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Attorneys for Plaintiff NANCY CALIGARIS, in a Representative capacity only, and on behalf of other members of the public similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN DIEGO

NANCY CALIGARIS, in a Representative capacity only, and on behalf of other members of the public similarly situated

Plaintiff,

v.

SAN DIEGO FUNDING, a California Corporation, and DOES 1-10, inclusive

Defendants

CASE NO. 37-2020-00045598-CU-OE-CTL

**DECLARATION OF ERIC K. YAECKEL
IN SUPPORT OF PLAINTIFF'S
UNOPPOSED EX PARTE APPLICATION
RE: PAGA SETTLEMENT APPROVAL**

Date: April 12, 2022

Time: 8:30 a.m.

Dept.: 64

Judge: Hon. John S. Meyer

1 I, Eric K. Yaeckel, declare as follows:

2 1. I am an attorney licensed to practice law before all the courts of the State of California, and am
3 employed with the law firm of SULLIVAN & YAECKEL LAW GROUP, APC, attorneys of
4 record for Plaintiff NANCY CALIGARIS, in a Representative capacity only, and on behalf of
5 other members of the public similarly situated in this matter.

6 2. I make this declaration in support of Plaintiff's Unopposed *Ex Parte* Application Re: PAGA
7 Settlement Approval. I am personally familiar with the facts set forth in this declaration and,
8 if called to testify, could and would do so.

9 3. As this is a "PAGA" action only, the Limitations Period begins on October 8, 2019. There are
10 approximately **574** pay periods and **23** PAGA Members at issue.

11 4. Following the exchange of discovery, analysis of numerous sets of time and wage data,
12 mediation before Mike Roberts, and assistance of Mr. Roberts subsequent to the March 22,
13 2022 Mediation, the Parties reached a proposed settlement that includes a payment of penalties
14 to the LWDA.

15 5. On **April 5, 2022**, Plaintiff's counsel uploaded via the LWDA's electronic filing portal the
16 parties' Settlement Agreement. Attached hereto as **Exhibit A** is a true and correct copy of the
17 Settlement Agreement. Attached hereto as **Exhibit B** is a true and correct copy of the "auto-
18 generated" E-Mail received from the LWDA.

19 6. On **April 8, 2022**, Plaintiff's counsel uploaded via the LWDA's electronic filing portal copies
20 of this entire *ex parte* application, including the Notice, this supporting Memorandum,
21 Declaration, and Proposed Order & Judgment, and the **signed** Settlement Agreement. Attached
22 hereto as **Exhibit C** is a true and correct copy of the "auto-generated" E-Mail received from
23 the LWDA.

24 7. The Total Value of the proposed Settlement is **\$70,000.00** which is broken down as follows:

- | | | | |
|----|---|--|--|
| 25 | * | \$2,000.00 | Settlement Administrator Fees; |
| 26 | * | \$23,333.33 | Attorneys' Fees (1/3 of total settlement value); |
| 27 | * | \$5,000.00 | Costs of Litigation. |
| 28 | * | Sub-Total of \$34,666.67 . 75% (\$27,500.00) shall be assigned/paid to | |

1 the LWDA as penalties.

2 * The remaining 25% (\$8,666.67) in cash will be disbursed among all
3 employees based on work weeks employed during the PAGA period.

4 Given the above, the average payment to each individual employee will be
5 approximately \$376.81.

6 8. There are no restrictions for any of the 23 employees to file individual actions, as the
7 settlement agreement only covers PAGA claims.

8 9. The instant *Ex Parte* request is based on the fact that (1) the PAGA period “cutoff date” is
9 contingent on Court approval, any delay diminishes the amounts received by the impacted
10 employees; (2) Notice to certain ex-employees may be adversely impacted by further delay
11 (*i.e.* ex-employees may change their mailing address without filing a proper “forwarding
12 address”)

13 10. An expedient approval of this settlement will provide a direct benefit to the impacted
14 employees at issue. The “fixes” provide a guarantee of future Labor Code compliance, and an
15 immediate monetary benefit. It also allows Defendants (who admirably “stepped up” to address
16 these issues) the opportunity to move on, and focus on future business.

17 11. Plaintiff alleges that she - and other employees - received “late” Meal Periods, including those
18 documented within Defendant’s Time Records. Plaintiff also challenged whether Defendant
19 maintained lawful meal and rest periods. Plaintiff alleged she- and other employees -were not
20 properly compensated due to Defendant’s failure to maintain accurate time records. Finally,
21 Plaintiff also challenged whether Defendant maintained lawful meal and rest period policies.

22 12. The catalyst of this litigation concerned allegations that Ms. Caligaris was denied legally
23 compliant meal and rest periods, and was not paid for all Overtime hours worked.

24 13. Investigations completed by Plaintiff’s counsel revealed that Defendant’s timekeeping policies
25 and employee records were not in compliance with California law. However, these
26 investigations also revealed that the “rate of violation” by Defendant was significantly less than
27 100%. On many of those occasions, it appears that Defendant did, in fact, comply with the
28 law.

- 1 14. Based on the above, the maximum liability in a case of this type would be in the range of
2 \$200,000.00 to \$300,000.00.
- 3 15. Moreover, Plaintiff's counsel is aware of the Court's discretion to mitigate penalties pursuant
4 to California Labor Code section 2699(e)(2). To confirm, Plaintiff's counsel experienced the
5 mitigation of "PAGA" penalties in *Carrington v. Starbucks Corp.* (2018) 30 Cal.App.5th 504.
6 In *Carrington*, Judge Bacal significantly mitigated PAGA penalties (\$5 per violation), due to
7 the efforts made by the employer to comply with the law.
- 8 16. Plaintiff's counsel agrees with Her Honor, and with the provision of the Labor Code, that
9 penalties *should* be mitigated where violations are minimal (or rare), or where the employer
10 makes significant efforts to comply with the Labor Code.
- 11 17. As the above factors exist in this case, it is the opinion of Plaintiff's counsel that the settlement
12 is fair, adequate, and reasonable. Specifically, Plaintiff's counsel's understanding is that
13 Defendant has agreed to make changes to its policies, and amend them to the extent they do
14 not comply with California law.
- 15 18. Plaintiffs' counsel, William B. Sullivan has approximately 28 years of experience in "class
16 action" litigation, both as plaintiff and defense counsel. Plaintiff's counsel, Eric K. Yaeckel,
17 has over 10 years of experience prosecuting class and representative action claims under the
18 California Labor Code. Plaintiff's counsel, Eric K. Yaeckel and William B. Sullivan, are the
19 attorneys of record in a matter that was recently heard (and favorably decided) before the
20 California Supreme Court titled *Donohue v. AMN Servs., LLC* (2021) 11 Cal.5th 58. The
21 *Donohue* matter was a certified class and PAGA action.
- 22 19. Plaintiff's counsel were lead counsel on approximately 40 employment "wage and hour"
23 claims with class action, or representative action allegations. Based on said experience, it is
24 the opinion of Plaintiff's counsel that this settlement represents a fair and adequate payment.
- 25 20. Defendant, and its counsel, deserve credit for their willingness to consider - and address - the
26 allegations. Specifically, Defense Counsel (who have extensive experience and knowledge in
27 "Wage and Hour" litigation) agreed to produce a substantial amount of documents and
28 information necessary to evaluate the parameters of settlement. Following the a full day

1 Mediation and arms-length negotiations, the parties have reached a proposed settlement that
2 includes a payment of penalties under PAGA.

3 21. The parties contend the settlement agreement amount is fair, adequate, and reasonable. The
4 release only applies to the PAGA claims for penalties, based upon the allegations in Plaintiff's
5 operative Complaint.

6 22. To date, Plaintiff has not received a response from the LWDA regarding the proposed
7 settlement. If the LWDA contacts Plaintiff's counsel at any time prior to the April 11, 2022
8 hearing, Plaintiff's counsel will provide an updated declaration to the Court.

9
10 I declare under penalty of perjury under the laws of the State of California that the foregoing
11 is true and correct. Executed this 8th day of April, 2022 at San Diego, California.

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13 
14 _____
15 ERIC K. YAECKEL
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Exhibit A

PRIVATE ATTORNEYS GENERAL ACT (LABOR CODE § 2698 ET SEQ.)
SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS

This Settlement Agreement and Release of PAGA Claims ("Settlement Agreement") is made by and between Plaintiff Nancy Caligaris ("Plaintiff"), on behalf of herself and as a representative for all allegedly aggrieved individuals and the California Labor Workforce Development Agency ("LWDA"), and Defendant San Diego Funding ("Defendant"), who may collectively be referred to herein as the "Parties," and each may be individually referred to as a "Party."

A. Definitions

The following terms, when used in this Settlement Agreement, shall have the following meanings:

1. "Action" or "Lawsuit" means and refers to *Nancy Caligaris, in a Representative capacity only, and on behalf of other members of the general public similarly situated v. San Diego Funding, a California Corporation; and DOES 1-10, inclusive*, California Superior Court, County of San Diego, Case No. 37-2020-00045598-CU-OE-CTL.
2. "Agreement," "Stipulation," "PAGA Agreement" or "Settlement Agreement," shall mean this Settlement Agreement and Release of PAGA Claims, including any attached Exhibits.
3. "Attorneys' Fees and Costs" means the amount of money Plaintiff's Counsel have incurred in attorneys' fees, up to one third of the Gross Settlement Amount (which represents up to \$23,333.33 in attorneys' fees), and litigation costs (which represents up to \$5,000.00 in actual and reasonable litigation costs) and which shall be paid out of the Gross Settlement Amount. The Settlement Agreement shall be binding and enforceable regardless of the final amount of Attorneys' Fees and Costs approved by the Court.
4. "Court" (or "Judge") means the San Diego Superior Court.
5. "Defendant's Counsel" means and refers to Allen Matkins.
6. "Effective Date" means the date that the Court enters the Final Order.
7. "Eligible Pay Period" means any full or partial bi-weekly pay period worked by a PAGA Employee during the PAGA Release Period.
8. "Final Order" means the Court's order approving this Private Attorneys General Act of 2004 ("PAGA") Settlement. The Parties agree that there is no right to opt-out or object to the PAGA Settlement and it is therefore the Parties' intention that the Settlement shall be final at the time of the Court's approval and entry of judgment in the Action. Funding shall be due based on the Final Order date and there shall be no further waiting periods given that there is no right to appeal.
9. "Funding Date" means three (3) business days after the Effective Date.

10. "Gross Settlement Amount" means the maximum settlement amount that Defendant will pay in connection with this Settlement, which is Seventy Thousand Dollars and Zero Cents (\$70,000.00).

11. "LWDA Settlement Proceeds" means the seventy-five percent (75%) of the PAGA Payment that shall be paid to the Labor Workforce and Development Agency.

12. "Notice" means the notice that will be sent to the PAGA Employees with payment after the Final Order is entered by the Court and the Effective Date occurs.

13. "PAGA Employees" means all persons who worked for San Diego Funding in California and who San Diego Funding classified as non-exempt between October 8, 2019, through the Effective Date, on behalf of themselves, their heirs, spouses, executors, administrators, attorneys, agents, and assigns.

14. "PAGA Employees Civil Penalties Fund" means the twenty-five percent (25%) of the PAGA Payment that shall collectively be paid to the PAGA Employees.

15. "PAGA Payment" is the remainder of the Gross Settlement Amount after deducting Plaintiff's Counsel's Attorneys' Fees and Costs, the Settlement Administrator's fees and costs, and an Enhancement Payment to Plaintiff as the PAGA Representative in an amount not to exceed \$5,000.00.

16. "PAGA Representative Claims" means the claims Plaintiff has asserted in this Action under California Labor Code § 2698 *et. seq.* based on alleged predicate violations of Labor Code §§ 201, 202, 203, 221, 226, 226.3, 226.7, 510, 512, 558, 1174, 1194, 1194.2, 1197, 1197.1, 1198, 2802 and the applicable Industrial Welfare Commission Wage Order § 4.

17. "PAGA Settlement" or "Settlement" means the settlement of the Action as memorialized in this Agreement.

18. "PAGA Release Period" means October 8, 2019, through the Effective Date.

19. "Plaintiff" means Nancy Caligaris, on behalf of herself, her heirs, spouses, executors, administrators, attorneys, agents, and assigns.

20. "Plaintiff's Counsel" is Sullivan & Yaeckel Law Group, APC.

21. "Released Parties" means Defendant and its respective past and present direct and indirect affiliates, parents, subsidiaries, divisions, predecessors, successors and assigns, and its past and present owners, partners, principals, employees, officers, directors, attorneys, representatives and agents, whether acting as agents or in individual capacities, any of Defendant's welfare benefit plans (and their respective administrators, fiduciaries, trustees and insurers, whether acting as agents or in individual capacities), and any third-party payroll provider.

22. "Settlement Administrator" means CAC Services Group, LLC.

B. General

23. On July 14, 2020, Plaintiff sent a PAGA letter to the LWDA, and on December 11, 2020, filed the Action in the San Diego Superior Court, entitled *Nancy Caligaris, in a Representative capacity only, and on behalf of other members of the general public similarly situated v. San Diego Funding, a California Corporation; and DOES 1-10, inclusive*, Case No. 37-2020-00045598-CU-OE-CTL, which referenced Plaintiff's PAGA letter to the LWDA and alleged PAGA claims based on the following: (1) failure to provide meal periods or rest periods or premium pay (Labor Code §§ 226.7 and 512); (2) failure to pay minimum wages (Labor Code § 1197); (3) failure to pay all wages, including overtime wages (Labor Code §§ 204, 510, 1194, and 1198); (4) failure to provide accurate itemized wage statements (Labor Code §§ 226, 226.3, 1174); (5) failure to reimburse or indemnify employees for expenditures (Labor Code § 2802); and (6) failure to timely pay all wages at termination (Labor Code §§ 201, 202, 203, and 204).

24. Defendant denies all of the allegations in the Action, including all PAGA Representative Claims, and denies that it has committed any misconduct, statutory or regulatory violation, wrongdoing, or any other actionable conduct of any kind.

25. On March 22, 2022, the Parties participated in mediation before mediator Mike Roberts, Esq. With the assistance of Mr. Roberts, the parties agreed to fully and finally resolve the PAGA Released Claims as to Plaintiff and PAGA Employees.

26. The Parties have conducted a thorough investigation into the facts of the Action, including exchanging information and documents relating to the PAGA Representative Claims. Based on the foregoing data and on their own independent investigation and evaluation, Plaintiff's Counsel is of the opinion that the settlement with Defendant for the consideration and on the terms set forth in this Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the LWDA and PAGA Employees in light of all known facts and circumstances, including the risk of significant delay, uncertainty associated with litigation, various defenses asserted by Defendant, and numerous potential appellate issues. Defendant and Defendant's Counsel also agree that the settlement is fair and in the best interest of the PAGA Employees.

27. The Parties understand, acknowledge, and agree that this Agreement constitutes a compromise of Plaintiff's PAGA Representative Claims, and that it is the desire and intention of the Parties to affect a final and complete resolution of the Action, including the PAGA Representative Claims, against Defendant. The Parties further acknowledge that this Agreement is a compromise of disputed claims and that nothing in this Agreement shall be construed as an admission of liability by Defendant.

28. Under California law, the State may assess and collect civil penalties from employers for violations of certain provisions of the Labor Code. (*See* Cal. Lab. Code §§ 2699 *et seq.*) Under PAGA, however, if an "aggrieved employee" "give[s] written notice by certified mail to the [State] and the employer of the specific provision of the [Labor Code] alleged to have been violated," and the State thereafter decides not to investigate, as was the case here, or does investigate and determines that a citation against the employer should not issue, the employee may, "as an alternative" to enforcement by the State, act as a proxy or agent of the State's labor law enforcement agencies and bring a civil action under PAGA to recover civil penalties "on behalf of

himself or herself and other current or former employees.” *Id.* “[C]ivil penalties recovered by aggrieved employees shall be distributed as follows: 75 percent to the state and 25 percent to the aggrieved employees.” *Id.*

29. California Labor Code § 2699(1)(2) provides that: “The superior court shall review and approve any settlement of any civil action filed pursuant to this part.”

30. In consideration of the promises and agreements contained herein, the Parties agree and covenant as follows:

C. Terms of Settlement

31. Subject to the Court’s approval of the Settlement pursuant to Labor Code § 2699(1)(2), which counsel and the Parties agree to recommend in good faith to the Court, the Parties agree to the following binding settlement of the Action.

32. Upon the Court entering the Final Order and the Effective Date occurring, Defendant shall pay the non-reversionary Gross Settlement Amount of Seventy Thousand Dollars and Zero Cents (\$70,000.00), which includes all Attorneys’ Fees and Costs, the Enhancement Payment to Plaintiff, LWDA Settlement Proceeds, all moneys needed for the Settlement Administrator, and any and all other cost or expenses related in any way to the Settlement. Neither the Court nor the Settlement Administrator shall have any power to increase the Gross Settlement Amount or depart from the express terms of the Settlement. Defendant shall not have any obligation to provide any portion of the Gross Settlement Amount to the Settlement Administrator or any third party until after the Effective Date. The Gross Settlement Amount will be distributed in the following manner:

- a. **Settlement Administrator Costs:** The costs associated with settlement administration (e.g., preparing and mailing payments to LWDA and PAGA Employees, tax documentation, etc.) shall be paid from the Gross Settlement Amount and shall not exceed \$2,000. The Parties agree to use CAC Services Group as the Settlement Administrator.
- b. **Attorneys’ Fees and Costs:** Plaintiff’s Counsel will petition the Court for their Attorneys’ Fees and Costs. Defendant will not oppose a fee request of up to one third of the Gross Settlement Amount (which represents up to \$23,333.33 in attorneys’ fees), plus actual litigation costs (which represents up to \$5,000.00 in actual and reasonable litigation costs).
- c. **Enhancement Payment to Plaintiff:** Plaintiff shall seek an enhancement payment as the PAGA Representative not to exceed \$5,000 to Plaintiff (“Enhancement Payment”), whose participation is necessary to effectuate the settlement. Defendant will not oppose Plaintiff’s application.
- d. **PAGA Payment:** After deducting from the Gross Settlement Amount the Attorneys’ Fees and Costs, the Settlement Administration Costs, and Plaintiff’s Enhancement Payment, the remainder forms the PAGA Payment (which totals \$34,666.67 if the amounts set forth above are approved by the Court). Any

reduction by the Court to the Attorneys' Fees, and Costs, the Settlement Administration Costs, and/or Plaintiff's Enhancement Payment shall become part of the PAGA Payment. The PAGA Payment shall be all inclusive, encompassing all payments to the LWDA and PAGA Employees and any and all other interest, costs or expenses relating to the Settlement.

- c. **The PAGA Payment Allocation:** The PAGA Payment shall be allocated seventy-five percent (75%) to the California Labor & Workforce Development Agency ("LWDA Settlement Proceeds"), which is estimated to total approximately \$26,000.00. The remaining twenty-five percent (25%) of the PAGA Payment (estimated to total \$8,666.67 if the Court approves all amounts set forth in this Settlement) constitutes the PAGA Employees Civil Penalties Fund and shall be paid to the PAGA Employees on a *pro rata* basis. Each PAGA Employee's *pro rata* share shall be determined based on the number of Eligible Pay Periods that he or she worked for Defendant during the PAGA Release Period, and shall be calculated as follows:
- i. For PAGA Employees, the PAGA Payment will be divided by the total number of Eligible Pay Periods worked by all PAGA Employees during the PAGA Release Period, and the resulting figure will be referred to as the "Multiplier."
 - ii. Each PAGA Employee's *pro rata* share of the Net Settlement Amount will be determined by multiplying the Eligible Pay Periods that the PAGA Employee worked by the Multiplier. That amount shall be referred to as the PAGA Employee's "Individual Penalties Share."
- f. **Taxes and Reporting:** Each PAGA Employee's Individual Penalties Share will be treated as non-wage income and reported by the Settlement Administrator on IRS Form 1099 to the respective PAGA Employee and applicable governmental authorities.

D. Release as to the PAGA Representative Claims

33. Upon the Effective Date, Plaintiff, as the representative for the State of California, will forever completely release and discharge the Released Parties of any and all PAGA Representative Claims during the PAGA Release Period for civil penalties under Labor Code § 2699 that were alleged in the Action, or which could have been alleged in the Action based upon the facts pled therein, including but not limited to, claims for violations of California Labor Code §§ 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2802 and the applicable Industrial Welfare Commission Wage Order § 4; violations of the California Labor Code Private Attorney General Act, Labor Code § 2698 *et seq.*; and any damages, penalties, restitution, disgorgement, interest or attorneys' fees as a result thereof (the "PAGA Released Claims").

34. In accordance with *Arias v. Superior Court* (2009) 46 Cal.4th 969, 985, a judgment in "a representative action brought by an aggrieved employee under the Labor Code Private

Attorneys General Act of 2004 ... is binding not only on the named employee plaintiff but also on government agencies and any aggrieved employee not a party to the proceeding," which the Final Order shall so reflect. Further, in accordance with *Arias, supra*, the Final Order shall be binding on the PAGA Employees as to the Released Claims, including the PAGA Representative Claims. A statement to this effect shall be included in the Notice sent to the PAGA Employees.

E. Settlement Approval and Implemental Procedures

35. Plaintiff's Counsel shall prepare and file an *ex parte* application for approval of the settlement pursuant to California Labor Code § 2699(1)(2), advocating that the Settlement is fair, adequate, and reasonable, and Defendant or Defendant's Counsel shall not oppose such a motion provided that Plaintiff's Counsel sends a draft of the motion for approval to Defendant's Counsel allowing sufficient time for review and comment. Defendant's Counsel will provide Plaintiff's Counsel with and allow Plaintiff's Counsel to submit to the Court, adequate information related to the released claims to obtain approval of the Settlement. Plaintiff's Counsel will further provide this Settlement Agreement, the Final Order, and any other required items to the LWDA on a timely basis.

36. As part of the *ex parte* application for approval of the Settlement, the Court shall retain jurisdiction over the Action under Cal. Code Civ. Proc. § 664.6 for the purpose of enforcing the terms of the Settlement, which permanently enjoins and bars the prosecution of any of the PAGA Released Claims against any of the Released Parties upon the judgment being entered and the Settlement being fully funded. This Settlement Agreement is expressly conditioned upon the Court entering judgment as set forth herein or in a materially similar judgment. The judgment will not release or bar any claims other than the PAGA Released Claims as to Plaintiff and the PAGA Employees.

37. Upon the Court entering the Final Order, and within three (3) business days of the Effective Date, Defendant will wire to the Settlement Administrator the non-reversionary Gross Settlement Amount of Seventy Thousand Dollars and Zero Cents (\$70,000.00). The Settlement Administrator beforehand shall send Defendant's Counsel electronic wiring instructions to fund the Gross Settlement Amount. It will be considered a material breach of the agreement if Defendant fails to fund by the Effective Date. If that occurs, Defendant will pay interest on the Gross Settlement Amount for each day that the funding is late at the rate of 15% per annum. Additionally, in the event of Defendant's failure to fund the Settlement by the Effective Date, Plaintiff may immediately petition the Court for settlement enforcement, and will be entitled to an award of all fees and costs incurred in conjunction with settlement enforcement.

38. Upon the Court entering the Final Order, and within three (3) business days of the Effective Date, Defendant will send to the Settlement Administrator a list of all PAGA Employees including each PAGA Employee's: (1) full name; (2) last known address; (3) social security number; and (4) payroll information showing pay periods worked during the PAGA Release Period (the "PAGA Employees List"). This information shall be treated as and remain confidential, shall be used solely to manage the notice and payment process described herein, and shall not be disclosed to anyone other than the Settlement Administrator, except to applicable taxing authorities, or pursuant to express written authorization of Defendant, the individual in question, or by order of the Court.

39. Defendant represents that, as of March 18, 2022, there were approximately 23 PAGA Employees. If, as of the end date of the PAGA Release Period, the number of PAGA Employees increases by more than five percent Defendant shall increase the Gross Settlement Amount proportionally (*i.e.*, for an increase of six percent in employees, Defendant shall add an extra 1% to the Gross Settlement Amount, for a ten percent increase in employees Defendant shall add an extra 5% to the Gross Settlement Amount).

40. The Settlement Administrator will perform all settlement administration duties, including (i) performing a National Change of Address ("NCOA") search to update the addresses of the PAGA Employees, (ii) issuing the Notice and payments to the PAGA Employees, (iii) issuing any required IRS forms, and (iv) issuing payment to the LWDA, Plaintiff, and Plaintiff's Counsel.

41. Upon the Court's entry of the Final Order, Plaintiff will: (i) be bound by the terms and conditions of this Agreement, and the releases set forth herein; (ii) be deemed to have waived all objections and oppositions to the fairness, reasonableness, and adequacy of the settlement and the Court's Final Order; and (iii) be entitled to receive a share of the PAGA Payment along with all other PAGA Employees, as set forth herein.

F. **Miscellaneous Provisions.**

42. **Voiding the Agreement:** The Settlement Agreement shall be voidable and unenforceable as to all Parties herein at the option of either Party if (a) the Court does not approve this Settlement, or (b) the Court should for any reason fail to enter a judgment, or (c) the approval of the Settlement and judgment is reversed, modified or declared or rendered void. In that event, then neither the Settlement nor any of the related negotiations or proceedings shall be of any force or effect, and all Parties to the Settlement shall stand in the same position, without prejudice, as if the Settlement had been neither entered into nor filed with the Court. Notwithstanding the foregoing, the Parties may attempt in good faith to cure any perceived defects in the Settlement to facilitate approval. Further, for avoidance of doubt, the Settlement Agreement shall be binding and enforceable regardless of the final amount of Attorneys' Fees and Costs and/or Enhancement Payment approved by the Court.

43. **Waiver:** The waiver by one Party of any breach of this Agreement by another Party shall not be deemed a waiver of any other prior or subsequent breach of this Agreement.

44. **Parties' Authority:** The signatories hereto represent that they are fully authorized to enter into this Settlement Agreement and bind the Parties hereto to the terms and conditions hereof.

45. **No Prior Assignments:** The Parties represent, covenant, and warrant that they have not, directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights released and discharged by this Settlement Agreement.

46. **Mutual Full Cooperation:** The Parties agree to fully cooperate with each other to accomplish the terms of this Settlement Agreement, including but not limited to, executing documents and taking other actions that are reasonably necessary to implement the terms of this

Settlement Agreement. The Parties to this Settlement Agreement shall use their best efforts, including all efforts contemplated by this Settlement Agreement and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this Settlement Agreement and the terms set forth herein. As soon as practicable after execution of this Settlement Agreement, Plaintiff's Counsel shall, with the assistance and cooperation of Defendant and Defendant's counsel, take all necessary steps to secure the Court's approval of the settlement, and the Final Order.

47. **No Admission:** Defendant denies any and all liability to Plaintiff and/or the PAGA Employees in this Lawsuit, as to any and all causes of action that were asserted or that might have been asserted in this Action. Nonetheless, Defendant wishes to settle and compromise the matters at issue in the Complaint to avoid further substantial expense and the inconvenience and distraction of protracted and burdensome litigation. Defendant also has taken into account the uncertainty and risks inherent in litigation, and without conceding any infirmity in the defenses that it has asserted or could assert against Plaintiff, has determined that it is desirable and beneficial that Plaintiff's claims be settled in the manner and upon the terms and conditions set forth in this Agreement.

48. **Acknowledgment that the Settlement is Fair and Reasonable:** The Parties believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at this Settlement after arm's-length negotiations by experienced counsel. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement.

49. **Confidentiality and No Media Statements:** Except as provided in this Settlement Agreement, the Parties agree that they will not directly or indirectly divulge or disclose the fact or terms of this Settlement Agreement, except (a) to their tax advisors and attorneys but only to the extent that it is required for the rendering of professional services, so long as the person is informed of Plaintiff's obligation to keep this Settlement Agreement confidential prior to the disclosure of the information, and promises to comply with the terms of the Settlement Agreement, and Plaintiff instructs them not to disclose the fact or terms of this Settlement Agreement or (b) as required by any governmental agency or to comply with a lawfully-issued subpoena or court order. The Parties further agree that they will not issue or make any press release or press statement, respond to any press inquiry, or initiate or respond to media coverage or other publicity regarding the Settlement, nor post any notice on any website related to the Settlement Agreement, nor make any posts to any social media account concerning the Settlement.

50. **Circular 230 Disclaimer:** EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR

PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISOR TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISOR'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

51. **Binding Settlement:** Nothing contained herein, nor the consummation of this Settlement Agreement, is to be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part of Defendant or any of the other Released Parties. Each of the Parties has entered into this Settlement Agreement with the intention of avoiding further disputes and litigation with the attendant inconvenience and expenses. This Settlement Agreement is a settlement document and shall, pursuant to California Evidence Code section 1152 and/or Federal Rule of Evidence 408, be inadmissible in evidence in any proceeding, except an action or proceeding to approve the settlement, and/or interpret or enforce this Settlement Agreement.

52. **Enforcement Actions:** Except as otherwise provided in this Settlement Agreement, in the event that one or more of the Parties to this Settlement Agreement institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement Agreement or to declare rights and/or obligations under this Settlement Agreement, the successful Party or Parties shall be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs incurred in connection with any enforcement actions.

53. **Notices:** Unless otherwise specifically provided herein, all notices, demands or other communications given hereunder shall be in writing and shall be deemed to have been duly given as of the third business day after mailing by United States registered or certified mail, return receipt requested, addressed:

To Plaintiff:

Eric Yaeckel
Sullivan & Yaeckel Law Group, APC
2330 Third Ave.
San Diego, CA 92101
Phone: (619) 702-6760
Fax: (619) 702-6761
Yaeckel@sullivanlawgroupapc.com

To Defendant:

Alexander Nestor
Allen Matkins Leck Gamble Mallory & Natsis LLP
Three Embarcadero Center, 12th Floor
San Francisco, CA 94111-4074
Direct: 415.273.8411
Fax: 415.837.1516
anestor@allenmatkins.com

54. **Construction:** The Parties hereto agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive arms' length negotiations between the Parties and that this Settlement Agreement shall not be construed in favor of or against any Party by reason of the extent to which any Party or his or its counsel participated in the drafting of this Settlement Agreement.

55. **Captions and Interpretations:** Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Settlement Agreement or any provision hereof. Each term of this Settlement Agreement is contractual and not merely a recital.

56. **Modification:** This Settlement Agreement may not be changed, altered, or modified, except in writing and signed by the Parties hereto, and approved by the Court. This Settlement Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by all of the Parties hereto.

57. **Choice of Law:** This Settlement Agreement shall be governed by and construed, enforced and administered in accordance with the laws of the State of California, without regard to its conflicts-of-law rules.

58. **Integration Clause:** This Settlement Agreement contains the entire agreement between the Parties relating to the settlement and transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or such Party's legal counsel, are merged herein. No rights hereunder may be waived except in writing.

59. **Binding On Assigns:** This Settlement Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, successors and assigns.

60. **Dispute Resolution:** The Parties agree that any disputes regarding the language of this Settlement Agreement or forms or pleadings in support thereof that cannot be resolved between them shall be submitted to the judge assigned to the Action for final and binding resolution.

61. **Counterparts:** This Settlement Agreement may be executed in counterparts, and when each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one

fully-signed Settlement Agreement, which shall be binding upon and effective as to all Parties. Electronic delivery shall be deemed an original. The Parties farther agree that the Settlement Agreement may be executed via electronic signature using DocuSign or another similar means of executing an electronic signature.

62. **Entire Agreement:** This Agreement sets forth the entire agreement between the Parties hereto and fully supersedes any and all prior and/or supplemental understandings, whether written or oral, between the Parties concerning the subject matter of this Agreement. Any modification to this Agreement must be in writing and signed by Plaintiff and an authorized officer of Defendant.

IN WITNESS WHEREOF, the Parties knowingly and voluntarily executed this Settlement Agreement and Release as of the date set forth below.

Dated: April 10, 2022

PLAINTIFF NANCY CALIGARIS

By:


Nancy Caligaris

Dated: April __, 2022

SAN DIEGO FUNDING

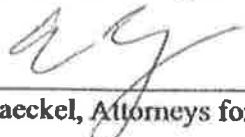
By:

Name: Linnea Arrington
Title: President

APPROVED AS TO FORM AND CONTENT

Dated: April 8, 2022

SULLIVAN & YAECKEL LAW GROUP, APC


Eric Yaeckel, Attorneys for Plaintiff Nancy Caligaris

Dated: April __, 2022

ALLEN MATKINS LECK GAMBLE MALLORY
& NATSIS LLP

Alexander Nestor, Attorneys for Defendant San
Diego Funding

fully-signed Settlement Agreement, which shall be binding upon and effective as to all Parties. Electronic delivery shall be deemed an original. The Parties farther agree that the Settlement Agreement may be executed via electronic signature using DocuSign or another similar means of executing an electronic signature.

62. **Entire Agreement:** This Agreement sets forth the entire agreement between the Parties hereto and fully supersedes any and all prior and/or supplemental understandings, whether written or oral, between the Parties concerning the subject matter of this Agreement. Any modification to this Agreement must be in writing and signed by Plaintiff and an authorized officer of Defendant.

IN WITNESS WHEREOF, the Parties knowingly and voluntarily executed this Settlement Agreement and Release as of the date set forth below.

Dated: April __, 2022

PLAINTIFF NANCY CALIGARIS

By: _____

Nancy Caligaris

Dated: April 7, 2022

SAN DIEGO FUNDING

By: _____

Name: Linnea Arrington

Title: President

APPROVED AS TO FORM AND CONTENT

Dated: April __, 2022

SULLIVAN & YAECKEL LAW GROUP, APC

Eric Yaeckel, Attorneys for Plaintiff Nancy Caligaris

Dated: April 6, 2022

ALLEN MATKINS LECK GAMBLE MALLORY
& NATSIS LLP

Alexander Nestor, Attorneys for Defendant San Diego Funding

Exhibit A

<<DATE>>

<<FIRST_NAME>> <<LAST_NAME>>

<<ADDRESS 1>>

<<ADDRESS 2>>

Re: Payment From Nancy Caligaris, individually and on behalf of all other aggrieved employees, v. San Diego Funding

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

Enclosed is your payment from the settlement of the lawsuit entitled *Nancy Caligaris, in a Representative capacity only, and on behalf of other members of the general public similarly situated v. San Diego Funding, a California Corporation; and DOES 1-10, inclusive*, California Superior Court, County of San Diego, Case No. 37-2020-00045598-CU-OE-CTL (the "Lawsuit").

That case was filed against San Diego Funding ("SDF") pursuant to the California Private Attorneys General Act of 2004, Cal. Lab. Code § 2698 *et seq.* (called "PAGA"). The claim was brought on behalf of the State of California and all similarly situated aggrieved employees of SDF. You have been identified as one of the employees on whose behalf the case was brought.

The plaintiff in the case claimed that SDF owed penalties under PAGA for certain California Labor Code violations. SDF denies that it did anything wrong or that it owes any penalties. The parties agreed to resolve the case, and as part of that settlement, SDF agreed to pay a certain amount of money categorized as PAGA penalties.

The Court approved the Settlement on _____, 2022. Under California law, any settlement of a PAGA case results in 75 percent of the awarded PAGA penalty being paid to the State of California and 25 percent of the penalty being paid to the employees who worked during the applicable period. SDF vigorously disputes that any PAGA penalties are due, but nonetheless has agreed to resolve the claims raised in the Lawsuit without further court action. You are receiving a payment as your share of the Settlement. You have 180 days to cash the settlement check. You will receive a tax form 1099 for the check.

In exchange for these payments, the settlement releases claims for civil penalties only alleged in the complaint under PAGA (Labor Code §§ 2698, 2699 *et seq.*) for the period of October 8, 2019, through _____, 2022. The settlement does not release any individual claims belonging to any employee that are not based on PAGA, other than individual claims by Nancy Caligaris.

Exhibit B

From: DIR PAGA Unit
To: Katherine Dishongh
Subject: Thank you for your Proposed Settlement Submission
Date: Tuesday, April 5, 2022 9:44:48 AM

04/05/2022 09:44:35 AM

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

Item submitted: Proposed Settlement

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

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

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