, in a workweek in which you also took paid time off, you could receive a payment from a class action settlement.

You are not being sued. Read this notice carefully, as your legal rights could be affected whether you act or not.

The Superior Court of the State of California for the County of Los Angeles (the “Court”) has preliminarily approved a class action settlement that may affect your legal rights. The proposed settlement resolves a class and representative action lawsuit filed by Branden Baggot (“Plaintiff”) against Foto-Kem Industries, Inc. (“Foto-Kem”)— *Branden Baggot v. Foto-Kem Industries, Inc.*, Superior Court of the State of California for the County of Los Angeles Case No. 20STCV31051 (the “Lawsuit”).

- This Lawsuit alleges Foto-Kem failed to pay all sick pay wages at the regular rate of pay. On that basis, the Lawsuit pursues class action claims as well as representative action claims under the Labor Code Private Attorneys General Act of 2004 (“PAGA”). Specifically, the Lawsuit seeks underpaid sick pay wages and all applicable penalties for Foto-Kem’s alleged failure to pay or timely pay sick pay wages at the regular rate of pay.
- Foto-Kem denies Plaintiff’s allegations and maintains it has fully complied with the law. By entering into this settlement, Foto-Kem in no way admits any violation of law or any liability whatsoever to Plaintiff or Class Members, individually or collectively, and expressly denies all such liability.
- Plaintiff and Foto-Kem have reached this settlement in light of all known facts and circumstances—including the risks of significant delay and uncertainty associated with litigation, various defenses asserted by Foto-Kem, and numerous potential appellate issues—with the assistance of an experienced mediator knowledgeable of both the wage and hour laws and class and representative action claims at issue.
- The settlement provides cash payments to Settlement Class Members, based on the number of pay periods from April 6, 2016, through January 18, 2021 (the “Class Period”), that they were paid shift premium wages and took paid time off during the same pay period. The settlement also provides additional cash payments to those Class Members who worked at any time during the period from April 6, 2019, through January 18, 2021 (the “PAGA Period”) and who were paid shift premium wages and took paid time off during the same pay period they took PTO at any time during the PAGA Period (the “PAGA Employees”). These additional payments to PAGA Employees are based on the number of pay periods during the PAGA Period that they were paid shift premium wages and took paid time off during the same pay period.
- Based on Foto-Kem’s records, you worked **XXX** relevant pay periods, and an *estimate* of the amount that could be allocated to you is \$**XXX**. Whether you receive a payment depends on whether the Court grants final approval, and the actual amount you would be allocated depends on the terms the Court finally approves.

THIS NOTICE IS NOT AN EXPRESSION OF ANY OPINION FROM THE COURT AS TO THE MERITS OF THE CLAIMS ASSERTED BY PLAINTIFF OR DEFENSES ASSERTED BY FOTO-KEM.

NOTICE OF CLASS ACTION SETTLEMENT

Questions? Please contact the Settlement Administrator at (800) 523-5773

<http://www.phoenixclassaction.com/baggot-v-foto-kem/>

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
DO NOTHING	You do not have to do anything in response to this notice. If you do nothing, you will remain eligible to automatically receive an Individual Settlement Payment if the Court grants final approval of the settlement and will be bound by the release provisions of the settlement.
OPT OUT	You may opt out of the settlement by submitting a Request for Exclusion. If you opt out, you may not object to the settlement, will not be eligible to receive an Individual Settlement Payment, and will not be bound by the release provisions of the settlement. However, if the Court grants final approval of the settlement, all PAGA Employees, whether they submit a Request for Exclusion, will still receive their share of the portion of the Net Settlement Amount allocated to the PAGA Employees and will be bound by the PAGA release provisions of the settlement.
OBJECT	You may object to the settlement by submitting a written objection. If the Court grants final approval of the settlement despite your objection, you will remain eligible to automatically receive an Individual Settlement Payment and will be bound by the release provisions of the settlement.
SUBMIT A DATE DISPUTE	You may challenge the number of relevant pay periods allocated to you by submitting a written dispute. The Settlement Administrator will evaluate your dispute along with the evidence you submit and make a determination as to your correct number of relevant pay periods. If the Court grants final approval of the settlement, you will remain eligible to automatically receive an Individual Settlement Payment and will be bound by the release provisions of the settlement.

1. Why Did I Receive This Notice?

You are receiving this Notice of Class Action Settlement (the “Notice”) because Foto-Kem’s records show that you were employed by Foto-Kem in California as a non-exempt employee and earned shift premium wages between April 6, 2016, and January 18, 2021, in a workweek in which you also took paid time off (and did not execute a severance agreement at any time during the Class Period) (a “Class Member”). As a Class Member, you may be entitled to share in the funds to be made available for settlement of the Lawsuit.

Because the settlement preliminarily approved by the Court would affect Class Members’ legal rights, the Court ordered that this Notice be sent to you. This Notice provides a brief description of the Lawsuit, informs you of the settlement terms preliminarily approved by the Court, and advises you of your legal rights with respect to the settlement. If finally approved by the Court, the settlement will fully resolve the Lawsuit and your legal rights may be affected by the settlement.

The terms of the settlement are set forth in detail in the Joint Stipulation of Class Action and PAGA Settlement (“Agreement”). You may obtain a copy of the Agreement from the neutral third-party appointed by the Court to administer the settlement (the “Settlement Administrator”). Details about how to get additional information about the Agreement are provided at the end of this Notice.

2. What Is the Lawsuit About?

On August 17, 2020, Plaintiff, on behalf of himself and all others similarly situated, and as a proxy for the State of California, filed a complaint in the Superior Court of the State of California for the County of Los Angeles. The complaint alleges three causes of action based on the alleged failure to pay all sick pay wages under Labor Code sections 201-204 and 246, the Unfair Competition Law under Business & Professions Code sections 17200 et seq., and PAGA under Labor Code sections 2698 et seq.

NOTICE OF CLASS ACTION SETTLEMENT

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Foto-Kem denied and continues to deny (i) all of the allegations made by Plaintiff, (ii) that it violated any applicable laws, or (iii) that it is liable or owes damages, penalties, or other compensation or remedies to anyone with respect to the alleged facts or claims asserted in the Lawsuit. Nonetheless, without admitting or conceding any liability or wrongdoing whatsoever, Foto-Kem has agreed to settle the Lawsuit, to avoid the burden, expense, and uncertainty of continuing the Lawsuit.

The Court has preliminary approved Larry W. Lee and Simon L. Yang of Diversity Law Group, P.C., and William L. Marder of Polaris Law Group as Class Counsel. Based on their investigation and evaluation, they are of the opinion that the terms of settlement are fair, reasonable, adequate, and in the best interests of Class Members.

3. What Are the Payments Under the Settlement?

Foto-Kem agrees to pay a settlement amount of \$350,000 (the “Gross Settlement Amount”). The Gross Settlement Amount is inclusive of (i) any award by the Court to Class Counsel for attorneys’ fees and costs associated with the litigation and resolution of the Lawsuit (the “Attorneys’ Fees and Costs Award”), (ii) any award by the Court to Plaintiff in recognition of his effort and work in prosecuting the Lawsuit on behalf of Class Members (the “Class Representative Award”), (iii) any costs of settlement administration approved by the Court for administering the settlement, including, but not limited to, printing, distributing, or tracking Notices, processing any required tax payments or reportings, providing any required tax forms, depositing settlement funds in an interest bearing account, distributing the settlement payments, or providing necessary reports and declarations (“Settlement Administration Costs”), and (iv) any payment approved by the Court to the State of California Labor & Workforce Development Agency (the “PAGA Payment”).

The remaining portion of the Gross Settlement Amount available for allocation to Class Members is the Net Settlement Amount.

a. Individual Settlement Payments

The Net Settlement Amount (minus \$2,500 allocated to the PAGA Employees) shall be distributed in separate checks to each Settlement Class Member (“Individual Settlement Payments”). The Net Settlement Amount (minus \$2,500) shall be allocated among Settlement Class Members on a pro rata basis based on the number of pay periods during the Class Period that each Settlement Class Member was paid shift premium wages and took paid time off during the same pay period. This portion of the settlement payments is referred to as the “Class Settlement Portion.”

In addition, the Individual Settlement Payment of each Class Member who is also a PAGA Employee will include a pro rata share of the \$2,500 allocated for PAGA penalties to PAGA Employees based on the number of pay periods during the PAGA Period that each PAGA Employee was paid shift premium wages and took paid time off during the same pay period. This portion of the settlement payments is referred to as the “PAGA Settlement Portion.”

PAGA penalty settlement payments in the appropriate amounts will be distributed by the Settlement Administrator by mail to the PAGA Employees including to those Class Members who are PAGA Employees who submitted a Request for Exclusion.

1. Applicable Tax Withholding and Responsibility for Taxes

90% of the Class Settlement Portion of each Settlement Class Member’s Individual Settlement Payment shall be characterized as penalties and interest, 10% of the Class Settlement Portion of each Settlement Class Member’s Individual Settlement Payment shall be characterized as wages, and 100% of the PAGA Settlement Portion of each PAGA Employee’s Individual Settlement Payment shall be characterized as penalties. In accordance with applicable tax laws, required tax withholdings for the employee share of payroll taxes will be taken from each Individual Settlement Payment for the portion characterized as wages and remitted to the appropriate taxing authorities. The Settlement Administrator shall issue any necessary Internal Revenue Service (“IRS”) Form W-2 to Settlement Class Members for the portion characterized as wages, and shall issue an IRS Form 1099 for those portions of Individual Settlement Payments attributable to penalties and interest. By participating in the settlement, each Settlement Class Member and PAGA Employee shall agree to be solely and legally responsible for paying all

NOTICE OF CLASS ACTION SETTLEMENT

Questions? Please contact the Settlement Administrator at (800) 523-5773

<http://www.phoenixclassaction.com/baggot-v-foto-kem/>

other applicable taxes on their respective Individual Settlement Payments and shall indemnify and hold harmless the Parties from any claim or liability for taxes, penalties, or interest arising as a result of the payments.

2. Undeliverable or Uncashed Checks

All uncashed or undeliverable settlement checks will expire after 180 calendar days after the postmarked date of their initial mailing. After 180 calendar days, the sum value of all expired checks will be tallied by the Settlement Administrator. The Settlement Administrator shall direct the principal for any expired checks in accordance with the Final Approval Order. The Parties shall request that the Court order that the principal for any expired checks be distributed to the State Controller Unclaimed Property Fund in the name of the Settlement Class Member/PAGA Employee.

b. Attorneys' Fees and Costs Award

You do not need to pay individually any portion of Class Counsel's attorneys' fees and costs. Any payments for those attorneys' fees and costs will be deducted from the Gross Settlement Amount. Class Counsel intends to request that the Court approve an Attorneys' Fees and Costs Award in the amount of (a) 33⅓% of the Gross Settlement Amount (or \$116,666.67) and (b) litigation costs (not to exceed \$15,000.00).

c. Class Representative Award

Class Counsel intends to request that the Court approve a Class Representative Award of \$10,000. Any Class Representative Award is supplemental to Plaintiff's Individual Settlement Payment.

d. Settlement Administration Costs

Class Counsel intends to request that the Court approve Settlement Administration Costs of up to \$9,000, payable to the Settlement Administrator for administering the settlement, including, but not limited to, printing, distributing, or tracking Notices, providing any required tax forms, processing any required tax payments, or reporting, and calculating and distributing Individual Settlement Payments.

e. LWDA Payment

Class Counsel intends to request that the Court approve allocation of \$10,000 to the PAGA Penalty Fund, to be distributed pursuant to statute with 75% of the PAGA Penalty Fund payable as an LWDA Payment. The remaining 25% of the PAGA Penalty Fund is to remain allocated to the Net Settlement Amount to be distributed to the PAGA Employees.

f. All Payments Subject to Court Approval

All of the payments listed above will be made if and only if the Court grants final approval of the settlement and concludes it is reasonable, fair, and adequate for the Class. The Court may adjust the amounts of certain payments.

4. What Do I Release Under the Settlement?

If the Court grants final approval of the settlement and concludes it is reasonable, fair, and adequate for Class Members, Settlement Class Members would release Defendant and any of its respective present and former owners, officers, directors, employees, shareholders, managing agents, trustees, representatives, attorneys, insurers, parent companies, subsidiaries, divisions, affiliates, predecessors, successors, assigns, and any individual or entity that could be jointly liable with Defendant (a "Released Party") from any and all claims or causes of action during the Class Period that were alleged in the Lawsuit or that reasonably could have been alleged based on the facts alleged in the Lawsuit, including claims for failures to pay sick pay at the regular rate of pay and all penalties related thereto, violations of California Labor Code §§ 201, 202, 203, 204, 246, and Business and Professions Code § 17200, et seq., including all attorneys' fees and costs related thereto.

All PAGA Employees, whether requesting exclusion from the settlement or not, would fully release and discharge Defendant, and each Released Party from any and all claims for civil penalties under PAGA that are based on the facts alleged in the Lawsuit and Plaintiff's claim notice submitted to the LWDA, arising during or with respect to the PAGA Period, including all attorneys' fees and costs related thereto.

NOTICE OF CLASS ACTION SETTLEMENT

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<http://www.phoenixclassaction.com/baggot-v-foto-kem/>

5. How Do I Object to the Settlement?

If you want to participate in the settlement, you do not have to do anything and do not have to appear at the final approval hearing before the Court. You will receive your Individual Settlement Payment automatically if the Court grants final approval of the settlement.

However, if you want to object to the settlement, you must take the steps below:

- (1) You must mail a written statement to the Settlement Administrator listed below.
- (2) The written statement must include: your name, address, last four digits of your Social Security number, and the basis for your objection.
- (3) If you object, you may but are not required to appear at the final approval hearing either in person or through counsel, paid for at your own expense.
- (4) The written statement must be postmarked by **August 9, 2021**.

Alternatively, you may appear at the final approval hearing to object to the settlement.

If you submit an objection, you will remain bound by the settlement if finally approved. If you do not want to be bound by the settlement if finally approved, you must opt out of the settlement.

6. How Do I Opt Out of the Settlement?

If you do not want to participate in the settlement, you may opt out of the settlement. If you opt out of the settlement, you may not object to the settlement, shall not receive any Individual Settlement Payments, and shall not be bound by the release provisions of the settlement. If you are PAGA Employee, however, you will not be permitted to exclude yourself from the PAGA Settlement Portion of the settlement. If you are a PAGA Employee, you will still receive a pro-rata share of the \$2,500 allocated to the PAGA Employees and be bound by the release of civil penalties under PAGA as described in section 4 of this Notice.

In order to opt out, you **MUST** express your desire to be excluded from the settlement by mailing to the Settlement Administrator a "Request for Exclusion," which must state "Request for Exclusion," include your name, current address, current telephone number, and last four digits of your social security number. Any such Request for Exclusion must be postmarked by **August 9, 2021**.

Any Request for Exclusion that does not include all required information or that is not submitted on a timely basis will be deemed null, void, and ineffective. A Request for Exclusion shall be deemed to be submitted as of the postmarked date. If you submit both a Request for Exclusion and an objection, your Request for Exclusion will be valid and be deemed to invalidate the objection.

7. How Do I Dispute the Settlement Calculation?

If you wish to challenge the number of relevant pay periods allocated to you, then you must submit a written, signed dispute challenging the information along with supporting documents to the Settlement Administrator. Any such written dispute must be postmarked by **August 9, 2021**. If you do not provide any documents or other evidence to support your challenge, the Settlement Administrator may reject your challenge. The Settlement Administrator will evaluate the evidence you submit and, the Settlement Administrator, together with the parties' counsel, will attempt to informally resolve the dispute as to your correct number of relevant pay periods. Unresolved disputes will be decided by the Settlement Administrator. The Settlement Administrator's decision on all disputes regarding the allocation of relevant pay periods will be final and binding. If the Court grants final approval of the settlement, you will remain eligible to automatically receive an Individual Settlement Payment and will be bound by the release provisions of the settlement.

NOTICE OF CLASS ACTION SETTLEMENT

Questions? Please contact the Settlement Administrator at **(800) 523-5773**

<http://www.phoenixclassaction.com/baggot-v-foto-kem/>

8. Where Can I Get Additional Information?

This notice summarizes the Lawsuit, settlement, and related matters. For more information, you may contact the Settlement Administrator or Class Counsel:

Settlement Administrator:

Branden Baggot v. Foto-Kem Industries, Inc.
C/O Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA 92863
Telephone: (800) 523-5773
Facsimile: (949) 209-2503
<http://www.phoenixclassaction.com/baggot-v-foto-kem/>

Class Counsel/Abogados de la Clase:

DIVERSITY LAW GROUP, P.C.
Larry W. Lee (State Bar No. 228175)
lwlee@diversitylaw.com
Simon L. Yang (State Bar No. 260286)
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515 South Figueroa Street, Suite 1250
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501 San Benito Street, Suite 200
Hollister, California 95023
Telephone: (831) 531-4214
Facsimile (831) 634-0333

The final approval hearing is currently scheduled for **November 18, 2021, at 11:00 a.m.**, in Department 10 of the Los Angeles Superior Court located at 312 N. Spring Street, Los Angeles, California 90012. Any Final Approval Order issued at or after the final approval hearing will be posted on the Settlement Administrator's website pursuant to Rule 3.771(b) of the California Rules of Court. The Court may modify the time or date of the final approval hearing. Any changes to the time or date of the final approval hearing will be posted to the Settlement Administrator's website.

Any Class Member who elects to appear personally at the Court for any reason related to this Lawsuit must comply with the Court's social distancing and mandatory face covering requirements, as well as any other orders related to COVID-19. All such rules and orders can be located at the Court's website: www.lacourt.org. For more information on how to appear remotely, please visit the Court's website at www.lacourt.org/division/civil/CI0040.aspx and www.lacourt.org/lacc/.

PLEASE DO NOT CONTACT THE COURT FOR INFORMATION REGARDING THE SETTLEMENT

If you need any assistance with translating this notice, please contact Class Counsel who will assist.

Si necesita ayuda para traducir este aviso, comuníquese con los Abogados de la Clase, quienes lo ayudarán.

NOTICE OF CLASS ACTION SETTLEMENT

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EXHIBIT B



CASE ASSUMPTIONS

Class Members	442
Opt Outs Received	2
Total Class Claimants	440
Subtotal Admin Only	\$8,835.33

WILL NOT EXCEED \$8,500.00

INVOICE TOTAL

For 442 Class Members

Price good for scope of estimate

October 26, 2021

Case: FOTO-KEM INDUSTRIES Opt-Out Administration

Phoenix Contact: Jodey Lawrence

Contact Number: 949.566.1455

Email: Jodey@phoenixclassaction.com

Requesting Attorney: Larry Lee

Firm: Diversity Law Group

Contact Number: 213.488.6555

Email: lwlee@diversitylaw.com

Assumptions and Estimate are based on information provided by counsel. If class size changes, PSA will need to adjust this Estimate accordingly.

Estimate is based on 442 Class Members. PSA assumes class data will be sent in Microsoft Excel or other usable format with no or reasonable additional formatting needed. A rate of \$150 per hour will be charged for any additional analysis or programming.

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

Administrative Tasks:	Rate	Hours/Units	Line Item Estimate
Programming Manager	\$100.00	3	\$300.00
Programming Database & Setup	\$100.00	3	\$300.00
Toll Free Setup*	\$116.03	1	\$116.03
Call Center & Long Distance	\$1.50	44	\$66.30
NCOA (USPS)	\$50.00	1	\$50.00
Total			\$832.33

* Up to 120 days after disbursement

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

Project Action	Rate	Hours/Units	Line Item Estimate
Notice Packet Formatting	\$100.00	3	\$300.00
Data Merge & Duplication Scrub	\$0.15	442	\$66.30
Notice Packet & Opt-Out Form	\$1.20	442	\$530.40
Postage	\$0.70	442	\$309.40
Static Website	\$250.00	1	\$250.00
Total			\$1,456.10

* Prices good for 90 days. Subject to change with the USPS Rate or change in Notice pages or Translation, if any.



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Skip Tracing & Remailing Notice Packets / Tracking & Programming Undeliverables

Project Action:	Rate	Hours/Units	Line Item Estimate
Case Associate	\$50.00	4	\$200.00
Skip Tracing Undeliverables	\$0.75	14	\$10.50
Remail Notice Packets	\$1.20	12	\$14.40
Estimated Postage	\$0.70	12	\$8.40
Programming Undeliverables	\$50.00	3	\$150.00
Total			\$383.30

Database Programming / Processing Opt-Outs, Deficiencies or Disputes

Project Action:	Rate	Hours/Units	Line Item Estimate
Programming Claims Database	\$100.00	3	\$300.00
Non Opt-Out Processing	\$100.00	3	\$300.00
Case Associate	\$50.00	3	\$150.00
Opt-Outs/Deficiency/Dispute Letters	\$4.00	11	\$44.20
Case Manager	\$100.00	4	\$400.00
Total			\$1,194.20

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

Project Action:	Rate	Hours/Units	Line Item Estimate
Programming Calculations	\$100.00	3	\$300.00
Disbursement Review	\$100.00	2	\$200.00
Programming Manager	\$95.00	3	\$285.00
QSF Bank Account & EIN	\$75.00	3	\$225.00
Check Run Setup & Printing	\$100.00	2	\$200.00
Mail Class Checks, W2 and 1099 *	\$1.50	440	\$660.00
Estimated Postage Checks, W2 and 1099	\$0.56	440	\$246.40
Total			\$2,116.40

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



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Tax Reporting & Reconciliation / Re-Issuance of Checks / Conclusion Reports and Declarations			
Project Action:	Rate	Hours/Units	Line Item Estimate
Case Supervisor	\$100.00	3	\$300.00
Remail Undeliverable Checks (Postage Included)	\$1.25	44	\$55.00
Case Associate	\$50.00	3	\$150.00
Reconcile Uncashed Checks	\$85.00	2	\$170.00
Conclusion Reports	\$115.00	2	\$230.00
Case Manager Conclusion	\$80.00	3	\$240.00
Final Reporting & Declarations	\$110.00	3	\$330.00
Uncashed Check Notice Postcard (Postage Included)	\$1.00	33	\$33.00
Uncashed Check QSF Tax Filing	\$115.00	3	\$345.00
IRS Annual Tax Reporting * (State Tax Reporting Included)	\$1,000.00	1	\$1,000.00
Total			\$2,853.00

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

Estimate Total: \$8,835.33



TERMS AND CONDITIONS

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

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

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

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

Tax Reporting Requirements

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

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