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Attorneys for Plaintiff ALEXANDER CASTELLANOS

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF SAN DIEGO

ALEXANDER CASTELLANOS, an
individual, on behalf of himself, and on behalf
of all persons similarly situated,

Plaintiff,

vs.

SOUTHWEST SECURITY PATROL, INC.,
d.b.a. SOUTHWEST PATROL, a California
corporation; and DOES 1 through 50,
Inclusive;

Defendants.

Case No. 37-2020-00024905

**DECLARATION OF JEAN-CLAUDE
LAPUYADE, ESQ. IN SUPPORT OF
PLAINTIFF'S MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

Date: October 29, 2021

Time: 8:30 a.m.

Judge: Hon. Keri Katz

Dept.: 74

I, Jean-Claude Lapuyade, Esq., declare as follows:

1. I am over eighteen years of age and if called as a witness, I could and would competently testify to the following facts from my own personal knowledge. I am an attorney-at-law and the owner of the law firm of JCL LAW FIRM, APC (hereinafter "Class Counsel"). I am co-counsel of record for Plaintiffs ALEXANDER CASTELLANOS, DOUGLAS ALLEN GRAY and ROBERT MAUNA (hereafter "Plaintiffs") in this wage and hour class action filed against SOUTHWEST SECURITY PATROL, INC., d.b.a. SOUTHWEST PATROL (hereinafter "Defendant").

2. This declaration is being submitted in support of Plaintiff's motion for Preliminary Approval of Class Action Settlement.

I. EXHIBITS

3. Attached hereto as **Exhibit "1"** is a true and correct copy of the fully executed Joint the Stipulation of Settlement of Class Action Claims and Release of Claims ("Agreement" or "Settlement Agreement"). Attached as **Exhibit "A"** to the Agreement is a true and correct copy of the proposed Class Notice.

4. Attached hereto as **Exhibit "2"** is a true and correct copy of the proof of filing with the Labor and Workforce Development Agency notice of this settlement with the Settlement Agreement and Motion for Preliminary Approval of Class Action and PAGA Action Settlement evidencing Class Counsel's compliance with California Labor Code Section 2699(l)(2).

5. Attached hereto as **Exhibit "3"** is a true and correct copy of the bid for settlement administration submitted by ILYM Group, Inc., in the amount of \$16,910.60.

II. INTRODUCTION

6. An objective evaluation of the Settlement confirms that the relief negotiated on behalf of the Settlement Class is fair, reasonable, and valuable. The Settlement was negotiated by the Parties at arm's length. The Settlement confers substantial benefits to the Settlement Class. The relief offered by the Settlement is particularly impressive when viewed against the difficulties encountered by plaintiffs pursuing wage and hour cases (*see infra*). Indeed, by settling now rather than proceeding to trial, Class Members will not have to wait (possibly years) for relief, nor will they have to bear the risk of class

certification being denied or of Defendants prevailing at trial. Given that there are approximately 846 Settlement Class Members, the average gross recovery is approximately \$328.60 (Net Settlement Amount divided by Settlement Class Members).

7. As discussed below, the proposed Settlement satisfies all criteria for preliminary settlement approval under California law and falls within the range of reasonableness. The average Individual Settlement Share to the Settlement Class meet or exceeds awards in similar wage and hour class actions. Moreover, the proposed Settlement Class is appropriate for provisional certification. Accordingly, Plaintiff respectfully requests that this Court grant preliminary approval of the Settlement.

III. FACTS AND PROCEDURE

A. Overview of the Litigation

8. Defendant is a security guard company that provides security services to clients throughout Southern California. Plaintiffs Mauna, Gray, and Castellanos were employed by Defendant as non-exempt employees during the Class Period. At all times during their employment, Plaintiffs earned an hourly wage and were entitled to legally compliant meal and rest periods, and minimum, regular and overtime wages for all hours worked. Throughout their employment, Plaintiffs were subject to Defendant's written policies and procedures contained in, among other documents, the "Southwest Patrol Employee Policy and Procedure Handbook."

9. Generally, Plaintiffs claim that Defendant failed to pay for all hours worked, failed to provide compliant meal and rest periods, failed to reimburse mandatory business expenses and failed to timely pay wages upon separation. Defendant forcefully denies liability for each of Plaintiffs' claims. Further, Defendant asserts that it fully complied with all applicable employment laws and raised several other significant defenses to Plaintiffs' claims, including but not limited to, facially compliant meal and rest period policies, written policies prohibiting the use of personal cell phones, and timely paid all wages due upon separation of employment.

10. On September 11, 2019, plaintiff Mauna served Defendant and the Labor and Workforce Development Agency ("LWDA") with a Notice of Violations ("PAGA Notice"). Plaintiff Mauna's PAGA Notice set forth the facts and theories supporting Defendant's alleged violations of various

provisions of the California Labor Code and applicable Industrial Welfare Commissions (“IWC”) Wage Order and of his intent to pursue claims under California Labor Code Private Attorneys General Act, Cal. Lab. Code Sections 2698 et seq (“PAGA”).

11. On November 1, 2019, plaintiff Gray also served Defendant and the LWDA with a separate PAGA Notice setting forth the facts and theories supporting Defendant’s alleged violations of Labor Code and IWC Wage Order. Gray subsequently filed a representative action for PAGA penalties in the Los Angeles Superior Court, Case Number 20STCV02521 (“Gray Action”).

12. On August 20, 2019, Mauna, filed an individual action in the Los Angeles Superior Court entitled *Mauna v. Southwest Patrol, Inc.* Case Number 19STCV28903 (“Mauna Action”) asserting numerous wage and hour violations against Defendant.

13. Subsequently, on July 15, 2020, plaintiff Castellanos also served Defendant and the LWDA with a PAGA Notice. Plaintiff Castellanos’ PAGA Notice also set forth the facts and theories supporting Defendant’s alleged violations of the Labor Code and IWC Wage Order and of his intent to pursue claims under California Labor Code Private Attorneys General Act, Cal. Lab. Code Sections 2698 et seq (“PAGA”).

14. On July 17, 2020, plaintiff *Castellanos* filed this class action complaint in the San Diego Superior Court for: (1) Unfair Competition in Violation of Bus. and Prof. Code §§ 17200; (2) failure to pay minimum wages in violation of California Labor Code sections 1194, 1197 and 1197.1; (3) failure to pay overtime wages in violation of California Labor Code sections 510 *et seq.*; (4) failure to provide required meal periods in violation of California Labor Code sections 226.7 and 512; (5) failure to provide required rest periods in violation of California Labor Code sections 226.7 and 512; (6) failure to reimburse employees for required business expenses in violation of California Labor Code sections 2802; (7) failure to provide accurate itemized wage statements in violation of California Labor Code section 226; and (8) failure to provide wages when due in violation of California Labor Code sections 201, 202 and 203 (“Castellanos Action”).

15. Plaintiff Castellanos commenced written discovery in December 2020. Prior to answering Plaintiff’s written discovery, the Parties agreed to collectively mediate the *Mauna* Action,

1 the *Gray* Action and the *Castellanos* Action (collectively “Action”). In anticipation of mediation, the
2 Parties stipulated to stay formal discovery. To prepare for mediation, the Parties agreed to informally
3 produce certain documents and data points subject to the mediation privilege, including but not limited
4 to, a sample of the Class Members’ time and payroll data. As discussed *infra*, Plaintiffs’ counsel
5 retained the forensic consultants at Econ One to analyze Defendant’s time and payroll data.

6 16. On June 8, 2021 the Parties participated in a full day mediation with highly regarded wage
7 and hour mediator Lynn Frank, Esq. After arms-length negotiations and bargaining, the parties reached
8 an agreement to settle and signed a Memorandum of Understanding. After reaching an agreement in
9 principle, the parties drafted and negotiated a long-form settlement agreement, which is the subject of
10 the instant motion. As part of the Agreement, the Parties stipulated to the filing of a First Amended
11 Complaint joining all Plaintiffs and causes of action into a single proceeding and seeking approval of
12 the Agreement in the *Castellano* Action.

13 **B. Class Counsel Thoroughly Investigated the Factual and Legal Issues**

14 17. Months before filing any one of the Actions, Class Counsel began its pre-filing
15 investigation into the Plaintiffs’ complaints. Class Counsel’s investigation started with several lengthy
16 interviews with each Plaintiff. As part of the interview process, the Plaintiffs produced hundreds of
17 pages of documents related to their employment, including portions of Defendant’s handbooks,
18 compensation policies and time and payroll records. At the conclusion of the interviews, Class Counsel
19 determined that each Plaintiffs’ complaints justified further inquiry.

20 18. Class Counsel subsequently requested Plaintiffs’ employee files from Defendant. In
21 response, Defendant produced hundreds of pages of documents, including but not limited, a copies of
22 Plaintiffs’ hiring documents, payroll and time records, performance reviews and separation documents.
23 Class Counsel reviewed and analyzed the documents and determined the documents appeared to
24 substantiate Plaintiffs’ claim that Defendant’s failed to, among other things, pay for all time worked
25 and to provide compliant meal and rest periods. Shortly thereafter, Class Counsel initiated the Actions
26 which are before the Court now

1 19. Additionally, during the meetings with Class Counsel, Plaintiffs provided the names and
2 contact information for several members of the Settlement Class. After filing this action, Class Counsel
3 interviewed those members of the Settlement Class to further investigate the allegations asserted in the
4 Actions.

5 20. In light of the many anticipated factual disputes, the Parties agreed early in the litigation
6 that it would be in the best interest of both parties to mediate the matter. To prepare for mediation,
7 Class Counsel requested documents and data points to further evaluate Plaintiffs' claims and
8 Defendant's liability exposure to the Settlement Class members. In response to Class Counsel's request,
9 Defendant produced the time and payroll records for the Settlement Class members, aggregate
10 workweek and pay period data for the Settlement Class, and copies of applicable handbooks, policies,
11 and agreements containing, *inter alia*, compensation, timekeeping and, meal and rest period policies.
12 In total, Defendant produced approximately 3,000 pages of pertinent policy documents and nearly
13 200,000 unique cells of time and payroll data for Class Counsel to analyze.

14 21. Class Counsel then retained the statisticians and economists at Econ One to evaluate the
15 Settlement Class Members' payroll and time data. Econ One provides data analysis and damage
16 modeling consulting services specializing in wage and hour class actions. Econ One's team of financial
17 and data analysts are credentialed and experienced experts in their fields and have provided their
18 expertise on thousands of cases. Stated differently, the Econ One is uniquely qualified to analyze
19 Defendant's time and payroll data.

20 22. Econ One analyzed Defendant's time and payroll data to assist in the development of
21 various damage models. Among other things, Econ One determined the approximate number of work
22 shifts, workweeks, pay periods, average rate of pay, average length of shift and average number of hours
23 worked per week and pay period during the Class Period. Econ One also estimated the number of
24 missed, late or truncated meal and rest periods, the amount of paid missed meal period premiums paid
25 during the Class Period, and the amount of off-the-clock work performed by the Settlement Class during
26 the Class Period.

23. In advance of mediation, Class Counsel created several damage models predicated on the Econ One analysis. Class Counsel's models calculated Defendant's potential liability exposure while accounting for the uncertainties of continued litigation. These damage models informed and guided Class Counsel during the mediated settlement discussions.

24. Overall, Class Counsel thoroughly investigated the claims at issue, including: (1) determining Plaintiff's suitability as a putative class representative through interviews, background investigations, and analysis of his employment files; (2) evaluating all of Plaintiff's potential claims; (3) researching similar wage and hour class actions as to the claims brought, the nature of the positions, and the type of employer; (4) analyzing the Settlement Class' time and payroll records; (5) analyzing Defendant's labor policies and practices; (6) researching settlements in similar cases as well as outstanding issues which could affect settlement approval; (7) evaluating Plaintiff's claims and estimating Defendant's liability for purposes of settlement; (8) drafting the mediation brief and (9) participating in the mediation. This investigation allowed Class Counsel to fully assess the nature and magnitude of the claims being settled, as well as the impediments to recovery, such as to make an independent assessment of the reasonableness of the terms to which the parties have agreed. Because the Settlement's terms are fair, reasonable, and adequate, the Court should preliminarily approve the Settlement.

C. The Parties Settled at Mediation

25. On June 8, 2021, the Parties conducted a full day of mediation with Lynn Frank, Esq., a highly regarded wage and hour mediator. Mediator Frank helped manage the Parties' expectations and provided a useful, neutral analysis of the issues and risks to both sides. The Parties made substantial progress with Mediator Frank's assistance. Namely, the parties exchanged information regarding their respective claims and defense, including their respective evaluation of the damages. After nearly eight hours arm's length and adversarial negotiations, the mediation nearly concluded without a settlement. However, at the conclusion of the mediation, Mediator Frank issued a proposal for settlement that the Parties accepted. The complete and final terms of the Parties' settlement are now set forth in the

1 Agreement. Class Counsel submits that the Settlement constitutes a fair, adequate, and reasonable
2 compromise of the claims at issue.

3 26. Once the Parties agreed to the Mediator's proposal, the Parties engaged in protracted
4 negotiations regarding the written terms of the class action settlement. The Parties maintained the arm's
5 length, non-collusive and adversarial negotiations while arriving at the final terms of the Settlement.
6 The Agreement is the final product of these mediated negotiations. Objectively, the Settlement terms
7 are fair, adequate and represent a reasonable compromise of the claims at issue.

8 **IV. ARGUMENT**

9 **A. The Court Should Preliminarily Approve the Settlement**

10 27. The Total Settlement Amount of \$600,000 is fair and reasonable considering the nature
11 and magnitude of the claims being settled and the various potential impediments to recovery. Prior to
12 mediation, Class Counsel retained Econ One to develop economic damages models measuring
13 Defendant's liability exposure while accounting for the uncertainties of continued litigation. The
14 various models were informed by Class Counsel's investigation, including the analysis of a significant
15 sample of time and payroll data. Class Counsel projected Defendant's liability exposure for *class claims*
16 (excluding PAGA Penalties) ranged between \$1.78 million ("Conservative Model") and \$6.345 million
17 ("Aggressive Model") if successful at trial. This range reflects the uncertainty regarding several of the
18 claims, together with the uncertainty surrounding derivative liability for inaccurate wage statements
19 and waiting time penalties resulting from meal and rest period violations. Thus, the Total Settlement
20 Amount of \$600,000 represents approximately between 9% and 33% of Defendant's *class-wide* liability
21 exposure as estimated by Class Counsel at the time of mediation. The following summarizes
22 Defendant's estimated exposure.

23 (1) Estimated Damages for Meal Period Violations – On Duty Meal Periods

24 28. Plaintiffs alleged that Defendant required employees staffed at single guard assignments
25 to sign on-duty meal break agreements. Class Counsel estimates that approximately 57% of all shifts
26 eligible for a meal period, i.e., shifts greater than 5 hours in length, were subject to an on-duty meal
27 period agreement. Plaintiffs contend that these on-duty meal break agreements are invalid because the

1 nature of the work does not qualify for the narrowly construed on-duty meal period exception.
2 Consequently, Plaintiffs assert this practice deprived the Settlement Class from meal period premiums
3 and resulted in approximately 10 minutes of off-the-clock work per workweek.

4 29. Conversely, Defendant argued that the on-duty meal period agreements were enforceable
5 and that on duty security guards qualified for the on-duty meal-period exception because (a) there were
6 no other employees to provide relief to an employee during a meal period and (b) the potential
7 consequences of a security guard leaving his or her post unguarded were impossible to mitigate during
8 a meal period. Thus, Defendant argued that the nature of the work (providing security services)
9 qualified for the on-duty meal period exception.

10 30. Further, Defendant contended that far fewer than 57% of eligible shifts were subject to
11 an on-duty meal period agreement. Defendant argued that fewer than 10% of all eligible shifts were
12 subject to an on-duty meal period agreement. Thus, Defendant argued that if the on-duty meal period
13 agreements were ultimately held unlawful Plaintiffs' damage model greatly exaggerated the potential
14 liability.

15 31. Notwithstanding Defendant's arguments, Plaintiffs perceived the on-duty meal period
16 claim as the strongest claim in the Actions. Plaintiffs estimated the damages for this claim between
17 \$3,090,256 and \$303,759.

18 (2) Estimated Damages for Rest Period Violations

19 32. Plaintiffs also alleged that Defendant failed to provide compliant rest periods. Specifically,
20 Plaintiffs alleged that as a result of their rigorous work schedule, as evidenced by the need for an on-duty
21 meal period agreement, they were not able to take timely and duty-free rest periods.

22 33. Again, Defendant denied liability and asserted that they maintained legally compliant rest
23 period policies and practices throughout the Class Period. Moreover, Plaintiffs recognize the evidentiary
24 burdens establishing this claim. Establishing Plaintiffs' rest period claim would rely, almost entirely, on
25 Class Member testimony, making it a riskier claim at class certification and liability stages. Defendant likely
26 would have argued that only a small number of Class Members missed their rest breaks. Certification likely
27 would have required depositions of Class Members who provided declarations, and Defendant surely would

1 have obtained opposing declarations stating either rest breaks were taken, or rest breaks were voluntarily
2 waived. Accordingly, the rest break claim was heavily discounted in Plaintiffs' valuation of the case and
3 ranged between \$1,731,438 and \$303,759.

4 (3) Defendant's Estimated Expense for Unreimbursed Business Expenses

5 34. Plaintiffs allege that Defendant required the Settlement Class Members to use their
6 personal cell phones to call dispatch during their shifts.

7 35. Again, Defendant vigorously denied any liability for this claim. Defendant argued that
8 any cell phone use was voluntary, never mandatory, and contrary to written policies. Plaintiffs
9 estimated Defendant's exposure for this claim ranged between \$0 and \$347,316.

10 (4) Defendant's Exposure for Wage Statement Violations

11 36. Plaintiffs allege that Defendant's alleged violations resulted in derivative violations of
12 Labor Code sections 203 and 226(a). Class Counsel considered these penalties and weighed the
13 potential recoveries against probable defenses. Specifically, Defendant could argue that Plaintiffs could
14 not prove the "willful" prong needed to obtain waiting time penalties under Labor Code section 203.
15 Additionally, Defendant could argue that Plaintiffs could not show that Class Members suffered an
16 "injury" as a result of wage statement violations, as required by Labor Code section 226. Defendant
17 could also argue that that meal and rest period violations do not entitle employees like Plaintiffs and the
18 Settlement Class Members to pursue the derivative waiting time and itemized wage statement penalties.
19 Notwithstanding the uncertain nature of the claim, Plaintiff valued the claim at \$1,176,100, which had
20 their own risks.

21 (5) Defendant's PAGA Exposure

22 37. Class Counsel's damage models also estimated Defendant's exposure for PAGA
23 penalties. At the time of mediation, Plaintiff estimated Defendant's PAGA exposure ranged between
24 approximately \$14.1 million and \$5.8 million.

25 38. Plaintiffs would need to prove that each Aggrieved Employee suffered a violation for
26 each pay period the employee worked. Again, Defendant raised several defenses that presented serious
27 threats to the claims of the Plaintiff and the Aggrieved Employees. In addition to those arguments

discussed *supra*, Defendant also argued that the Court of Appeals decision in *Cacho v. Eurostar, Inc.* (2019) 43 Cal.App.5th 885, weakened Plaintiff's claims, on liability, value, and manageability as to the rest period claims. In all, Plaintiff's PAGA liability exposure is hotly contested.

B. Litigation Risks

39. Although Plaintiffs are confident about the strength of his claims, it would be foolish to ignore the most immediate risk to continued litigation, i.e., class certification. Class certification is far from certain in this, in part, meal and rest period case. Class certification is routinely denied for meal and rest period claims based on an inability to establish predominance.

40. Plaintiffs recognize that Defendant has factual and legal defenses that, if successful, would potentially defeat or substantially impair the value of Plaintiffs' lawsuit. Collectively, the examples cited in Plaintiffs' brief illustrate the uncertain nature of class litigation. Consequently, the uncertainty of obtaining certification through a contested motion is a significant risk factor favoring settlement.

41. Finally, continuing to litigate this action would require continued and extensive resources coupled with significant Court time to proceed through trial and post-trial motions; which can often take years. Furthermore, wage and hour litigation is complex and expensive, as it often necessitates extensive expert testimony, particularly with regards to damages. But even if Plaintiffs are successful at trial, Plaintiffs are acutely aware that a judgment does not end the litigation. Plaintiffs fully expects that Defendant would appeal any favorable judgment.

42. In this matter, Class Counsel negotiated a Total Settlement Amount of \$600,000 that is roughly between 9% and 33% Defendant's maximum class wide liability exposure. Given the amount of the settlement here, as compared to potential value of the claims, offset by the various inherent risks to continued litigation, the settlement is fair and reasonable.

B. Proposed Notice Informs the Class About the Case and Settlement

43. The Parties jointly drafted the Class Notice which fairly and neutrally informs the Settlement Class of their rights and remedies. The Settlement Administrator will first verify addresses, then mail the proposed Class Notice to entire Settlement Class. The Notice will include information

1 regarding the nature of the lawsuit, a summary of the substance of the Settlement's terms, the class
2 definition, the procedure and time period within which to requests for exclusions or objections to the
3 Settlement, the date for the final approval hearing, the formula used to calculate settlement payments,
4 and the terms and scope of the Released Claims. Agreement at §III(N). This method was negotiated
5 by the Parties to ensure delivering the most reasonable method of notice to the Settlement Class while
6 ensuring cost effective administration of the Settlement.

7 44. As detailed in the Agreement, the method of disseminating the proposed Class Notice and
8 contents of the Proposed Class Notice satisfy due process and the California Rule of Court 3.766.

9 **C. The Court Should Preliminarily Approve the Enhancement Award**

10 45. Approximately 846 members of the Settlement Class will share in the Net Settlement
11 Amount due entirely to the effort and commitment of Plaintiff. Subject to Court approval, therefore, the
12 Settlement provides for a Class Representative Service Award of \$10,000 for each Plaintiff. The service
13 award is fair and reasonable compensation for each Plaintiff's efforts bringing the action, assisting Class
14 Counsel with the litigation and settlement, regularly conferring with Class Counsel on the status of their
15 case and the strategies for prosecuting the claims, reviewing the proposed Settlement to ensure that its
16 terms are fair and provide adequate relief for the Settlement Class, and agreeing to provide Defendant
17 a general release of all claims arising out of their employment.

18 46. Class Counsel on behalf of Plaintiff will file a formal motion for the negotiated Class
19 Representative Service Award once preliminary approval of the Settlement is granted. Plaintiff
20 respectfully submits that the above showing is sufficient for preliminary approval of the negotiated
21 Class Representative Service Award.

22 **D. The Court Should Preliminary Approve the Negotiated Class Counsel Award**

23 47. Class Counsel took this matter on a contingency fee basis and invested significant time
24 and expense successfully prosecuting Plaintiffs' claims. As discussed *supra*, the estimated average
25 Individual Settlement Share illustrates the demonstrably positive outcome for the Settlement Class
26 Members. The Agreement provides for a Class Counsel Award in the amount of one-third of the Total
27 Settlement Amount and litigation costs and expenses not to exceed \$25,000. Agreement at §III(O)(3).

1 In light of the positive outcome for the Settlement Class, and in light of the supporting authority, the
2 proposed Class Counsel award is fair and reasonable.

3 48. Plaintiffs will file a formal motion for the negotiated Class Counsel Award once
4 preliminary approval of the Settlement is granted. Plaintiffs respectfully submit that the above showing
5 is sufficient for preliminary approval of the negotiated attorneys' fees.

6 **E. The Court Should Provisionally Certify the Settlement Class**

7 49. For Settlement, Plaintiffs contend, and Defendant does not dispute, that provisional
8 certification of the Settlement Class is appropriate. It is my opinion that provisional certification is
9 appropriate here, and that the Settlement is fair, reasonable and adequate, and in the best interests of the
10 Class.

11 50. Because all Settlement Class Members are Defendant's current and former employees,
12 the class is readily ascertainable from Defendant's regular business records, i.e., payroll records.

13 51. The statutes relating to each of Plaintiffs' claims apply with equal force and effect to the
14 entire Settlement Class. Factually, Defendant's policies and practices apply class-wide and Defendant's
15 liability can be determined by facts common to all members of the class. The wage and hour issues are
16 both numerous and substantial, and a class action is the most advantageous method of dealing with the
17 claims of the Settlement Class.

18 52. Plaintiffs' wage and hour claims are typical of the proposed Settlement Class because
19 they arise from the same factual basis and are based on the same legal theories applicable to the other
20 Class Members. Likewise, Plaintiffs' interests are entirely coextensive with the interests of the
21 Settlement Class. Plaintiffs allege that they were injured by the same company-wide practices to which
22 the proposed Settlement Class was subject to and seek the same relief. Plaintiffs have already
23 demonstrated their ability to advocate for the interests of the Settlement Class by initiating this
24 litigation, undertaking extensive class discovery, and evaluating the proposed settlement to assure that
25 it is fair.

26 53. A class action is superior to a multitude of individual lawsuits. Given the size and amount
27 of each individual Settlement Class Member's claim, Class Settlement Members likely have little
28

incentive to litigate their claims on an individual basis because the out-of-pocket expense and personal commitment necessary to litigate each claim outweighs any potential recovery. In sum, class treatment is superior to individual, case-by-case adjudication.

F. Class Counsel's Experience

54. Plaintiff, the Settlement Class Members and the Aggrieved Employees are represented by competent and experienced counsel to pursue their claims. I established the JCL Law Firm, APC ("Firm"), in 2010. The Firm is a boutique plaintiff firm representing aggrieved employees and consumers throughout California in wage and hour class actions, PAGA Actions and complex multi-party product liability matters. The Firm currently consists of myself, Jean-Claude Lapuyade, Esq. (Partner/Owner), Tesla Stone (Paralegal), Leilani Edmunds (Legal Secretary), Amanda De Blouw (Legal Assistant).

55. I am qualified to represent the Plaintiff, the State of California and the Aggrieved Employees. I have extensive experience with wage and hour class and representative actions litigation like this matter, and employment matters in general. Additionally, I have extensive complex mass tort litigation experience and complex construction product liability experience. I can, will and have adequately represented the interests of the Plaintiff, the State of California and the Aggrieved Employees throughout this action.

56. I have represented consumers and employees in California class actions, and complex multi-party product liability actions exclusively for more than 13 years. I have been in practice as a plaintiffs' civil litigation attorney since April 2007.

57. I have significant class counsel and collective action counsel experience. I served as class and/or collective (PAGA) counsel in the following matters:

- a. *Munoz v. AMTCR, Inc.*, San Bernardino Superior Court Case No. CIVDS2001914 (August 24, 2021 – Hon. David Cohn approved a \$1.85 million dollar wage and hour class and PAGA action for, among other things, inaccurate itemized wage statements, and appointed the JCL Law Firm, APC as Class Counsel.)

b. *Rodriguez v. RSI Home Products, Inc.*, San Bernardino Superior Court Case No. CIVDS2023354 (July 30, 2021 – Hon. David Cohn approved a \$1.45 million class and PAGA settlement for, *inter alia*, failure to comply with piece-rate laws, and appointed the JCL Law Firm, APC as Class Counsel)

c. *Jer Vang v. Bridge Property Management*, Alameda County Superior Court, Case No RG19047434 (January 8, 2021 – Hon. Winifred Smith approved a class and PAGA settlement for, *inter alia*, unpaid off the clock work. The JCL Law Firm, APC acted as class counsel for the settlement class and as representative PAGA counsel the State of California and the Aggrieved Employees.)

d. *Johnson v. Volt Management Corp., Inc. et al.*, Los Angeles County Superior Court, Case No. 19STCV16466 (December 11, 2020 – Hon. Amy Hogue approved a PAGA Settlement negotiated on behalf of the State of California and the aggrieved employees by the JCL Law Firm, APC.)

e. *Salazar v. Frontier Auto Sales Inc., dba Frontier Toyota*, Los Angeles Superior Court, Case No. 19STCV20382 (November 24, 2020 – Hon. John P. Doyle appointed the JCL Law Firm, APC as class counsel and approved a class and PAGA settlement for, *inter alia*, missed meal and rest periods.)

f. *Villalobos v. Alterra Group, LLC et al.*, Los Angeles County Superior Court, Case No. 19STCV19448 (November 11, 2020 – Hon. Richard Fruin approved a PAGA Settlement for, *inter alia*, unreimbursed business expenses. The JCL Law Firm, APC acted as counsel for the plaintiff, the State of California and the Aggrieved Employees.)

g. *Stevens et al., v. Bank of England*, San Diego County Superior Court Case No. 37-2019-00018662-CU-OE-CTL (October 16, 2020 – Hon. John Meyer appointed JCL Law Firm as Class Counsel and granted final approval of wage and hour class action for, *inter alia*, off-the-clock work.)

1 h. *Frazier v. ASA Carlton, Inc.*, San Diego Superior Court Case No. 37-2019-
2 00036147 (October 9, 2020 Hon. Kenneth Medel appointed the JCL Law Firm as Class Counsel
3 and granted final approval of wage and hour class action for off-the-clock work.)

4 i. *Krake et al., v. Central Valley Diner, Inc.*, Placer County Superior Court Case
5 No. SCV0041645 (September 4, 2020 – Hon. Michael Jones appointed JCL Law Firm as class
6 counsel and granted final approval of wage and hour class action for meal period violations.)

7 j. *Conner v. Ascendant Marketing, LLC et al.*, San Diego Superior Court Case No.
8 37-2019-00026864-CU-OE-CTL (July 24, 2020 Hon. Joel Wohlfeil granted approval of PAGA
9 Settlement for, among other things, off-the-clock work. JCL Law Firm, APC acted as lead
10 counsel.)

11 k. *Guerrero v. Estancia Operations, LLC.*, San Diego Superior Court Case No. 37-
12 2019-00028963 (August 25, 2020 – Hon. Katherine Bacal approved PAGA Settlement for, *inter*
13 *alia*, missed meal and rest periods. JCL LAW Firm, APC, acted as lead counsel.)

14 l. *Moreno v. Dash Lube, et al.*, United States District Court, Southern District of
15 California, Case No. 18cv1922 DMS (AHG) (December 13, 2019 – Granted class certification
16 of Labor Code Section 226 claim and appointed JCL Law Firm, APC, as Class Counsel.)

17 m. *Perkins et al., v. Tahiti Enterprises, Inc., et al.*, Orange County Superior Court
18 Case No. 30-2016-00863095 (October 22, 2019 – Hon. Peter Wilson appointed JCL Law Firm,
19 APC, as Class Counsel and granted final approval for an unlawful housing class action
20 settlement arising out of Civil Code Section 1940.1.)

21 n. *Hill v. Stemak Holdings, Ltd.*, San Diego Superior Court Case No., 37-2018-
22 00000747 (January 28, 2020 – Hon. Kenneth Medel appointed JCL Law Firm, APC as class
23 counsel and granted final approval of wage and hour class action for unpaid overtime.)

24 o. *Shachno et al., v. KT Hotels, LLC, et al.* San Diego Superior Court Case No Case
25 No. 37-2018-00043601 (May 31, 2019 – Hon, Gregory Pollack appointed JCL Law Firm, APC,
26 as Class Counsel and granted preliminary approval for the wage and hour class action settlement
27
28

1 involving nearly 900 current and former employees. Final approval scheduled for October 4,
2 2019)

3 p. *Almanza v. The Express Group, Inc.*, San Bernardino Superior Court Case No.
4 CIVDS1722542 (April 19, 2019 – Hon. David Cohn appointed the JCL Law Firm, APC, as
5 Class Counsel and granted final approval for a wage and hour class action settlement for *inter*
6 *alia*, missed meal and rest periods and independent contractor misclassification.)

7 q. *Moschetto v. Pillow Global, Inc. San Diego Superior Court*, Case No. 37-2017-
8 00024031-CU-OE-CTL (April 5, 2019 – Hon. John S. Meyer appointed JCL LAW Firm, APC,
9 as Class Counsel and granted final approval for a wage and hour wage class action settlement
10 involving misclassified house cleaners.)

11 r. *Burke v. Friendship Hotel, LLC*, San Diego County Superior Court Case No. 37-
12 2017-00022517-CU-OE-CTL (March 10, 2019 – final approval granted on for an unlawful
13 housing class action arising under Civil Code Section 1940.2)

14 s. *Terrado et al., v. Accredited Debt Relief, LLC*, San Diego County Superior Court
15 Case No. 37-2018-00014181-CU-OE-CTL (February 8, 2019 – Hon. Gregory W. Pollock
16 appointed JCL Law Firm, APC as Class Counsel and granted final approval for a wage and hour
17 class action settlement for meal and rest period violations);

18 t. *Macaspac v. San Antonio Regional Hospital*, San Bernardino Superior Court
19 Case No. CIVDS1512625, (July 27, 2018 – Hon. Thomas S. Garza appointed JCL Law Firm,
20 APC, as Class Counsel and granted final approval for a wage and hour class action settlement
21 involving claims for on duty meal and rest periods.);

22 u. *Summerlin et al. v. Maplebear, Inc. dba Instacart*, Los Angeles Superior Court
23 Case No. BC603030 (2018 - certified and settled wage and hour class action.)

24 v. *Ortega v. Prime Healthcare*, San Diego Superior Court Case No. 37-2014-
25 00011240-CU-OE-CTL (2018 – Approved PAGA only settlement for on duty meal and rest
26 periods)

1 w. *Engstrom v. Bender-Rosenthal, Inc.* San Diego Superior Court Case No. 37-
2 2016-00012373-CU-OE-CTL (2017 - Certified and settled class action for employee
3 misclassification);

4 x. *Crawford v. Outlook Amusements, Inc.*, Los Angeles Superior Court Case No.
5 BC617160 (2017 - Certified and settled wage and hour class action.);

6 y. *Hernandez v. Sunglass Hut Trading, LLC*, San Bernardino Superior Court Case
7 No. CIVDS1505181 (2016 - Certified and settled wage and hour class action);

8 z. *Burns v. Shalom, LLC*, San Diego Superior Court, Case No., 37-2013-00058356-
9 CU-BT-CTL (2015 - certified and settled class action for unlawful housing practices arising out
10 of Civil Code Section 1940.1);

11 58. Since 2010, my firm has successfully resolved more than sixty (65) cases and recovered
12 nearly of \$100 million on behalf of the Firm's clients.

13 59. Since 2010, I have successfully tried two (2) cases to conclusion, each resulting in a
14 favorable verdict for the firm's clients.

15 60. Finally, I have published appellate experience in *William Blanchette et al., v. The*
16 *Superior Court of Imperial County, (GHA Enterprises)*, 8 Cal.App.5th 521.

17 61. Consequently, I was named to the prestigious Thomson Reuters, Super Lawyers, Rising
18 Star in 2015, 2016, 2017 and, again, in 2018. According to Thomson Reuters, the Super Lawyers,
19 Rising Star list recognizes the top 2.5% of eligible attorneys. (see
20 https://www.superlawyers.com/about/selection_process.html.)

21 I declare under the penalty of perjury under the laws of the State of California that the foregoing
22 is true and correct. Executed this 1st day of October 2021, at San Diego, California.

23 **JCL LAW FIRM, APC**

24 By: 
25 Jean-Claude Lapuyade
26 Attorneys for Plaintiff
27
28

EXHIBIT 1

1 JEAN-CLAUDE LAPUYADE, ESQ. (SBN 248676)

2 **JCL LAW FIRM, APC**

3 3990 OLD TOWN AVENUE, SUITE C204

4 SAN DIEGO, CA 92110

5 TEL: 619-599-8292

6 FAX: 619-599-8291

7 **ZAKAY LAW GROUP, APLC**

8 SHANI O. ZAKAY (STATE BAR #277924)

9 5850 OBERLIN DRIVE, SUITE 230A

10 SAN DIEGO, CA 92121

11 TEL: (619) 255-9047

12 FAX: (858) 404-9203

13
14 ADDITIONAL PLAINTIFFS' COUNSEL ON FOLLOWING PAGE

15
16 **SUPERIOR COURT OF CALIFORNIA**

17 **COUNTY OF SAN DIEGO**

18 ALEXANDER CASTELLANOS,
19 individually, on behalf of all those similarly
20 situated and in his representative capacity on
21 behalf of the State of California

22 **PLAINTIFFS,**

23 vs.

24 SOUTHWEST SECURITY PATROL, INC.,
25 d.b.a. SOUTHWEST PATROL a California
26 corporation; and DOES 1 through 50;

27 **DEFENDANTS.**

Case No. 37-2020-00024905

[Action Filed 07/17/2020]

**STIPULATION OF SETTLEMENT OF
CLASS ACTION CLAIMS AND
RELEASE OF CLAIMS**

Judge: Hon. Keri Katz
Dept.: 74

1 ADAM M. ROSE (210880)
2 MANNY M. STARR (319778)
3 **FRONTIER LAW CENTER**
4 23901 CALABASAS ROAD, #2074
5 CALABASAS, CA 91302
6 TEL: 818-914-3433
7 FAX: 818-914-3433

8 SAM A. DONABEDIAN (304196)
9 **DONABEDIAN LAW, APC**
10 21550 OXNARD ST., THIRD FLOOR
11 WOODLAND HILLS, CA 91367
12 TEL: 213-761-7268
13 FAX: 213-799-3000
14
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1 This Stipulation of Class Action Settlement and Release of Claims is entered into by and
2 between Plaintiffs ALEXANDER CASTELLANOS, ROBERT MAUNA and DOUGLAS
3 ALONZO ALLEN GRAY (hereinafter "Plaintiffs"), individually and on behalf of the Settlement
4 Class, and Defendant SOUTHWEST SECURITY PATROL, INC., d.b.a. SOUTHWEST PATROL
5 (hereinafter "Defendant"):

6 **I. DEFINITIONS**

7 A. "Actions" shall mean the following collectively, *Castellanos v. Southwest Security*
8 *Patrol, Inc., dba Southwest Patrol* San Diego Superior Court, Case No. 37-2020-
9 00024905 (hereinafter "*Castellanos Action*"); *Mauna v. Southwest Patrol, Inc.*, Los
10 Angeles Superior Court, Case No. 19STCV28903 (hereinafter "*Mauna Action*");
11 *Gray v. Southwest Patrol Inc.*, Los Angeles Superior Court, Case No.
12 20STCV02521(hereinafter "*Gray Action*").

13
14
15 B. "Aggrieved Employees" shall mean all of Defendant's current and former non-
16 exempt employees employed in California during the PAGA Period.

17
18 C. "Agreement" or "Settlement Agreement" means this Stipulation of Settlement of
19 Class Action and Release of Claims.

20
21 D. "Class Counsel" shall mean Jean-Claude Lapuyade, Esq. of JCL Law Firm, APC,
22 Shani Zakay of Zakay Law Group, APLC, Manny M. Starr, Esq. of Frontier Law
23 Center, and Sam A. Donabedian of Donabedian Law, APC

24
25 E. "Class Counsel Award" means the award of fees and expenses that the Court
26 authorizes to be paid to Class Counsel for the services they have rendered to
27 Plaintiffs and the Class in the Actions, consisting of attorneys' fees not to exceed
28 one-third of the Total Settlement Amount currently estimated to be \$200,000 out of

1 \$600,000 plus costs and expenses not to exceed \$20,000.00. Class Counsel's award
2 for attorneys' fees will be divided between Class Counsel as follows: 25% to JCL
3 Law Firm, APC; 25% to Zakay Law Group, APLC; 30% to Frontier Law Center;
4 and 20% to Donabedian Law, APC.
5

6 F. "Class Data" means information regarding Settlement Class Members that Defendant
7 will in good faith compile from its records and provide to the Settlement
8 Administrator. It shall be formatted as a Microsoft Excel spreadsheet and shall
9 include: each Settlement Class Member's full name; last known address; Social
10 Security Number; start dates and end dates of employment, and number of
11 Workweeks as a Settlement Class Member during the Class Period and PAGA Period
12 and email address, if known.
13

14
15 G. "Class Period" means the period from November 1, 2018, to September 21, 2021.

16 H. "Class Representative Service Award" means the amount that the Court authorizes to
17 be paid to the Class Representatives, in addition to their Individual Settlement
18 Payments and their pro-rata share of the PAGA Settlement, in recognition of their
19 efforts and risks in assisting with the prosecution of the Actions and in exchange for
20 executing a General Release of Defendant.
21

22 I. "Class Representatives" shall mean plaintiffs ALEXANDER CASTELLANOS,
23 ROBERT MAUNA and DOUGLAS ALONZO ALLEN GRAY.
24

25 J. "Court" means the Superior Court for the State of California, County of Santa Diego
26 presiding over the *Castellanos* Action.
27
28

1 K. "Defendant" shall mean SOUTHWEST SECURITY PATROL, INC. d.b.a.
2 SOUTHWEST PATROL, a California corporation.
3

4 L. "Effective Date" means the earliest date, following entry by the Court of an order
5 and judgment finally approving this Settlement, upon which one of the following have
6 occurred: (i) if no objection is filed to the settlement and no objector appears at the
7 hearing on final approval, the date of the Court's entry of the order granting final
8 approval, (ii) if an objection is filed to the settlement and/or an objector appears at the
9 hearing on final approval, then the earlier of the following: (a) the expiration of all
10 potential appeal periods without a filing of a notice of appeal of the final approval
11 order or judgment; (b) final affirmance of the final approval order and judgment by
12 an appellate court as a result of any appeal(s), or (c) final dismissal or denial of all
13 such appeals (including any petition for review, rehearing, certiorari, etc.) such that
14 the final approval order and judgment is no longer subject to further judicial review.
15
16

17 M. "Funding Date" shall mean the date the date the Total Settlement Amount is funded
18 by Defendant into the QSF in accord with the terms of this Agreement.
19

20 N. "Individual Settlement Payment" means the amount payable from the Net Settlement
21 Amount to each Settlement Class Member and excludes any amounts distributed to
22 Settlement Class Members pursuant to PAGA
23

24 O. "Net Settlement Amount" or "NSA" means the Total Settlement Amount, less Class
25 Counsel Award, Class Representative Service Awards, PAGA Settlement, and
26 Settlement Administration Costs.
27
28

- 1 P. "Notice Packet" means the Class Notice to be provided to the Settlement Class
2 Members by the Settlement Administrator in the form set forth as Exhibit A to this
3 Agreement (other than formatting changes to facilitate printing by the Settlement
4 Administrator).
- 5 Q. "PAGA" means the California Labor Code Private Attorneys General Act of 2004,
6 Labor Code § 2698 *et seq.*
- 7 R. "PAGA Payment Ratio" means the respective Workweeks during the PAGA Period
8 for each Aggrieved Employee divided by the sum total of the Workweeks for all
9 Aggrieved Employees during the PAGA Period.
- 10 S. "PAGA Period" means the period between November 1, 2018 and September 21,
11 2021.
- 12 T. "PAGA Settlement" shall mean Fifty Thousand Dollars (\$50,000.00) to be allocated
13 from the Total Settlement Amount.
- 14 U. "Parties" means Plaintiffs and Defendant, collectively, and "Party" shall mean either
15 Plaintiff or Defendant, individually.
- 16 V. "Payment Ratio" means the respective Workweeks for each Settlement Class Member
17 divided by the sum total Workweeks for all Settlement Class Members.
- 18 W. "Plaintiff" or "Plaintiffs" shall mean either ALEXANDER CASTELLANOS,
19 ROBERT MUANA or DOUGLAS ALONZO ALLEN GRAY individually or
20 collectively.
- 21
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- 1 X. "QSF" means the Qualified Settlement Fund established, designated and maintained
2 by the Settlement Administrator to fund the Total Settlement Amount.
3
- 4 Y. "Released Class Claims" means all class claims alleged in all operative complaints in
5 the *Gray* Action, *Mauna* Action, and the *Castellanos* Action, which occurred during
6 the Class Period, including all claims for violations of the California Labor Code
7 related to meal period, rest period, unpaid wages, minimum wage, unpaid overtime
8 wages, inaccurate wage statements, waiting time penalties, failure to reimburse
9 business expenses, and claims under the UCL arising from such violations.
10
- 11 Z. "Released PAGA Claims" mean any and all PAGA claims alleged in all operative
12 complaints and Plaintiffs' PAGA notices to the LWDA in the *Gray* Action, *Mauna*
13 Action, and the *Castellanos* Action, which occurred during the PAGA Period,
14 including all claims for PAGA penalties arising from violations of the California
15 Labor Code related to meal period, rest period, unpaid wages, minimum wage, unpaid
16 overtime wages, inaccurate wage statements, waiting time penalties and failure to
17 reimburse business expenses.
18
- 19
20 AA. "Released Parties" shall mean Defendant and their respective present and former
21 parents, owners, successors, subsidiaries and any affiliated or related persons or
22 entities and each of their respective officers, directors, employees, partners,
23 shareholders, attorneys and agents and any other successors, assigns or legal
24 representatives from the factual allegations pleaded or claims that could have been
25 brought based on the same facts in Plaintiffs' respective Complaints and PAGA
26 notices.
27
28

1 BB. "Response Deadline" means the date forty-five (45) days after the Settlement
2 Administrator mails Notice Packets to Settlement Class Members and the last date on
3 which Settlement Class Members may submit requests for exclusion or objections to
4 the Settlement.

5
6 CC. "Settlement" means the disposition of the Action pursuant to this Agreement.

7
8 DD. "Settlement Administrator" means ILYM Group Inc., 14771 Plaza Drive, Ste. L,
9 Tustin, CA 92780; Tel: 1-888-250-6810; Fax: 1-888-845-6185. The Settlement
10 Administrator establishes, designates and maintains, as a QSF under Internal Revenue
11 Code section 468B and Treasury Regulation section 1.468B-1, into which the amount
12 of the Total Settlement Amount is deposited for the purpose of resolving the claims
13 of Settlement Class Members. The Settlement Administrator shall maintain the funds
14 until distribution in an account(s) segregated from the assets of Defendant and any
15 person related to Defendant. *All accrued interest shall be paid and distributed to the*
16 *Settlement Class Members as part of their respective Individual Settlement*
17 *Payment.*

18
19
20 EE. "Settlement Class Members" or "Settlement Class" means all of Defendant's current
21 and former non-exempt employees employed in California during the Class Period.
22 The "Settlement Class Members" shall not include any person who submits a timely
23 and valid request for exclusion as provided in this Agreement.

24
25 FF. "Total Settlement Amount" means Six Hundred Thousand Dollars (\$600,000.00) that
26 Defendant must pay into the QSF in connection with this Settlement, inclusive of the
27 sum of the Individual Settlement Payments, the Class Representative Service Awards,
28

1 the Class Counsel Award, PAGA Settlement and the Settlement Administration Costs
2 and *exclusive* of the employer's share of payroll tax, if any, triggered by any payment
3 under this Settlement.
4

5 GG. "Workweeks", for purposes of calculating the distribution of the Net Settlement
6 Amount, means the number of weeks of employment during the Class Period that
7 each Settlement Class Member worked in California. The Settlement Administrator
8 will calculate the number of Workweeks by calculating the number of days each
9 Settlement Class Member was employed during the Class Period, dividing by seven
10 (7), and rounding up to the nearest whole number. For purpose of determining the
11 Individual Settlement Payments and Payment Ratio, each Settlement Class Member
12 who is a former employee no longer working for Defendant will be assigned four (4)
13 additional Workweeks. For purposes of distributing the PAGA Settlement to the
14 Settlement Class, Workweeks means the number of weeks of employment for each
15 Settlement Class Member during the PAGA Period.
16
17

18 **II. RECITALS**

19 A. On July 17, 2020, plaintiff Castellanos filed a Notice of Labor Code Violations with
20 the Labor and Workforce Development Agency (LWDA) and served the same on
21 Defendant alleging Defendant violated California Labor Code Sections 201, 201.3,
22 202, 203, 204, 210, 218.5, 218.6, 226, 226.3, 226.7, 510, 512, 558, 1174(d), 1174.5,
23 1194, 1197, 1197.1, 1198, 1199, 2802 and 2804, and the applicable Industrial Welfare
24 Commission Wage Order.
25

26
27 B. On July 17, 2020, plaintiff Castellanos filed the *Castellanos* Action for:
28

1. Unfair Competition in Violation of Bus. and Prof. Code §§ 17200;
2. failure to pay overtime wages in violation of California Labor Code sections 510 *et seq.*;
3. failure to pay minimum wages in violation of California Labor Code sections 1194, 1197 and 1197.1;
4. failure to provide required rest periods in violation of California Labor Code sections 226.7 and 512;
5. failure to provide required meal periods in violation of California Labor Code sections 226.7 and 512;
6. failure to provide accurate itemized wage statements in violation of California Labor Code section 226;
7. failure to reimburse employees required expenses in violation of California Labor Code section 2802; and
8. failure to provide wages when due in violation of California Labor Code sections 201, 202 and 203.

C. On September 12, 2019, plaintiff Mauna filed a Notice of Labor Code Violations with the Labor and Workforce Development Agency (LWDA) and served the same on Defendant alleging Defendant violated California Labor Code Sections 203, 204, 226, 226.7, 510, 512, 1194, 1197.1, and 2802.

D. On August 15, 2019, plaintiff Mauna filed the *Mauna* Action for:

1 Meal Period Violation, Rest Period Violations, Wage and Hour Violations, Wage
2 Statement Penalties, Violation of Labor Code 2802, and Violation of the Unfair
3 Competition Law.
4

5 E. On November 1, 2019, plaintiff Gray filed a Notice of Labor Code Violations with
6 the Labor and Workforce Development Agency (LWDA) and served the same on
7 Defendant alleging Defendant violated California Labor Code Sections 226, 226.7,
8 510, 512, 1194, 1194.2, 1197.1, and 2802.
9

10 F. On January 21, 2020, plaintiff Gray filed the *Gray* Action for:
11
12 PAGA penalties.

13 G. On June 8, 2021, the Parties participated in mediation presided over by Lynn Frank,
14 Esq., a well-respected wage and hour class action mediator. The mediation concluded
15 with a settlement after both sides agreed to a Mediator's proposal which was
16 subsequently memorialized in the form of a Memorandum of Understanding.
17

18 H. This Agreement replaces and supersedes the Memorandum of Understanding and any
19 other agreements, understandings, or representations between the Parties. This
20 Agreement represents a compromise and settlement of highly disputed claims.
21 Nothing in this Agreement is intended or will be construed as an admission by
22 Defendant that the claims in the Actions of Plaintiffs or the Settlement Class Members
23 have merit or that Defendant bears any liability to Plaintiff or the Class on those
24 claims or any other claims, or as an admission by Plaintiffs that Defendant's defenses
25 in the Actions have merit. The Parties agree to certification of the Class for purposes
26 of this Settlement only. If for any reason the settlement does not become effective,
27
28

1 Defendant reserves the right to contest certification of any class for any reason and
2 reserves all available defenses to the claims in the Action.
3

4 Based on these Recitals that are a part of this Agreement, the Parties agree as follows:

5
6 **III. TERMS OF AGREEMENT**

7 A. Settlement Consideration and Settlement Payments by Defendant.

8 1. Settlement Consideration. In full and complete settlement of the Actions, and
9 in exchange for the releases set forth below, Defendant and the Released
10 Parties will pay the sum of the Individual Settlement Payments, the Class
11 Representative Service Award, the Class Counsel Award, PAGA Settlement,
12 and the Settlement Administration Costs, as specified in this Agreement, equal
13 to the Total Settlement Amount of Six Hundred Thousand Dollars
14 (\$600,000.00). The Parties agree that this is a non-reversionary Settlement and
15 that no portion of the Total Settlement Amount shall revert to Defendant.
16 Other than the Defendant's share of employer payroll taxes, or as otherwise
17 specified in the Agreement, Defendant shall not be required to pay more or
18 less than the Total Settlement Amount, except as provided for hereinbelow.
19

20
21 2. Class Size. At the time of mediation, Defendant estimated that the Settlement
22 Class was comprised of 864 individuals that collectively worked
23 approximately 39,937 Workweeks ("Projected Workweeks") during the Class
24 Period. In regard hereto, Defendant will provide a declaration under penalty
25 of perjury confirming the number of Class Members and Workweeks they
26 worked during the Class Period prior to the filing of the motion for preliminary
27
28

1 approval. If, at the time of Defendant's declaration, the actual number of
2 Workweeks exceeds the Projected Workweeks by more than 10% (i.e., greater
3 than 49,931), the Gross Settlement Amount shall increase proportionally with
4 each added workweek at a rate of \$15.02 per Workweek.
5

6 3. Settlement Payments. Defendant and the Released Parties, and each of them,
7 are jointly and severally liable for payment of the Total Settlement Amount.
8 Defendant shall pay \$250,000.08 within fourteen (14) calendar days of the
9 Court's preliminary approval of the settlement, plus twenty-four (24) equal
10 monthly payments, each via wire transfer to the QSF, in the amount of
11 \$14,583.33, with the initial monthly payment commencing 60 days after the
12 initial deposit and continuing every 30 days thereafter.
13

14 4. Early Payment Discount. The Total Settlement Amount shall be discounted
15 and reduced to \$575,000.00 should Defendant agree to pay the Gross
16 Settlement Amount early, as follows: \$250,000.04, via wire transfer to the
17 QSF, within fourteen (14) calendar days of the Court's preliminary approval
18 of the settlement, plus twelve (12) equal monthly payments in the amount of
19 \$27,083.33, with the initial monthly payment commencing 60 days after the
20 initial deposit and continuing every 30 days thereafter. Defendant shall advise
21 Class Counsel of its decision to trigger the Early Payment Discount by August
22 8, 2021 or waive the Early Payment Discount.
23

24 5. Defendant's Share of Payroll Taxes. Defendant's share of employer side
25 payroll taxes is in addition to the Total Settlement Amount and shall be paid
26
27
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1 by Defendant within fourteen (14) calendar days of request by the Settlement
2 Administrator.
3

4 B. Right to File Amended Complaint in the *Castellanos* Action. Prior to filing the Motion
5 for Preliminary Approval of this Settlement, Defendant shall stipulate for leave for
6 Plaintiffs to file a First Amended Complaint in the *Castellanos* Action. The First
7 Amended Complaint will join plaintiffs Mauna and Gray and add all claims and causes
8 of action causes of action asserted in the *Mauna* Action and *Gray* Action into the
9 *Castellanos* Action.
10

11 C. Release by Settlement Class Members. As of the Funding Date, in exchange for the
12 consideration set forth in this Agreement, Plaintiffs and the Settlement Class Members
13 release the Released Parties from the Released Class Claims for the Class Period.
14

15 D. Release by the Aggrieved Employees. As of the Funding Date, in exchange for the
16 consideration set forth in this Agreement, the Plaintiff, the Aggrieved Employees, the
17 LWDA and the State of California release the Released Parties from the PAGA
18 Released Claims for the PAGA Period.
19

20 E. General Release by Plaintiffs. As of the Funding Date, for the consideration set forth
21 in this Agreement, Plaintiffs, for themselves and each of them individually, waive,
22 release, acquit and forever discharge the Released Parties from any and all claims,
23 actions, charges, complaints, grievances and causes of action, of whatever nature,
24 whether known or unknown, which exist or may exist on their behalf as of the date of
25 this Agreement, including but not limited to any and all tort claims, contract claims,
26 wage claims, wrongful termination claims, disability claims, benefit claims, public
27 policy claims, retaliation claims, statutory claims, personal injury claims, emotional
28 distress claims, invasion of privacy claims, defamation claims, fraud claims, quantum

meruit claims, and any and all claims arising under any federal, state or other governmental statute, law, regulation or ordinance, including, but not limited to claims for violation of the Fair Labor Standards Act, the California Labor Code, the Wage Orders of California's Industrial Welfare Commission, other state wage and hour laws, the Americans with Disabilities Act, the Age Discrimination in Employment Act (ADEA), the Employee Retirement Income Security Act, Title VII of the Civil Rights Act of 1964, the California Fair Employment and Housing Act, the California Family Rights Act, the Family Medical Leave Act, California's Whistleblower Protection Act, California Business & Professions Code Section 17200 et seq., and any and all claims arising under any federal, state or other governmental statute, law, regulation or ordinance. Plaintiffs also waive and relinquish any and all claims, rights or benefits that they may have under California Civil Code § 1542, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR 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.

Plaintiffs are creditors and/or a "releasing party" within the meaning of Civil Code § 1542. Plaintiffs may discover claims or facts in addition to, or different from, those which they now know or believe to exist, but Plaintiffs expressly agree to fully, finally and forever settle and release any and all claims against the Released Parties,

1 known or unknown, suspected or unsuspected, which exist or may exist on behalf of
2 or against the other at the time of execution of this Agreement, including, but not
3 limited to, any and all claims relating to or arising from Plaintiffs' employment with
4 Defendant. The Parties further acknowledge, understand, and agree that this
5 representation and commitment is essential to the Agreement and that this
6 Agreement would not have been entered into were it not for this representation and
7 commitment.
8

9
10 F. Dismissal of the *Mauna* Action and *Gray* Action: Upon the Funding Date, Class
11 Counsel will take all steps necessary to dismiss the *Mauna* Action and *Gray* Action
12 with prejudice.

13
14 G. Conditions Precedent: This Settlement will become final and effective only upon the
15 occurrence of all of the following events:

- 16 1. The Court enters an order granting preliminary approval of the Settlement;
- 17 2. The Court enters an order granting final approval of the Settlement and a Final
18 Judgment;
- 19 3. If an objector appears at the final approval hearing, the time for appeal of the
20 Final Judgment and Order Granting Final Approval of Class Action
21 Settlement expires; or, if an appeal is timely filed, there is a final resolution of
22 any appeal from the Judgment and Order Granting Final Approval of Class
23 Action Settlement; and
24 4. Defendant fully funds the Total Settlement Amount.
25
26
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1 H. Nullification of Settlement Agreement. If this Settlement Agreement is not
2 preliminarily or finally approved by the Court, fails to become effective, or is reversed,
3 withdrawn, or modified by the Court, or in any way prevents or prohibits Defendant
4 from obtaining a complete resolution of the Released Claims, or if Defendant fails to
5 fully fund the Total Settlement Amount:
6

7 1. This Settlement Agreement shall be void *ab initio* and of no force or effect,
8 and shall not be admissible in any judicial, administrative or arbitral
9 proceeding for any purpose or with respect to any issue, substantive or
10 procedural;
11

12 2. The conditional class certification (obtained for any purpose) shall be void *ab*
13 *initio* and of no force or effect, and shall not be admissible in any judicial,
14 administrative, or arbitral proceeding for any purpose or with respect to any
15 issue, substantive or procedural; and
16

17 3. The First Amended Complaint in the *Castellanos* Action shall be void *ab*
18 *initio* and of no force or effect, and the initial complaint filed in the
19 *Castellanos* Action shall thereafter become the operative complaint.
20

21 4. None of the Parties to this Settlement will be deemed to have waived any
22 claims, objections, defenses, or arguments in the Action, including with
23 respect to the issue of class certification.
24

25 5. Defendant shall bear the sole responsibility for any cost to issue or reissue any
26 curative notice to the Settlement Class Members and all Settlement
27 Administration Costs incurred to the date of nullification.
28

1 I. Certification of the Settlement Class. The Parties stipulate to conditional class
2 certification of the Settlement Class for the Class Period for purposes of settlement
3 only. In the event that this Settlement is not approved by the Court, fails to become
4 effective, or is reversed, withdrawn or modified by the Court, or in any way prevents
5 or prohibits Defendant from obtaining a complete resolution of the Released Claims,
6 the conditional class certification (obtained for any purpose) shall be void *ab initio* and
7 of no force or effect, and shall not be admissible in any judicial, administrative or
8 arbitral proceeding for any purpose or with respect to any issue, substantive or
9 procedural.
10

11
12 J. Tax Liability. The Parties make no representations as to the tax treatment or legal
13 effect of the payments called for, and Settlement Class Members are not relying on
14 any statement or representation by the Parties in this regard. Settlement Class
15 Members understand and agree that they will be responsible for the payment of any
16 taxes and penalties assessed on the Individual Settlement Payments described and will
17 be solely responsible for any penalties or other obligations resulting from their
18 personal tax reporting of Individual Settlement Payments.
19

20 K. Circular 230 Disclaimer. Each Party to this Agreement (for purposes of this section,
21 the “acknowledging party” and each Party to this Agreement other than the
22 acknowledging party, an “other party”) acknowledges and agrees that: (1) no provision
23 of this Agreement, and no written communication or disclosure between or among the
24 Parties or their attorneys and other advisers, is or was intended to be, nor shall any
25 such communication or disclosure constitute or be construed or be relied upon as, tax
26 advice within the meaning of United States Treasury Department circular 230 (31 CFR
27
28

1 part 10, as amended); (2) the acknowledging party (a) has relied exclusively upon his,
2 her or its own, independent legal and tax counsel for advice (including tax advice) in
3 connection with this Agreement, (b) has not entered into this Agreement based upon
4 the recommendation of any other Party or any attorney or advisor to any other Party,
5 and (c) is not entitled to rely upon any communication or disclosure by any attorney
6 or adviser to any other party to avoid any tax penalty that may be imposed on the
7 acknowledging party, and (3) no attorney or adviser to any other Party has imposed
8 any limitation that protects the confidentiality of any such attorney's or adviser's tax
9 strategies (regardless of whether such limitation is legally binding) upon disclosure by
10 the acknowledging party of the tax treatment or tax structure of any transaction,
11 including any transaction contemplated by this Agreement.
12
13

14 L. Preliminary Approval Motion. At the earliest practicable time, Plaintiffs shall file with
15 the Court a Motion for Order Granting Preliminary Approval and supporting papers,
16 which shall include this Settlement Agreement.
17

18 M. Settlement Administrator. The Settlement Administrator shall be responsible for:
19 establishing and administering the QSF; calculating, processing and mailing payments
20 to the Class Representatives, Class Counsel, LWDA and Settlement Class Members;
21 printing, mailing and emailing the Notice Packets to the Settlement Class Members as
22 directed by the Court; establishing and maintaining the a landing page hosted on its
23 website to containing information about the Settlement; receiving and reporting the
24 objections and requests for exclusion; calculating, deducting and remitting all legally
25 required taxes from Individual Settlement Payments and distributing tax forms for the
26 Wage Portion and Non-Wage Portion of the Individual Settlement Payments;
27
28

1 processing and mailing tax payments to the appropriate state and federal taxing
2 authorities; providing declaration(s) as necessary in support of preliminary and/or final
3 approval of this Settlement; posting notice of entry of judgment on its website; and
4 other tasks as the Parties mutually agree or the Court orders the Settlement
5 Administrator to perform. The Settlement Administrator shall keep the Parties timely
6 apprised of the performance of all Settlement Administrator responsibilities by among
7 other things, sending a weekly status report to the Parties' counsel stating the date of
8 the mailing, the of number of Elections Not to Participate in Settlement it receives
9 (including the numbers of valid and deficient), and number of objections received.
10

11
12 N. Notice Procedure.

13
14 1. Class Data. No later than fourteen (14) calendar days after the Preliminary
15 Approval Date, Defendant shall provide the Settlement Administrator with the
16 Class Data for purposes of preparing and mailing Notice Packets to Settlement
17 Class Members. Defendant shall verify the total number of Workweeks at the
18 time Class Data is provided to the Settlement Administer.
19

20 2. Notice Packets.

21 a) The Notice Packet shall contain the Notice of Class Action Settlement
22 in a form substantially similar to the form attached as Exhibit A. The
23 Notice of Class Action Settlement shall inform Settlement Class
24 Members that they need not do anything in order to receive an
25 Individual Settlement Payment and to keep the Settlement
26 Administrator apprised of their current mailing address, to which the
27
28

1 Individual Settlement Payments will be mailed following the Funding
2 Date. The Notice of Class Action Settlement shall set forth the release
3 to be given by all members of the Settlement Class who do not request
4 to be excluded from the Settlement Class in exchange for an Individual
5 Settlement Payment, the number of Workweeks worked by each
6 Settlement Class Member during the Class Period, and the estimated
7 amount of their Individual Settlement Payment if they do not request
8 to be excluded from the Settlement. The Settlement Administrator
9 shall use the Class Data to determine Class Members' Workweeks.
10

11
12 b) The Notice Packet's mailing envelope shall include the following
13 language: "IMPORTANT LEGAL DOCUMENT- YOU MAY BE
14 ENTITLED TO PARTICIPATE IN A CLASS ACTION
15 SETTLEMENT; A PROMPT REPLY TO CORRECT YOUR
16 ADDRESS IS REQUIRED AS EXPLAINED IN THE ENCLOSED
17 NOTICE."
18

19 3. Notice by First Class U.S. Mail and Email. Upon receipt of the Class Data,
20 the Settlement Administrator will perform a search based on the National
21 Change of Address Database to update and correct any known or identifiable
22 address changes. No later than fourteen (14) calendar days after receiving the
23 Class Data from Defendant, the Settlement Administrator shall mail and email
24 copies of the Notice Packet to all Settlement Class Members via regular First-
25 Class U.S. Mail and electronic mail. The Settlement Administrator shall
26 exercise its best judgment to determine the current mailing address for each
27
28

1 Settlement Class Member. The address identified by the Settlement
2 Administrator as the current mailing address shall be presumed to be the best
3 mailing address for each Settlement Class Member.
4

- 5 4. Undeliverable Notices. Any Notice Packets returned to the Settlement
6 Administrator as non-delivered on or before the Response Deadline shall be
7 re-mailed to any forwarding address provided. If no forwarding address is
8 provided, the Settlement Administrator shall promptly attempt to determine a
9 correct address by lawful use of skip-tracing, or other search using the name,
10 address and/or Social Security number of the Settlement Class Member
11 involved, and shall then perform a re-mailing, if another mailing address is
12 identified by the Settlement Administrator. In addition, if any Notice Packets,
13 which are addressed to Settlement Class Members who are currently
14 employed by Defendant, are returned to the Settlement Administrator as non-
15 delivered and no forwarding address is provided, the Settlement Administrator
16 shall notify Defendant. Defendant will request that the currently employed
17 Settlement Class Member provide a corrected address, and transmit to the
18 Administrator any corrected address provided by the Settlement Class
19 Member. Settlement Class Members who received a re-mailed Notice Packet
20 shall have their Response Deadline extended fifteen (15) days from the
21 original Response Deadline.
22
23
24

- 25 5. Disputes Regarding Individual Settlement Payments. Settlement Class
26 Members will have the opportunity, should they disagree with Defendant's
27 records regarding the start and end dates of employment while paid on a draw,
28

1 as stated on their Employment Information Sheet, to provide documentation
2 and/or an explanation to show contrary dates. If there is a dispute, the
3 Settlement Administrator will consult with the Parties to determine whether
4 an adjustment is warranted. The Settlement Administrator shall determine the
5 eligibility for, and the amounts of, any Individual Settlement Payments under
6 the terms of this Agreement. The Settlement Administrator's determination
7 of the eligibility for and amount of any Individual Settlement Payment shall
8 be binding upon the Settlement Class Member and the Parties.
9

10
11 6. Disputes Regarding Administration of Settlement. Any disputes not resolved
12 by the Settlement Administrator concerning the administration of the
13 Settlement will be resolved by the Court under the laws of the State of
14 California. Before any such involvement of the Court, counsel for the Parties
15 will confer in good faith to resolve the disputes without the necessity of
16 involving the Court.
17

18 7. Exclusions. The Notice of Class Action Settlement contained in the Notice
19 Packet shall state that Settlement Class Members who wish to exclude
20 themselves from the Settlement must submit a written request for exclusion
21 by the Response Deadline. The written request for exclusion must state that
22 the Settlement Class Member wishes to exclude himself or herself from the
23 Settlement and (1) must contain the name, address, and the last four digits of
24 the Social Security number of the person requesting exclusion; (2) must be
25 signed by the Settlement Class Member; (3) must be postmarked or fax
26 stamped by the Response Deadline and returned to the Settlement
27
28

1 Administrator at the specified address or fax telephone number; and (4)
2 contain a typewritten or handwritten notice stating in substance: "I wish to
3 opt out of the settlement of the class action lawsuit entitled *Castellanos v.*
4 *Southwest Security Patrol Inc., d.b.a Southwest Patrol*, currently pending in
5 the Superior Court for the County of Santa Diego, Case No. 37-2020-
6 00024905-CU-OE-CTL. I understand that by requesting to be excluded from
7 the settlement, I will receive no money from the Settlement described in this
8 Notice." The request for exclusion will not be valid if it is not timely
9 submitted, if it is not signed by the Settlement Class Member, or if it does not
10 contain the name and address and last four digits of the Social Security number
11 of the Settlement Class Member. The date of the postmark on the mailing
12 envelope or fax stamp on the request for exclusion shall be the exclusive
13 means used to determine whether the request for exclusion was timely
14 submitted. Any Settlement Class Member who requests to be excluded from
15 the Settlement Class will not be entitled to an Individual Settlement Payment
16 and will not be otherwise bound by the terms of the Settlement or have any
17 right to object, appeal or comment thereon. However, any Settlement Class
18 Member that submits a timely request for exclusion that is also a member of
19 the Aggrieved Employees will still receive their pro rata share of the PAGA
20 Settlement, as specified below, and in consideration, will be bound by the
21 Release by the Aggrieved Employees as set forth herein. Settlement Class
22 Members who fail to submit a valid and timely written request for exclusion
23 on or before the Response Deadline shall be bound by all terms of the
24 Settlement and any final judgment entered in this Action if the Settlement is
25
26
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1 approved by the Court. No later than fourteen (14) calendar days after the
2 Response Deadline, the Settlement Administrator shall provide counsel for
3 the Parties with a final list of the Settlement Class Members who have timely
4 submitted written requests for exclusion. At no time shall any of the Parties
5 or their counsel seek to solicit or otherwise encourage members of the
6 Settlement Class to submit requests for exclusion from the Settlement.
7

- 8 8. Objections. The Notice of Class Action Settlement contained in the Notice
9 Packet shall state that Settlement Class Members who wish to object to the
10 Settlement must submit to the Settlement Administrator a written statement of
11 objection ("Notice of Objection") by the Response Deadline. The postmark
12 date of mailing shall be deemed the exclusive means for determining that a
13 Notice of Objection was served timely. The Notice of Objection must be
14 signed by the Settlement Class Member and state: (1) the case name and
15 number; (2) the name of the Settlement Class Member; (3) the address of the
16 Settlement Class Member; (4) the last four digits of the Settlement Class
17 Member's Social Security number; (4) the basis for the objection; and (5) if
18 the Settlement Class Member intends to appear at the Final
19 Approval/Settlement Fairness Hearing. Settlement Class Members who fail
20 to make objections in writing in the manner specified above may still make
21 their objections orally at the Final Approval/Settlement Fairness Hearing with
22 the Court's permission. Settlement Class Members will have a right to appear
23 at the Final Approval/Settlement Fairness Hearing to have their objections
24 heard by the Court. At no time shall any of the Parties or their counsel seek
25 to solicit or otherwise encourage Settlement Class Members to file or serve
26
27
28

1 written objections to the Settlement or appeal from the Order and Final
2 Judgment. Settlement Class Members who submit a written request for
3 exclusion may not object to the Settlement.
4

5 O. Funding and Allocation of the Total Settlement Amount. Defendant is required to pay
6 the Total Settlement Amount on or before the Funding Date, plus any employer's share
7 of payroll taxes as mandated by law within the time specified herein.
8

9 1. Individual Settlement Payments. Individual Settlement Payments shall be
10 paid from the Net Settlement Amount and shall be paid pursuant to the
11 formula set forth below.
12

13 a) Calculation of Individual Settlement Payments. Using the Class Data,
14 the Settlement Administrator shall add up the total number of
15 Workweeks for all Settlement Class Members. The respective
16 Workweeks for each Settlement Class Member will be divided by the
17 total Workweeks for all Settlement Class Members, resulting in the
18 Payment Ratio for each Settlement Class Member. Each Settlement
19 Class Member's Payment Ratio will then be multiplied by the Net
20 Settlement Amount to calculate each Settlement Class Member's
21 estimated Individual Settlement Payments. Each Individual
22 Settlement Payment will be reduced by any legally mandated
23 employee tax withholdings (e.g., employee payroll taxes, etc.).
24 Individual Settlement Payments for Class Members who submit valid
25 and timely requests for exclusion will be redistributed to Settlement
26
27
28

1 Class Members who do not submit valid and timely requests for
2 exclusion on a pro rata basis based on their respective Payment Ratios.

3
4 b) Calculation of Individual Payments to the Aggrieved Employees.

5 Using the Class Data, the Settlement Administrator shall add up the
6 total number of Workweeks for all Aggrieved Employees during the
7 PAGA Period. The respective Workweeks for each Aggrieved
8 Employee will be divided by the total Workweeks for all Aggrieved
9 Employees, resulting in the "PAGA Payment Ratio" for each
10 Aggrieved Employee. Each Aggrieved Employee's PAGA Payment
11 Ratio will then be multiplied by the Aggrieved Employee Payment to
12 calculate each Aggrieved Employee's estimated Individual PAGA
13 Settlement.
14

15
16 c) Allocation of Individual Settlement Payments. For tax purposes,
17 Individual Settlement Payments shall be allocated and treated as
18 follows: 15% as wages ("Wage Portion"); 85% as penalties and
19 interest ("Non-Wage Portion"). The Wage Portion is subject to wage
20 withholdings and shall be reported on IRS Form W-2. The Non-Wage
21 Portion shall not be subject to wage withholdings and shall be reported
22 on IRS Form 1099.
23

24 d) Allocation of Aggrieved Employee Payments. For tax purposes,
25 Aggrieved Employee Settlement Payments shall be allocated and
26 treated as 100% penalties and shall be reported on IRS Form 1099.
27
28

1 e) Mailing. Individual Settlement Payments and Aggrieved Employee
2 Payments shall be mailed by regular First-Class U.S. Mail to
3 Settlement Class Members' last known mailing address no later than
4 fifteen (15) calendar days after the Funding Date.

5
6 f) Expiration. Any checks issued to Settlement Class Members shall
7 remain valid and negotiable for one hundred and eighty (180) days
8 from the date of their issuance. If a Settlement Class Member does not
9 cash his or her settlement check within 90 days, the Settlement
10 Administrator will send a letter to such persons, advising that the
11 check will expire after the 180th day, and invite that Settlement Class
12 Member to request reissuance in the event the check was destroyed,
13 lost or misplaced. In the event an Individual Settlement Payment
14 check has not been cashed within one hundred and eighty (180) days,
15 all funds represented by such uncashed checks, plus any interest
16 accrued thereon, shall be distributed consistent with California Code
17 of Civil Procedure Section 384 as follows: to The Children's
18 Advocacy Institute (CAI), founded at the nonprofit University of San
19 Diego School of Law in 1989. Neither Class Counsel nor Defendant's
20 counsel has any interest, pecuniary or otherwise, in CAI. Similarly,
21 neither Defendant nor Plaintiffs has any interest, pecuniary or
22 otherwise, in CAI.
23
24
25

26 2. Class Representative Service Award. In addition to the Individual Settlement
27 Payment to be paid to Plaintiffs, Plaintiffs will apply to the Court for an award
28

1 of not more than \$10,000, each, as the Class Representative Service Awards.
2 Defendant does not presently intend to oppose a Class Representative Service
3 Awards of no more than \$10,000 for each Plaintiff. The Settlement
4 Administrator shall pay the Class Representative Service Awards, either in the
5 amount stated herein if approved by the Court or some other amount as
6 approved by the Court, to Plaintiffs from the Total Settlement Amount no later
7 than ten (10) calendar days after the Funding Date. Any portion of the
8 requested Class Representative Service Awards that are not awarded to the
9 Class Representatives shall be part of the Net Settlement Amount and shall be
10 distributed to Settlement Class Members as provided in this Agreement. The
11 Settlement Administrator shall issue an IRS Form 1099 — MISC to Plaintiffs
12 for their Class Representative Service Award. Plaintiffs shall be solely and
13 legally responsible to pay any and all applicable taxes on their Class
14 Representative Service Award and shall hold harmless the Released Parties
15 from any claim or liability for taxes, penalties, or interest arising as a result of
16 the Class Representative Service Awards. The Class Representative Service
17 Awards shall be in addition to Plaintiffs' Individual Settlement Payment as a
18 Settlement Class Member. Approval of this Settlement shall not be
19 conditioned on Court approval of the requested amount of the Class
20 Representative Service Awards. In the event that the Court reduces or does
21 not approve the requested Class Representative Service Awards, Plaintiffs
22 shall not have the right to revoke the Settlement, and it will remain binding.
23
24
25
26

- 27 3. Class Counsel Award. Defendant understands a motion by Class Counsel for
28 attorneys' fees not to exceed one-third of the Total Settlement Amount

1 currently estimated to be \$200,000.00 plus costs and expenses supported by
2 declaration not to exceed Twenty-Five Thousand Dollars (\$20,000.00), from
3 the Total Settlement Amount will be filed. Any portion of the requested Class
4 Counsel Award that is not awarded to Class Counsel shall be part of the Net
5 Settlement Amount and shall be distributed to Settlement Class Members as
6 provided in this Agreement. The Settlement Administrator shall allocate and
7 pay the Class Counsel Award to Class Counsel from the Total Settlement
8 Amount no later than five (5) calendar days after the Funding Date. Class
9 Counsel shall be solely and legally responsible to pay all applicable taxes on
10 the payment made pursuant to this paragraph. The Settlement Administrator
11 shall issue an IRS Form 1099 — MISC to Class Counsel for the payments
12 made pursuant to this paragraph. In the event that the Court reduces or does
13 not approve the requested Class Counsel Award, Plaintiffs and Class Counsel
14 shall not have the right to revoke the Settlement, or to appeal such order, and
15 the Settlement will remain binding.
16
17
18

- 19 4. PAGA Settlement. Fifty Thousand Dollars (\$50,000) shall be allocated from
20 the Total Settlement Amount for settlement of claims for civil penalties under
21 the Private Attorneys General Act of 2004 ("PAGA Settlement"). The
22 Settlement Administrator shall pay seventy-five percent (75%) of the PAGA
23 Settlement (\$37,500) to the California Labor and Workforce Development
24 Agency no later than twenty-five (25) calendar days after the Funding Date
25 (hereinafter "LWDA Payment"). Twenty-five (25%) of the PAGA Settlement
26 (\$12,500) will be distributed to the Aggrieved Employees as described in this
27 Agreement (hereinafter "Aggrieved Employee Payment"). For purposes of
28

1 distributing the PAGA Settlement to the Aggrieved Employees, each
2 Aggrieved Employee shall receive their pro-rata share of the Aggrieved
3 Employee Payment using the PAGA Payment Ratio as defined above.
4

- 5 5. Settlement Administration Costs. The Settlement Administrator shall be paid
6 for the costs of administration of the Settlement from the Total Settlement
7 Amount. . The Settlement Administrator shall be paid the Settlement
8 Administration Costs no later than twenty-five (25) calendar days after the
9 Funding Date.
10

11 P. Final Approval Motion. Class Counsel and Plaintiffs shall use best efforts to file with
12 the Court a Motion for Order Granting Final Approval and Entering Judgment, within
13 twenty-eight (28) days following the expiration of the Response Deadline, which
14 motion shall request final approval of the Settlement and a determination of the
15 amounts payable for the Class Representative Service Award, the Class Counsel
16 Award, the PAGA Settlement, and the Settlement Administration Costs.
17

- 18
19 1. Declaration by Settlement Administrator. No later than fourteen (14) days
20 after the Response Deadline, the Settlement Administrator shall submit a
21 declaration in support of Plaintiffs' motion for final approval of this
22 Settlement detailing the number of Notice Packets mailed and re-mailed to
23 Settlement Class Members, the number of undeliverable Notice Packets, the
24 number of timely requests for exclusion, the number of objections received,
25 the amount of the average Individual Settlement Payment and highest
26 Individual Settlement Payment, the Settlement Administration Costs, and any
27
28

1 other information as the Parties mutually agree or the Court orders the
2 Settlement Administrator to provide.

3
4 2. Final Approval Order and Judgment. Class Counsel shall present an Order
5 Granting Final Approval of Class Action Settlement to the Court for its
6 approval, and Judgment thereon, at the time Class Counsel files the Motion
7 for Final Approval.
8

9 N. Defendant's Option to Revoke Settlement. Defendant has the unilateral right to
10 revoke the Settlement and Defendant shall have, in its sole discretion, the option to
11 terminate this Settlement if, after the Response Deadline, the number of Settlement
12 Class Members who submitted timely and valid written requests for exclusion from
13 the Settlement is at least ten percent (10%) of all Settlement Class Members. If
14 Defendant exercises the option to terminate this Settlement, Defendant shall: (a)
15 provide written notice to Class Counsel within five (5) calendar days after (i)
16 providing the Class Data to the Settlement Administrator or (ii) the Settlement
17 Administrator provides information regarding opt outs (which is to occur no later than
18 fourteen (14) calendar days after the Response Deadline, and (b) pay all Settlement
19 Administration Costs incurred up to the date or as a result of the termination; and the
20 Parties shall proceed in all respects as if this Agreement had not been executed.
21
22

23 O. Review of Motions for Preliminary and Final Approval. Class Counsel will provide
24 an opportunity for Counsel for Defendant to review the Motions for Preliminary and
25 Final Approval, including the Order Granting Final Approval of Class Action
26 Settlement, and Judgment before filing with the Court. The Parties and their counsel
27 will cooperate with each other and use their best efforts to affect the Court's approval
28

1 of the Motions for Preliminary and Final Approval of the Settlement, and entry of
2 Judgment.

3
4 P. Cooperation. The Parties and their counsel will cooperate with each other and use
5 their best efforts to implement the Settlement.

6
7 Q. Interim Stay of Proceedings. The Parties agree to stay all proceedings in the Actions,
8 except such proceedings necessary to implement and complete the Settlement,
9 including the filing of an amended complaint as contemplated herein, pending the Final
10 Approval/Settlement Fairness Hearing to be conducted by the Court

11
12 R. Amendment or Modification. This Agreement may be amended or modified only by
13 a written instrument signed by counsel for all Parties or their successors-in-interest.

14
15 S. Entire Agreement. This Agreement and any attached Exhibit constitute the entire
16 Agreement among these Parties, and no oral or written representations, warranties or
17 inducements have been made to any Party concerning this Agreement or its Exhibit
18 other than the representations, warranties and covenants contained and memorialized
19 in this Agreement and its Exhibit.

20
21 T. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and
22 represent they are expressly authorized by the Parties whom they represent to negotiate
23 this Agreement and to take all appropriate Action required or permitted to be taken by
24 such Parties pursuant to this Agreement to effectuate its terms, and to execute any other
25 documents required to effectuate the terms of this Agreement. The persons signing
26 this Agreement on behalf of Defendant represents and warrants that he/she is
27 authorized to sign this Agreement on behalf of Defendant. Plaintiffs represent and
28

warrant that they are authorized to sign this Agreement and that he/she has not assigned any claim, or part of a claim, covered by this Settlement to a third-party.

U. Binding on Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of, the successors or assigns of the Parties, as previously defined.

V. California Law Governs. All terms of this Agreement and the Exhibit and any disputes shall be governed by and interpreted according to the laws of the State of California.

W. Counterparts. This Agreement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument provided that counsel for the Parties to this Agreement shall exchange among themselves copies or originals of the signed counterparts.

X. This Settlement Is Fair, Adequate and Reasonable. The Parties believe this Settlement is a fair, adequate and reasonable settlement of this Action and have arrived at this Settlement after extensive arms-length negotiations, taking into account all relevant factors, present and potential.

Y. Jurisdiction of the Court. The Parties agree that the Court shall retain jurisdiction with respect to the interpretation, implementation and enforcement of the terms of this Agreement and all orders and judgments entered in connection therewith, and the Parties and their counsel submit to the jurisdiction of the Court for purposes of interpreting, implementing and enforcing the settlement and all orders and judgments entered in connection with this Agreement.

1 Z. Invalidity of Any Provision. Before declaring any provision of this Agreement invalid,
2 the Court shall first attempt to construe the provisions valid to the fullest extent
3 possible consistent with applicable precedents so as to define all provisions of this
4 Agreement valid and enforceable.

5
6 AA. No Unalleged Claims. Plaintiffs and Class Counsel represent that they do not currently
7 intend to pursue any claims against the Released Parties, including, but not limited to,
8 any and all claims relating to or arising from Plaintiffs' employment with Defendant,
9 regardless of whether Class Counsel is currently aware of any facts or legal theories
10 upon which any claims or causes of action could be brought against Released Parties,
11 including those facts or legal theories alleged in the operative complaint in this Action.
12 The Parties further acknowledge, understand and agree that this representation is
13 essential to the Agreement and that this Agreement would not have been entered into
14 were it not for this representation.

15
16
17 BB. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class
18 certification for purposes of this settlement only.

19
20 CC. No Admissions by the Parties. Plaintiffs have claimed and continue to claim that the
21 Released Claims have merit and give rise to liability on the part of Defendant.
22 Defendant claims that the Released Claims have no merit and do not give rise to
23 liability. This Agreement is a compromise of disputed claims. Nothing contained in
24 this Agreement and no documents referred to and no action taken to carry out this
25 Agreement may be construed or used as an admission by or against the Defendant or
26 Plaintiffs or Class Counsel as to the merits or lack thereof of the claims asserted. Other
27
28

1 than as may be specifically set forth herein, each Party shall be responsible for and
2 shall bear its/his own attorney's fees and costs.
3

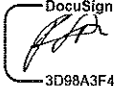
4 IT IS SO AGREED, FORM AND CONTENT, BY PLAINTIFF:
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6 DATED: _____
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ALEX CASTELLANOS

8 07/22/21 | 10:42 PDT

9 DATED: _____
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DocuSigned by:

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ROBERT MAUNA

11 DATED: _____
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DOUGLAS ALONZO ALLEN GRAY

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15 IT IS SO AGREED, FORM AND CONTENT, BY DEFENDANTS:
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17 DATED: _____
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SOUTHWEST SECURITY PATROL, INC., d.b.a.
SOUTHWEST PATROL

19
20
21 Printed Name

22 Title
23

24 IT IS SO AGREED AS TO FORM BY COUNSEL:
25

26 DATED: _____

JCL LAW FIRM, A.P.C.

27 By: _____
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than as may be specifically set forth herein, each Party shall be responsible for and shall bear its/his own attorney's fees and costs.

IT IS SO AGREED, FORM AND CONTENT, BY PLAINTIFF:

DATED: _____

ALEX CASTELLANOS

DATED: _____

ROBERT MAUNA

07/28/21 | 7:15 PDT

DATED: _____

DocuSigned by:

DOUGLAS GRAY

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DOUGLAS ALONZO ALLEN GRAY

IT IS SO AGREED, FORM AND CONTENT, BY DEFENDANTS:

DATED: _____

SOUTHWEST SECURITY PATROL, INC., d.b.a.
SOUTHWEST PATROL

Printed Name

Title

IT IS SO AGREED AS TO FORM BY COUNSEL:

DATED: _____

JCL LAW FIRM, A.P.C.

By: _____

than as may be specifically set forth herein, each Party shall be responsible for and shall bear its/his own attorney's fees and costs.

IT IS SO AGREED, FORM AND CONTENT, BY PLAINTIFF:

DATED: 7/22/2021

DocuSigned by:
A.C.
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ALEX CASTELLANOS

DATED: _____

ROBERT MAUNA

DATED: _____

DOUGLAS ALONZO ALLEN GRAY

IT IS SO AGREED, FORM AND CONTENT, BY DEFENDANTS:

DATED: _____

SOUTHWEST SECURITY PATROL, INC., d.b.a.
SOUTHWEST PATROL

Printed Name

Title

IT IS SO AGREED AS TO FORM BY COUNSEL:

DATED: 7/22/2021

JCL LAW FIRM, A.P.C.

By: _____

DocuSigned by:
Jean-Claude Lapuyade
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than as may be specifically set forth herein, each Party shall be responsible for and shall bear its/his own attorney's fees and costs.

IT IS SO AGREED, FORM AND CONTENT, BY PLAINTIFF:

DATED: _____

ALEX CASTELLANOS

DATED: _____

ROBERT MAUNA

DATED: _____

DOUGLAS ALONZO ALLEN GRAY

IT IS SO AGREED, FORM AND CONTENT, BY DEFENDANTS:

DATED: 7/22/2021

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SOUTHWEST SECURITY PATROL, INC., d.b.a.
SOUTHWEST PATROL
John Stirn

Printed Name
President

Title

IT IS SO AGREED AS TO FORM BY COUNSEL:

DATED: _____

JCL LAW FIRM, A.P.C.

By: _____

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Attorneys for the Plaintiffs and the Settlement Class Members

DATED: _____

ZAKAY LAW GROUP, APLC

By: _____

Attorneys for Plaintiffs and the Settlement Class Members

DATED: July 29, 2021

FRONTIER LAW CENTER

By: Adam Thre

Attorneys for Plaintiffs and the Settlement Class Members

DATED: 07/29/21 | 12:13 PDT

DONABEDIAN LAW, APC

By: Sam Donabedian
64091DB92C34449...

Attorneys for Plaintiffs and the Settlement Class Members

DATED: _____

BRADLEY & GMELICH, LLP

By: _____

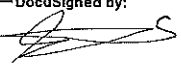
Attorneys for Defendant

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Attorneys for the Plaintiffs and the Settlement Class Members

DATED: 7/22/2021

ZAKAY LAW GROUP, APLC

DocuSigned by:

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By: _____

Attorneys for Plaintiffs and the Settlement Class Members

DATED: _____

FRONTIER LAW CENTER

By: _____

Attorneys for Plaintiffs and the Settlement Class Members

DATED: _____

DONABEDIAN LAW, APC

By: _____

Attorneys for Plaintiffs and the Settlement Class Members

DATED: _____

BRADLEY & GMELICH, LLP

By: _____

Attorneys for Defendant

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Attorneys for the Plaintiffs and the Settlement Class Members

DATED: _____

ZAKAY LAW GROUP, APLC

By: _____

Attorneys for Plaintiffs and the Settlement Class Members

DATED: _____

FRONTIER LAW CENTER

By: _____

Attorneys for Plaintiffs and the Settlement Class Members

DATED: _____

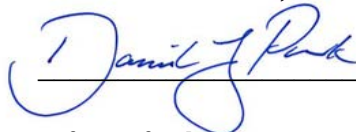
DONABEDIAN LAW, APC

By: _____

Attorneys for Plaintiffs and the Settlement Class Members

DATED: August 2, 2021

BRADLEY & GMELICH, LLP

By:  _____

Attorneys for Defendant

EXHIBIT A

NOTICE OF PENDENCY OF CLASS ACTION SETTLEMENT AND FINAL HEARING DATE

Alexander Castellanos, et al. v. Southwest Patrol, Inc., et al.
San Diego Superior Court Case No. 37-2020-00024905

**YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR DO NOT ACT.
PLEASE READ THIS NOTICE CAREFULLY.**

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
Do Nothing and Receive a Payment	To receive a cash payment from the Settlement, you do not have to do anything. Your estimated Settlement Share is: \$<<[REDACTED]>>. See the explanation below. After final approval by the Court, the payment will be mailed to you at the same address as this notice. If your address has changed, please notify the Settlement Administrator as explained below. In exchange for the settlement payment, you will release claims against the Defendant as detailed below.
Exclude Yourself	If you wish to exclude yourself from the Settlement, you must send a written request for exclusion to the Settlement Administrator as provided below. If you request exclusion, you will receive no money from the Settlement . Instructions are set forth below.
Object	You may write to the Court about why you believe the settlement should not be approved. Directions are provided below.

1. Why did I get this Notice?

A proposed class action settlement (the “Settlement”) of this lawsuit pending in the Superior Court for the State of California, County of San Diego (the “Court”) has been reached between Plaintiffs Alexander Castellanos, et al. (“Plaintiffs”) and defendant Southwest Patrol, Inc., et al. (hereinafter “Defendant”). The Court has granted preliminary approval of the Settlement. **You may be entitled to receive money from this Settlement.**

You have received this Class Notice because you have been identified as a member of the Class, which is defined as:

“All of Defendant’s current and former non-exempt employees in California during the period between November 1, 2018 to September 21, 2021 (“Class Period”).

This Class Notice explains the lawsuit, the Settlement, and your legal rights. It is important that you read this Notice carefully as your rights may be affected by the Settlement.

2. What is this class action lawsuit about?

On July 17, 2020, Plaintiffs filed a Complaint against Defendant in the Superior Court of the State of California, County of San Diego. Plaintiffs asserted claims that Defendant: (a) Violated California Business and Professions Code § 17200 *et seq.*; (b) Failed to pay minimum wages in violation of California Labor Code §§ 1194, 1197, and 1197.1; (c) Failed to pay overtime wages in violation of California Labor Code §§ 510, *et seq.*; (d) Failed to provide required meal periods in violation of California Labor Code §§ 226.7 & 512, and the applicable IWC Wage Order; (e) Failed to provide required rest periods in violation of California Labor Code §§ 226.7 & 512, and the applicable IWC Wage Order; (f) Failed to provide accurate and complete itemized wage statements in violation of California Labor Code § 226; (g) Failed to provide wages when due in violation of California Labor Code §§ 201, 202, and 203; and (h) Failed to reimburse Plaintiffs for required expenses in violation of California Labor Code section 2802. On September 24, 2021, Plaintiffs filed the First Amended Complaint adding a ninth cause of action for Violations of the Private Attorney General Act at Labor Code Section 2698, *et seq.*

Defendant denies and dispute all claims asserted in the Actions. Specifically, Defendant contended (and continue to contend) that the Action could not properly be maintained as a class action; that Defendant properly paid members of the class all wages and overtime that was due; that Defendant provided members of the class with all legally required meal breaks and rest breaks; that Defendant paid any members of the class all wages due them at the time of their terminations; that Defendant provided accurate, itemized wage statements to members of the class; that Defendant reimbursed members of the class with business expenses; that Defendant did not violate California Business and Professions Code section 17200 *et seq.*; and that Defendant are not liable for any of the penalties claimed or that could be claimed in the Actions.

On June 8, 2021, the Parties participated in an all-day mediation with Lynn Frank, Esq., an experienced mediator of wage and hour class actions. The mediation concluded in settlement. The Court granted preliminary approval of the Settlement on <<INSERT PRELIMINARY APPROVAL DATE>>. At that time, the Court also preliminarily approved the Plaintiffs to serve as the Class Representative, and the law firms of JCL Law Firm, APC and Zakay Law Group, APC to serve as Class Counsel.

3. What are the terms of the Settlement?

Total Settlement Amount. Defendant has agreed to pay an “all in” amount of Six Hundred Thousand Dollars (\$600,000) (the “Total Settlement Amount”) to fund the settlement. The Total Settlement Amount includes the payment of all Settlement Shares to Participating Class Members, Class Counsel’s attorneys’ fees and costs, Settlement Administration Expenses, the LWDA Payment, PAGA Shares, and the Class Representative Service Payment to the Plaintiffs.

Funding of the Total Settlement Amount. Defendant shall pay the Total Settlement Amount in installments over the course of two (2) years, the first payment being made within fourteen (14) calendar days of the Court’s preliminary approval of the settlement, plus twenty-four (24) equal monthly payments, commencing sixty (60) days after the initial deposit and continuing every thirty (30) days thereafter.

After the Judgment becomes Final, Defendant will pay the Total Settlement Amount by depositing the money with the Settlement Administrator. “Final” means the date the Judgment is no longer subject to appeal, or if an appeal is filed, the date the appeal process is completed and the Judgment is affirmed.

Amounts to be Paid from the Totals Settlement Amount. The Settlement provides for certain payments to be made from the Total Settlement Amount, which will be subject to final Court approval, and which will be deducted from the Total Settlement Amount before settlement payments are made to Class Members, as follows:

- Settlement Administration Expenses. Payment to the Settlement Administrator, estimated not to exceed \$[REDACTED], for expenses, including expenses of sending this Notice, processing opt outs, and distributing settlement payments.
- Attorneys’ Fees and Costs. Payment to Class Counsel of an award of a Class Counsel Fees Payment of no more than 1/3 of the Total Settlement Amount (currently \$200,000.00) and a Class Counsel Litigation Expenses Payment of not more than \$20,000 for all expenses incurred as documented in Class Counsel’s billing records, both subject to Court approval. Class Counsel have been prosecuting the Actions on behalf of Plaintiffs and the Class on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses.
- Class Representative Service Payment. Class Representative Service Payment of up to Ten Thousand and Dollars (\$10,000.00) to each Plaintiff, or such lesser amount as may be approved by the Court, to compensate her for services on behalf of the Class in initiating and prosecuting the Action, and for the risks she undertook.

- PAGA Payment. A payment of \$50,000 relating to Plaintiffs' claim under the Private Attorneys General Act ("PAGA"), \$37,500.00 of which will be paid to the State of California's Labor and Workforce Development Agency ("LWDA") and the remaining \$12,500.00 will be distributed to PAGA Employees as part of the Net PAGA Amount.
- Calculation of Payments to Participating Class Members. After all the above payments of the court-approved Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, the Class Representative Service Payments, the LWDA Payment, and the Settlement Administration Expenses are deducted from the Total Settlement Amount, the remaining portion, called the "Net Settlement Amount," shall be distributed to class members who do **not** request exclusion ("Participating Class Members"). The Settlement Share for each Participating Class Member will be calculated by dividing the Net Settlement Amount by the total number of workweeks for all Participating Class Members that occurred during the Class Period and multiplying the result by each individual Participating Class Member's workweeks that occurred during the Class Period. A "workweek" is defined as a normal seven-day week of work during the Class Period in which, according to Defendant's records, a member of the class worked at least one-day during any such workweek.
- Calculation of PAGA Penalties Payments to PAGA Employees. The Net PAGA Amount shall be distributed to Aggrieved Employees irrespective of whether they exclude themselves or opt-out. The Net PAGA Amount will be divided by the total number of workweeks worked by all Aggrieved Employees during the PAGA Period, and then taking that number and multiplying it by the number of workweeks worked by each respective Aggrieved Employee during the PAGA Period. "Aggrieved Employees" means all of Defendant's current and former non-exempt employees employed in California during the period between November 1, 2018 through and including September 21, 2021 ("PAGA Period").

If the Settlement is approved by the Court, you will automatically be mailed a check for your Settlement Share to the same address as this Class Notice. You do not have to do anything to receive a payment. If your address has changed, you must contact the Settlement Administrator to inform them of your correct address to insure you receive your payment.

Tax Matters. Twenty percent 1/3 of each Settlement Share is allocated to wages. Taxes are withheld from this amount, and each Participating Class Member will be issued an Internal Revenue Service Form W-2 for such payment. Eighty percent 2/3 of each Settlement Share is allocated to interest, penalties and other non-wage payments, and no taxes will be withheld, and each Participating Class Member will be issued an Internal Revenue Service Form 1099 for such payment. In addition, no taxes will be withheld from the PAGA Penalties paid to PAGA Employees, and each PAGA Employee will be issued an Internal Revenue Service Form 1099 for such payment. Neither Class Counsel nor Defendant's counsel intend anything contained in this Settlement to constitute advice regarding taxes or taxability. You may wish to consult a tax advisor concerning the tax consequences of the payments received under the Settlement.

Conditions of Settlement. This Settlement is conditioned upon the Court entering an order granting final approval of the Settlement and entering judgment.

4. What Do I Release Under the Settlement?

Released Claims. Upon entry of final judgment and funding in full of the Total Settlement Amount by Defendant, Plaintiffs and the Participating Class Members shall release all Released Class Claims that occurred during the Class Period as to the Released Parties. Released Class Claims means any and all claims contained in the operative Complaint, and any additional wage and hour claims that could have been brought based on the facts alleged in the Complaint. The Released PAGA Claims shall be released as follows: As of the Settlement Effective Date and upon funding in full of the Total Settlement Amount by Defendant, all Aggrieved Employees shall release all

Released PAGA Claims, irrespective of whether they opted-out of the class settlement, and will be bound by this PAGA Release (the “PAGA Release”). “Released PAGA Claims” means any and all PAGA claims alleged in the operative complaint and Plaintiffs’ PAGA notice to the LWDA which occurred during the PAGA Period and expressly excluding all other claim that cannot be releases by operation of law, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers’ compensation, and PAGA claims outside of the PAGA Period.

This means that, if you do not timely and formally exclude yourself from the settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendant about the legal issues resolved by this Settlement. It also means that all of the Court’s orders in this Action will apply to you and legally bind you.

5. How much will my payment be?

Defendant’s records reflect that you have <<____>> Work Shifts worked during the Class Period (November 1, 2018 to September 21, 2021).

Based on this information, your estimated Settlement Share is <<____>>.

If you wish to challenge the information set forth above, then you must submit a written, signed dispute challenging the information along with supporting documents, to the Settlement Administrator at the address provided in this Notice no later than _____ [ninety (90) days after the Notice or re-mailed Notice].

6. How can I get a payment?

To get money from the settlement, you do not have to do anything. A check for your settlement payment will be mailed automatically to the same address as this Notice. If your address is incorrect or has changed, you must notify the Settlement Administrator. The Settlement Administrator is: _____. (800) _____.

The Court will hold a hearing on _____ to decide whether to finally approve the Settlement. If the Court approves the Settlement and there are no objections or appeals, payments will be mailed within a few months after this hearing. If there are objections or appeals, resolving them can take time, perhaps more than a year. Please be patient. After entry of the Judgment, the Settlement Administrator will provide notice of the final judgment to the Class Members by posting a copy of the Judgment on the administrator’s website at www._____.com

7. What if I don’t want to be a part of the Settlement?

If you do not wish to participate in the Settlement, you may exclude yourself from the Settlement or “opt out.” **If you opt out, you will receive NO money from the Settlement, and you will not be bound by its terms, except as provided as follows.** Irrespective of whether you exclude yourself from the Settlement or “opt out,” you will be bound by the PAGA Release, you will be deemed to have released the Released PAGA Claims, and you will receive a share of the Net PAGA Amount.

To opt out, you must submit to the Settlement Administrator, by First Class Mail, a written, signed and dated request for exclusion postmarked no later than _____. The address for the Settlement Administrator is _____. The request for exclusion must state in substance: “I have read the Class Notice and I wish to opt out and be excluded from the class action and settlement of the case ***Alexander Castellanos, et al. v. Southwest Security Patrol, Inc, et al.*** I understand that by requesting to be excluded, I will receive no money from the Settlement described in this Notice.” The request for exclusion must contain your name, address, signature and the last four digits of your Social Security Number for verification purposes. The request for exclusion must be signed by you. No other person may opt out for a member of the Class.

Written requests for exclusion that are postmarked after _____, or are incomplete or unsigned will be rejected, and those Class Members will remain bound by the Settlement and the release described above.

8. How do I tell the Court that I would like to challenge the Settlement?

Any Class Member who has not opted out and believes that the Settlement should not be finally approved by the Court for any reason, may object to the proposed Settlement. Objections may be in writing and state the Class Member's name, current address, telephone number, and describe why you believe the Settlement is unfair and whether you intend to appear at the final approval hearing. All written objections or other correspondence must also state the name and number of the case, which is **Alexander Castellanos, et al. v. Southwest Security Patrol, Inc, et al.** You may also object without submitting a written objection by appearing at the final approval hearing scheduled as described in Section 9 below.

To object to the Settlement, you cannot opt out. If the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Class Members who do not object. Any Class Member who does not object in the manner provided in this Class Notice shall have waived any objection to the Settlement, whether by appeal or otherwise.

Written objections must be delivered or mailed to the Settlement Administrator no later than _____. The address for the Settlement Administrator is _____.

The addresses for the Parties' counsel are as follows:

Class Counsel:

Jean-Claude Lapuyade, Esq.
JCL Law Firm, APC
5440 Morehouse Drive, Suite 3600
San Diego, CA 92121
Tel.: (619) 826-6975
Fax: (619) 599-2891
jlapuyade@jcl-lawfirm.com

Class Counsel:

Shani O. Zakay, Esq.
Zakay Law Group, APLC
5440 Morehouse Drive, Suite 3600
San Diego, CA 92121
San Diego, CA 92110
Tel: (619) 599-8282
Fax: (619) 599-8291
shani@zakaylaw.com

Counsel for Defendant:

Barry A. Bradley, Esq.
Jaimee K. Wellerstein, Esq.
Daniel J. Park, Esq.
Bradley & Gmelich LLP
700 North Brand Blvd., 10th Floor
Glendale, CA 91203
Tel: (818) 243-5200
Fax: (818) 243-5266

The Court will hold a Final Approval Hearing at 00:00 AM/PM on _____, at the **San Diego County Superior Court, located at** 330 West Broadway, San Diego, CA 92101, in Department C-65 before Judge Keri Katz. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. The purpose of this hearing is for the Court to determine whether to grant final approval to the Settlement. If there are objections, the Court will consider them. The Court will listen to people who have made a timely written request to speak at the hearing or who appear at the hearing to object. This hearing may be rescheduled by the Court without further notice to you. **You are not required to attend** the Final Approval Hearing, although any Class Member is welcome to attend the hearing.

10. How do I get more information about the Settlement?

You may call the Settlement Administrator at _____ or write to **Alexander Castellanos, et al. v. Southwest Security Patrol, Inc, et al.** Settlement Administrator, c/o _____.

This notice summarizes the proposed settlement. More details are in the Settlement Agreement. You may receive a copy of the Settlement Agreement, the Final Judgment or other Settlement documents by writing to:
JCL Law firm, APC, 5440 Morehouse Drive, Suite 3600, San Diego, CA 92121.

PLEASE DO NOT CALL THE COURT ABOUT THIS NOTICE.

IMPORTANT:

- You must inform the Settlement Administrator of any change of address to ensure receipt of your settlement payment.
- Settlement checks will be null and void 180 days after issuance if not deposited or cashed. In such event, the Settlement Administrator shall pay all funds from such uncashed checks to the Participating Class Members who cashed his or her Settlement Share check using the same work shift formula used for distribution of the Net Settlement Amount. If your check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.

EXHIBIT 2

EXHIBIT 3

ILYM | GROUP, Inc.

SETTLEMENT ADMINISTRATION EXPERTS

Case Name: Castellanos v. Southwest

Thursday, June 24, 2021

Requesting Attorney:

Requesting Attorney's E-mail:

ILYM Contact

E-Mail

Contact Number

Claude Lapuyade

clapuyade@jcl-lawfirm.com

Sean Hartranft

Sean@ilymgroupclassaction.com

949.690.2564

ESTIMATE FOR ADMINISTRATION SOLUTIONS

Opt-Out

ASSUMPTIONS	
Total Estimated Number of Class Members	846
Estimated Percentage of Undeliverable Mail	20%
NCOA	Yes
Certified Spanish Translation	No
Case Duration (Years)	2

Activity	Rate Type	Unit Cost	Volume	Amount
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CASE STARTUP				
Initial Setup - Import and Formatting of Data*	Hourly	\$150.00	3	\$450.00
Programming of Class Database	Hourly	\$175.00	3	\$525.00

*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 \$975.00

PROJECT MANAGEMENT				
Project Manager (Case notification and maintenance)	Hourly	\$120.00	10	\$1,200.00
Staff Hours for Processing Opt-Outs, Disputes & Objection(s)	Hourly	\$70.00	4	\$280.00
Staff Hours for Processing Returned Mail	Hourly	\$70.00	2	\$140.00
Report Processing	Hourly	\$70.00	6	\$420.00
NCOA	Per Piece	\$175.00	1	\$175.00
Toll-Free Phone Support	Flat Fee	\$450.00	1	\$450.00
ILYM Group Static Website, Including Hosting	Flat Fee	\$750.00	1	\$750.00
Status Reports	Flat Fee	\$750.00	1	Waived

Subtotal \$3,415.00

ILYM | GROUP, Inc.

SETTLEMENT ADMINISTRATION EXPERTS

Activity	Rate Type	Unit Cost	Volume	Amount
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NOTIFICATION/MAILING

Fulfillment of Notices	Per Piece	\$1.50	846	\$1,269.00
USPS First Class Postage	Per Piece	\$0.55	846	\$465.30
Remails (Forward/Skip Trace Undeliverables)	Per Piece	\$2.50	169	\$423.00
Storage, Photocopies, Deliveries	Flat Fee	\$300.00	1	\$300.00

Subtotal \$2,457.30

DISTRIBUTION (Includes EIN, Bank Acct * /QSF Setup)

Distribution Setup & Management	Hourly	\$150.00	8	\$1,200.00
Account Reconciliation & Distribution Reporting	Hourly	\$125.00	8	\$1,000.00
Check, Stub & Release - Print & Mail (including W2 and/or 1099)**	Per Check	\$1.50	846	\$1,269.00
Check Mailing Postage	Per Piece	\$0.55	846	\$465.30
Reminder Mailing, Includes Postage	Per Piece	\$2.00	85	\$169.20
Preparation of Taxes	Hourly	\$120.00	16	\$1,920.00
Annual Filing of Tax Return	Per Year	\$1,000.00	2	\$2,000.00

***Additional Bank fees may apply*

Subtotal \$8,023.50

CASE CONCLUSION

Data Manager Final Reporting	Hourly	\$100.00	7	\$700.00
Project Manager Final Reporting	Hourly	\$120.00	7	\$840.00
Declaration	Hourly	\$125.00	4	\$500.00

Subtotal \$2,040.00

Total Case Estimate: \$16,910.80

Terms and Conditions

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. **Attached here to is Exhibit D:** ILYM hereby incorporates the attached Exhibit D into the terms and conditions herein and Exhibit D shall be a part of this agreement. 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.