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DIEGO DEGANTE

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES - SPRING STREET COURTHOUSE

DIEGO DEGANTE, as an individual and on
behalf of other similarly situated employees

Plaintiff,

vs.

SUN LEE, INC., a California corporation;
and DOES 1 through 50, inclusive,
Defendants.

Case No.: 20STCV31759
Related Case: 21STCV07574

CLASS ACTION

**STIPULATION OF CLASS ACTION AND
PAGA SETTLEMENT**

Assigned for all purposes to Judge Amy D.
Hogue, Dept. 7

Action Filed: August 18, 2020

IT IS HEREBY STIPULATED, by and between Plaintiff Diego Degante (“Plaintiff”), individually and on behalf of all others similarly situated, on the one hand, and Defendant Sun Lee, Inc. (“Defendant”), on the other hand, and subject to the approval of the Court, that the Action is hereby compromised and settled pursuant to the terms and conditions set forth in this Stipulation of Class Action and PAGA Settlement (“Stipulation”) and that the Court shall make and enter judgment, subject to the continuing jurisdiction of the Court as set forth below, and subject to the definitions, recitals, and terms set forth herein which by this reference become an integral part of this Stipulation.

DEFINITIONS

1. “Action” means the putative class and representative action entitled *Diego Degante v. Sun Lee, Inc.*, in the Superior Court of California, County of Los Angeles, Case No. 20STCV31759.

2. “Class Counsel” means Jackson Law, APC, including, but not limited to, Armond M. Jackson, Esq.

3. “Class Counsel Award” means reasonable attorneys’ fees for Class Counsel’s litigation and resolution of the Action (not to exceed 33 1/3% of the sum of the Maximum Settlement Amount), and Class Counsel’s expenses and costs reasonably incurred in connection with the Action (not to exceed \$10,000.00).

4. “Class Information” means information regarding Class Members that Defendant shall in good faith compile from its records and shall be authorized by the Court to transmit in a secured manner to the Settlement Administrator and which the Settlement Administrator shall agree in writing to maintain in a secure manner. Class Information shall be transmitted in electronic form and shall include each Class Member’s: full name; last known address; Social Security number; Qualified Pay Periods; Qualified PAGA Pay Periods.

5. “Class Members” means all hourly paid warehouse workers employed by Defendant in the State of California at any time during the Class Period.

6. “Class Notice” means the Notice of Class Action and PAGA Settlement,

substantially in the form attached as **Exhibit 1**, which shall be subject to Court approval and which the Settlement Administrator shall mail to each Class Member explaining the terms of this Stipulation and Settlement.

7. “Class Period” means the period from August 18, 2016 through the date the Court enters an order granting preliminary approval of the Stipulation.

8. “Class Representative Service Award” means the amount that the Court authorizes to be paid to Plaintiff, in addition to Plaintiff’s Individual Settlement Payment and PAGA Payment, in recognition of Plaintiff’s efforts and risks in assisting with the prosecution of the Action.

9. “Complaint” means the operative Complaint on file in the Action, namely Plaintiff’s First Amended filed on November 20, 2020.

10. “Court” means the Superior Court of California for the County of Los Angeles.

11. “Defense Counsel” means Atkinson, Andelson, Loya, Ruud & Romo, including Paul S. Fleck, David M. Lester and Joshua N. Lange.

12. “Defendant” means Defendant Sun Lee, Inc.

13. “Effective Date” of this Stipulation shall be the date of the Court’s order approving the settlement and judgment thereon (“Judgment”) becomes final. For purposes of this Stipulation, the Court’s Judgment “becomes final” upon the latter of: (a) if no appeal is filed, the expiration date of the time for the filing or noticing of any appeal from, or other challenge to, the Court’s Judgment (i.e., 30 calendar days after notice of entry of the Court’s Judgment); (ii) if an appeal is filed, the date affirmance of an appeal of the Judgment becomes final; or (iii) if an appeal is filed, the date of final dismissal of any appeal from the Judgment or the final dismissal of any proceeding on review of any court of appeal decision relating to the Judgment.

14. “Employer’s Share of Payroll Taxes” means Defendant’s portion of payroll taxes, including, but not limited to FICA and FUTA, on the portion of the Individual Settlement Payments that constitutes wages. The Employer’s Share of Payroll Taxes shall be paid

separately from and in addition to the Maximum Settlement Amount.

15. “Exclusion Form” means the form which shall be sent by the Settlement Administrator to each Class Member and by which Class Members may elect to be excluded from the Action and Settlement, substantially in the form attached as **Exhibit 3**.

16. “Final Approval Hearing” means the hearing to be conducted by the Court after the filing by Plaintiff of an appropriate motion and following appropriate notice to Class Members giving Class Members an opportunity to request exclusion from the Class and Settlement and to object to the Settlement, at which time Plaintiff shall request that the Court finally approve the fairness, reasonableness and adequacy of the terms and conditions of the Settlement, enter the Final Order and Judgment, and take other appropriate action.

17. “Final Order and Judgment” means the order and judgment to be entered by the Court upon granting final approval of the Settlement and this Stipulation as binding upon the Parties and Participating Class Members.

18. “Individual Settlement Payment” means the amount payable from the Net Settlement Amount to each Participating Class Member.

19. “Information Sheet” means the form that shall be prepared by the Settlement Administrator and sent to each Class Member that sets forth that Class Member’s Qualified Pay Periods, Qualified PAGA Pay Periods, and estimated Individual Settlement Payment, as well as the estimated PAGA Payment for each PAGA Group Member, substantially in the form attached as **Exhibit 2**.

20. “LWDA” means the California Labor and Workforce Development Agency.

21. “Maximum Settlement Amount” means the maximum amount Defendant shall have to pay in connection with this Settlement, by way of a common fund, which shall be inclusive of all Individual Settlement Payments to Participating Class Members, the Class Counsel Award, the Settlement Administration Costs, the Class Representative Service Award, and the PAGA Settlement Amount. No portion of the Maximum Settlement Amount shall revert to Defendant. Subject to Court approval and the terms of this Stipulation, the Maximum

Settlement Amount Defendant shall be required to pay is Two Hundred Eight Thousand Dollars (\$208,000.00). The Employer's Share of Payroll Taxes shall be paid separately from and in addition to the Maximum Settlement Amount.

22. "Net Settlement Amount" means the Maximum Settlement Amount, less the Class Counsel Award, the PAGA Settlement Amount, the Settlement Administration Costs, and the Class Representative Service Award.

23. "Notice Packet" means the packet of documents which shall be mailed to all Class Members by the Settlement Administrator, including the Class Notice, the Exclusion Form, the Objection Form, and the Information Sheet.

24. "Objection Form" means the form, attached as **Exhibit 4**, which Participating Class Members who object to the terms of the Settlement must submit to the Settlement Administrator by the Response Deadline.

25. "PAGA" means the Labor Code Private Attorneys General Act of 2004, California Labor Code sections 2698, et seq.

26. "PAGA Group Members" means all hourly paid warehouse workers employed by Defendant in the State of California at any time during the PAGA Period.

27. "PAGA Payment" means the amount payable from the PAGA Settlement Amount to each PAGA Group Member.

28. "PAGA Period" means the period from August 21, 2019 (one year prior to the date Plaintiff mailed his requisite notice to the LWDA pursuant to California Labor Code Section 2698, et seq.) through the date the Court enters an order granting preliminary approval of the Stipulation.

29. "PAGA Settlement Amount" means the portion of the Maximum Settlement Amount allocated to the resolution of PAGA claims in the Action. The PAGA Settlement Amount is Five Thousand Dollars (\$5,000.00). Three Thousand Seven Hundred Fifty Dollars (\$3,750.00) shall be paid by the Settlement Administrator directly to the LWDA. The remaining One Thousand Two Hundred Fifty Dollars (\$1,250.00) shall be distributed to PAGA

Group Members as their PAGA Payment.

30. “Participating Class Members” means Plaintiff and all other Class Members who do not submit a valid and timely Exclusion Form.

31. “Parties” means Plaintiff and Defendant.

32. “Plaintiff” means Plaintiff Diego Degante.

33. “Preliminary Approval Order” means the order to be issued by the Court approving and authorizing the mailing of the Notice Packet by the Settlement Administrator, setting the date of the Final Approval Hearing and granting preliminary approval of the Settlement set forth in this Stipulation, among other things.

34. “Qualified Pay Periods” means the total number of semi-monthly pay periods that a Participating Class Member actually performed work for Defendant as an hourly paid warehouse employee during the Class Period. Qualified Pay Periods will be calculated to exclude semi-monthly pay periods in which a Participating Class Member did not perform any work but earned compensation for non-work time such as vacation time, sick time, disability leave, or other medical leave.

35. “Qualified PAGA Pay Periods” means the total number of semi-monthly pay periods during the PAGA Period that PAGA Group Members actually performed work for Defendant as an hourly paid warehouse employee. Qualified PAGA Pay Periods will be calculated to exclude semi-monthly pay periods in which PAGA Group Members did not perform any work but earned compensation for non-work time such as vacation time, sick time, disability leave, or other medical leave.

36. “Released PAGA Claims” means all claims for civil penalties that could have been sought by the Labor Commissioner for the violations identified in Plaintiff’s pre-filing letter to the LWDA on August 21, 2020.

37. “Released Claims” with respect to the Participating Class Members (other than Plaintiff) means all claims, rights, demands, liabilities, and causes of action of every nature and description, as alleged in the Complaint, or based on the facts alleged in the Complaint,

including for meal and rest breaks; unpaid wages, including minimum wages, regular wages, overtime and double time wages; wage statement violations; untimely wages, wages due upon termination, civil and statutory penalties, and derivative claims.

38. “Released Claims,” with respect to Plaintiff, on behalf of himself and each of his heirs, representatives, successors, and assigns, means Plaintiff shall irrevocably, unconditionally, and forever release any and all actions, causes of action, claims, administrative claims, debts, demands, penalties, rights, costs, interest, attorneys’ fees, obligations, judgments, expenses, and/or liabilities, in law or in equity, whether known or unknown, contingent or absolute, against the Released Parties arising out of or in any way connected to his employment with Defendant concerning his Labor Code claims, including but not limited to: any and all wage-and-hour claims arising under federal law and the laws of the State of California,

39. “Released Parties” means Defendant Sun Lee, Inc. and its parents, subsidiaries, predecessors, successors, joint ventures, assigns, and each of its respective shareholders, owners, officers, directors, managers, employees, operators, insurers, representatives, trustees, attorneys, insurers, administrators, fiduciaries, beneficiaries, subrogates, and agents.

40. “Response Deadline” means the date sixty (60) days after the Settlement Administrator mails the Notice Packet to Class Members and the last date on which Class Members may submit an Exclusion Form or Objection Form.

41. “Settlement” means the final and complete disposition of the Action pursuant to this Stipulation.

42. “Settlement Administration Costs” means the reasonable costs and fees of administration of this Settlement to be paid to the Settlement Administrator from the Maximum Settlement Amount, not to exceed Five Thousand Dollars (\$5,000.00), including, but not limited to: (i) translation of Notice Packets into Spanish; (ii) printing and mailing and re-mailing (if necessary) of Notice Packets to Class Members; (iii) preparing and submitting to Participating Class Members and government entities all appropriate tax filings and forms; (iv) computing the amount of and distributing Individual Settlement Payments, the PAGA Settlement Amount,

Class Representative Service Award, and Class Counsel Award; (v) processing and validating Requests for Exclusion; (vi) establishing a Qualified Settlement Fund, as defined by the Internal Revenue Code; (vii) calculating and remitting to the appropriate government agencies all employer and employee payroll tax obligations arising from the Settlement and preparing and submitting filings required by law in connection with the payments required by the Settlement; (viii) providing weekly updates to Class Counsel and Defense Counsel regarding the administration of the Settlement; (ix) mailing a reminder postcard to any Class Member whose settlement distribution check has not been negotiated within 60 days after the date of mailing; and (x) posting the Judgment on the Settlement Administrator's website.

43. "Settlement Administrator" means Simpluris, Inc. ("Simpluris"). The experience and qualification of Simpluris is set forth in the Declaration of Eric Springer on Behalf of Simpluris, Inc., attached hereto as **Exhibit 5**.

44. "Total Qualified Pay Periods" means the total number of Qualified Pay Periods worked by all Participating Class Members for Defendant during the Class Period.

45. "Total Qualified PAGA Pay Periods" means the total number of Qualified PAGA Pay Periods worked by all PAGA Group Members for Defendant during the PAGA Period.

RECITALS

46. Procedural History. On August 18, 2020, Plaintiff his original class action complaint, in the Los Angeles Superior Court, entitled *Diego Degante v. Sun Lee, Inc.*, Case No. 20STCV31759, alleging: (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to provide rest breaks; (5) failure to provide and maintain accurate itemized wage statements; (6) failure to pay timely wages upon termination; as well as an addition claim for (7) unlawful business practices under Business and Professions Code section 17200 et. seq. Pursuant to Labor Code § 2699.3, on August 21, 2020, Plaintiff provided written notice to the LWDA and Defendant of the specific provisions of the Labor Code and applicable IWC Wage Order Plaintiff alleges Defendant violated. On November 20, 2020, Plaintiff filed his First Amended Complaint to add a PAGA representative action and

1 duplicative claims for failure to timely pay wages, and failure to unlawfully receive wages (the
2 “Complaint.”)

3 47. On August 18, 2021, Plaintiff and Defendant participated in a private mediation
4 with Eleanor Barr, Esq., and reached a settlement in principle after a full day of mediation. That
5 same day, with oversight and participation by the Mrs. Barr, the Parties entered into a
6 Memorandum of Understanding, subject to the Parties entering into a more comprehensive
7 written settlement agreement.

8 48. Prior to the mediation, the Parties engaged in formal discovery on classwide
9 issues. Plaintiff served a set of written discovery, including a Request for Production of
10 Documents and Special Interrogatories. Defendant served its responses on February 10, 2021.
11 The Parties agreed to limit the putative class to hourly, non-exempt employees who worked in
12 Defendant’s warehouse department in California during the putative class period. In its
13 response to the written discovery, Defendant agreed to complete a *Belaire West* notice
14 procedure prior to producing contact information for the putative class members. Defendant
15 also agreed to produce the time records and wage statements for a 25% sample of the putative
16 class members, upon completion of the *Belaire West* notice procedure. Defendant produced to
17 Plaintiff the class list of hourly, non-exempt warehouse employees who did not opt out of
18 having the contact information disclosed. Also prior to the mediation, Defendant produced to
19 Plaintiff for analysis all the time records and wage statements for roughly 25% of the hourly,
20 non-exempt warehouse employees, including Plaintiff Diego Degante, as well as the Employee
21 Handbook, including all wage and hour policies, the total class size, and the total number of pay
22 periods and estimated workweeks for all putative class members.

23 49. Benefits of Settlement to Plaintiff and Class Members. Plaintiff and Class
24 Counsel recognize the expense and length of continued proceedings necessary to litigate
25 Plaintiff’s disputes in the Action through trial and through any possible appeals. Plaintiff also
26 has taken into account the uncertainty and risks of the outcome of further litigation, and the
27 difficulties and delays inherent in such litigation. Plaintiff and Class Counsel are also aware of
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1 the burdens of proof necessary to establish liability for the claims asserted in the Action, both
2 generally and in response to Defendant's defenses thereto, and the difficulties in establishing
3 damages, penalties, restitution and other relief sought in the Action. Plaintiff and Class Counsel
4 also have taken into account Defendant's agreement to enter into a settlement that confers
5 substantial benefits upon the Class Members. Based on the foregoing, Plaintiff and Class
6 Counsel have determined that the Settlement set forth in this Stipulation is fair, adequate, and
7 reasonable, and is in the best interests of all Class Members.

8 50. Defendant's Reasons for Settlement. Defendant has concluded that any further
9 defense of the Action would be protracted and expensive for all Parties. Substantial amounts of
10 Defendant's time, energy, and resources have been, and unless this Settlement is completed,
11 shall continue to be, devoted to the defense of the claims asserted by Plaintiff. Defendant has
12 also taken into account the risks of further litigation in reaching its decision to enter into this
13 Settlement. Even though Defendant continues to contend that it is not liable for any of the
14 claims alleged by Plaintiff in the Action, Defendant has agreed, nonetheless, to settle in the
15 manner and upon the terms set forth in this Stipulation and to put to rest the claims alleged in
16 the Action. Defendant has asserted and continues to assert that the claims alleged by Plaintiff
17 have no merit and do not give rise to any liability, damages, restitution, penalties or other
18 payments. This Stipulation is a compromise of disputed claims. Nothing contained in this
19 Stipulation, no documents referred to herein, and no action taken to carry out this Stipulation,
20 shall be construed or used as an admission by or against Defendant as to the merits or lack
21 thereof of the claims asserted in the Action. Defendant contends that it has complied with all
22 applicable state, federal and local laws.

23 **TERMS OF SETTLEMENT**

24 NOW THEREFORE, in consideration of the mutual covenants, promises, and
25 agreements set forth herein, the Parties agree, subject to the Court's approval, as follows:

26 51. Binding Settlement. This Settlement shall bind the Parties, all Participating Class
27 Members, Class Counsel and Defense Counsel, subject to the terms and conditions hereof and
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the occurrence of the Effective Date.

52. Tax Liability. The Parties make no representations as to the tax treatment or legal effect of the payments specified herein, and Class Members are not relying on any statement or representation by the Parties, Class Counsel or Defense Counsel in this regard. Participating Class Members understand and agree that they shall be responsible for the payment of all taxes and penalties assessed on the payments specified herein, and shall hold the Parties, Class Counsel and Defense Counsel free and harmless from and against any claims resulting from treatment of such payments as non-taxable, including the treatment of such payments as not subject to withholding or deduction for payroll and employment taxes.

53. Circular 230 Disclaimer. The Parties acknowledge and agree that (1) no provision of this Stipulation, and no written communication or disclosure between or among the Parties, Class Counsel or Defense Counsel and other advisers, is or was intended to be, nor shall 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 Stipulation, (b) has not entered into this Stipulation 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 adviser'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 Stipulation.

54. Preliminary Approval of Settlement. After this Stipulation is fully executed, Plaintiff shall move the Court to enter the Preliminary Approval Order, thereby conditionally certifying the Class for settlement purposes only and setting a Final Approval Hearing date.

1 The Parties agree to work diligently and cooperatively to have this Settlement presented to the
2 Court for preliminary approval. The Preliminary Approval Order shall provide for, among other
3 things, the Notice Packet to be sent to Class Members as specified herein. The Parties agree that
4 the conditional certification of the Class is for settlement purposes only and is in no way an
5 admission by Defendant in the Action or in any other proceeding that class certification is
6 proper.

7 55. Release by Plaintiff and Other Participating Class Members: Upon the
8 Settlement Administrator's receipt of the total Maximum Settlement Amount from Defendant,
9 Plaintiff and all other Participating Class Members shall be deemed to have released their
10 respective Released Claims against the Released Parties.

11 56. "Released Parties" means Defendant Sun Lee, Inc. and its parents, subsidiaries,
12 predecessors, successors, joint ventures, assigns, and each of its respective shareholders,
13 owners, officers, directors, managers, employees, operators, insurers, representatives, trustees,
14 attorneys, insurers, administrators, fiduciaries, beneficiaries, subrogates, and agents.

15 57. "Released Claims" with respect to the Participating Class Members (other than
16 Plaintiff) means all claims, rights, demands, liabilities, and causes of action of every nature and
17 description, as alleged in the Complaint, or based on the facts alleged in the Complaint,
18 including for meal and rest breaks; unpaid wages, including minimum wages, regular wages,
19 overtime and double time wages; wage statement violations; untimely wages, wages due
20 upon termination, civil and statutory penalties, and derivative claims.

21 58. "Released Claims," with respect to Plaintiff, on behalf of himself and each of his
22 heirs, representatives, successors, and assigns, means Plaintiff shall irrevocably,
23 unconditionally, and forever release any and all actions, causes of action, claims, administrative
24 claims, debts, demands, penalties, rights, costs, interest, attorneys' fees, obligations, judgments,
25 expenses, and/or liabilities, in law or in equity, whether known or unknown, contingent or
26 absolute, against the Released Parties arising out of or in any way connected to his employment
27 with Defendant concerning any and all wage-and-hour claims arising under federal law and the
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laws of the State of California

59. Release of PAGA Claims. Upon the Settlement Administrator's receipt of the total Maximum Settlement Amount from Defendant, Plaintiff and the State of California shall be deemed to have released their respective Released PAGA Claims against the Released Parties.

60. Settlement Administration.

a. Within fifteen (15) days of entry of the Preliminary Approval Order, Defendant shall provide the Settlement Administrator with the Class Information for purposes of mailing the Notice Packets to Class Members.

i. Notice by First Class U.S. Mail. Upon receipt of the Class Information, the Settlement Administrator shall perform a search based on the National Change of Address Database maintained by the United States Postal Service to update and correct any known or identifiable address changes. Within fifteen (15) days after receiving the Class Information from Defendant as provided herein, the Settlement Administrator shall mail copies of the Notice Packet to all Class Members via regular First Class U.S. Mail in English and Spanish. The Settlement Administrator shall exercise its best judgment to determine the current mailing address for each Class Member. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the most current mailing address for each Class Member. The Parties agree that this procedure for notice provides the best practical notice to Class Members and fully complies with due process.

ii. Undeliverable Notice Packets. Any Notice Packet returned to the Settlement Administrator as non-delivered on or before the Response Deadline shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall promptly attempt to determine a correct address by the use of skip-tracing, or other type of automated search, using the name, address and/or Social Security number of the Class Member involved, and shall then perform a re-mailing to the Class Member whose Notice Packet was returned as non-delivered, assuming another mailing address is

identified by the Settlement Administrator. Class Members who are sent a re-mailed Notice Packet shall have their Response Deadline extended by fifteen (15) days from the date the Settlement Administrator re-mails the Notice Packet. If these procedures are followed, notice to Class Members shall be deemed to have been fully satisfied, and if the intended recipient of the Notice Packet does not receive the Notice Packet, the intended recipient shall nevertheless remain a Participating Class Member and shall be bound by all terms of the Settlement and the Order and Final Judgment.

iii. Determination of Individual Settlement Payments. The Settlement Administrator shall determine the eligibility for, and the amounts of, each Individual Settlement Payment under the terms of this Stipulation. If a Participating Class Member disputes any aspect of his or her Individual Settlement Payment or number of Qualified Pay Periods, that Participating Class Member may submit supporting evidence to the Settlement Administrator as explained in the Information Sheet. Defendant's records regarding the number of Qualified Pay Periods will be presumed correct, unless the Participating Class Member provides documentation to the Settlement Administrator that establishes otherwise. The Settlement Administrator will evaluate the evidence submitted by the Participating Class Member and will make the final decision as to the number of Qualified Pay Periods that should be applied and/or the Individual Settlement Payment to which the Participating Class Member may be entitled. The Settlement Administrator's determination of the eligibility for and amount of each Individual Settlement Payment shall be binding upon the Class Member and the Parties, yet subject to review by Class Counsel, Defense Counsel, and the Court. In the absence of fraud or gross negligence, Defendant's records shall be given the presumption of accuracy. If the Settlement Administrator is unable to resolve the dispute, the Court may make an ultimate decision with respect to the Participating Class Member's number of Qualified Pay Periods and Individual Settlement Payment.

iv. Determination of PAGA Payments. The Settlement Administrator shall determine the eligibility for, and the amounts of, each PAGA Payment under the terms of

1 this Stipulation. If a PAGA Group Member disputes any aspect of his or her PAGA Payment or
2 number of Qualified PAGA Pay Periods, that PAGA Group Member may submit supporting
3 evidence to the Settlement Administrator as explained in the Information Sheet. The Settlement
4 Administrator will evaluate the evidence submitted by the PAGA Group Member and will make
5 the final decision as to the number of Qualified PAGA Pay Periods that should be applied
6 and/or the PAGA Payment to which the PAGA Group Member may be entitled. The Settlement
7 Administrator's determination of the eligibility for and amount of each PAGA Payment shall be
8 binding upon the PAGA Group Members and the Parties, yet subject to review by Class
9 Counsel, Defense Counsel, and the Court. In the absence of fraud or gross negligence,
10 Defendant's records shall be given the presumption of accuracy. If the Settlement
11 Administrator is unable to resolve the dispute, the Court may make an ultimate decision with
12 respect to the PAGA Group Member's number of Qualified PAGA Pay Periods and PAGA
13 Payment.

14 v. Disputes Regarding Administration of Settlement. Any dispute
15 not resolved by the Settlement Administrator concerning the administration of the Settlement
16 shall be resolved by the Court.

17 b. Exclusions. The Class Notice shall explain that Class Members who wish
18 to exclude themselves from the Class and Settlement must submit an Exclusion Form to the
19 Settlement Administrator by the Response Deadline. The Exclusion Form: (1) must contain the
20 name and address of the person requesting exclusion; (2) must be signed by the Class Member;
21 and (3) must be postmarked by the Response Deadline and returned to the Settlement
22 Administrator at the specified address. Subject to review by Class Counsel, Defense Counsel
23 and the Court, the date of the postmark on the return mailing envelope on the Exclusion Form
24 shall be the exclusive means used by the Settlement Administrator to determine whether a Class
25 Member has timely requested exclusion from the Settlement. Any Class Member who timely
26 and properly requests to be excluded from the Settlement shall not be entitled to any benefits
27 under the Settlement and shall not be bound by the terms of the Settlement, nor shall the Class
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Member have any right to object to the Settlement or appeal from the entry of the Final Order and Judgment. Unless otherwise ordered by the Court, Class Members who do not submit a valid and timely Exclusion Form on or before the Response Deadline shall be bound by all terms of the Settlement and the Final Order and Judgment entered in this Action if the Settlement is finally approved by the Court. No later than ten (10) days after the Response Deadline, the Settlement Administrator shall provide counsel for the Parties with a complete list of all Class Members who submitted a timely and valid Exclusion Form. The Settlement Administrator shall authenticate all Exclusion Forms it receives as attachments to a declaration submitted concurrently with Plaintiff's motion for final approval of the Settlement. A Class Member who is also a PAGA Group Member and requests exclusion from the Settlement will still be entitled to a PAGA Payment.

c. Defendant's Right to Void Settlement. If more than ten percent (10%) of Class Members timely submit an Exclusion Form, Defendant shall have the exclusive right to void this Settlement. Defendant shall make its election prior to the date of the Final Approval Hearing. If Defendant decides to void the Settlement, then the Settlement and conditional class certification shall be considered void, and neither the Settlement, conditional class certification, nor any of the related negotiations or proceedings, shall be of any force or effect, and the Parties shall stand in the same position, without prejudice, as if this Stipulation had been neither entered into nor filed with the Court, and any and all monies paid by Defendant shall be returned to Defendant with the exception the Settlement Administration Costs. Any Settlement Administration Costs already incurred by the Settlement Administrator shall be paid by Defendant to the Settlement Administrator.

d. Objections. The Class Notice shall state that Participating Class Members who wish to object to the Settlement shall submit to the Settlement Administrator an Objection Form by the Response Deadline. The Objection Form must (1) state the full name of the Class Member; (2) be signed by the Class Member; (3) state the grounds for the objection; and (4) be postmarked by the Response Deadline and returned to the Settlement Administrator

at the specified address. Subject to review by Class Counsel, Defense Counsel, and the Court, the date of the postmark on the return mailing envelope on the Objection Form shall be the exclusive means used by the Settlement Administrator to determine whether a Class Member has timely objected to the Settlement. Class Counsel shall ensure that all Objection Forms submitted to the Settlement Administration will be filed concurrently with the final approval papers. Participating Class Members may also appear at the Final Approval Hearing to object to the Settlement, whether or not they have objected in writing or notified the Parties that they intend to appear. If a Class Member does not submit an Objection Form or appear in person to object, either personally or through counsel, such objection shall be deemed waived, unless otherwise ordered by the Court. At no time shall any of the Parties, Class Counsel, or Defense Counsel seek to solicit or otherwise encourage or discourage Class Members to file and serve a Notice of Objection or appeal from the Final Order and Judgment.

e. Monitoring and Reviewing Settlement Administration. The Parties have the right to monitor and review the administration of the Settlement to verify that the monies allocated under the Settlement are distributed in a correct amount, as provided for in this Stipulation.

f. Best Efforts. The Parties agree to use their best efforts to carry out the terms of this Settlement.

61. Funding and Allocation of Maximum Settlement Amount. Class Members shall not be required to submit a claim in order to receive a share of the Net Settlement Amount, and no portion of the Maximum Settlement Amount shall revert to Defendant. The Maximum Settlement Amount shall be paid by Defendant to the Settlement Administrator within 15 days after the Effective Date. Defendant shall provide the Maximum Settlement Amount to the Settlement Administrator in any feasible manner, including, but not limited to, by way of a wire transfer. If this Settlement is not finally approved by the Court in full, or is terminated, rescinded, canceled or fails to become effective for any reason, or if the Effective Date does not occur, then no Maximum Settlement Amount shall be paid.

1 a. Individual Settlement Payments. Individual Settlement Payments shall be
2 paid by the Settlement Administrator from the Net Settlement Amount and shall be paid
3 pursuant to the formula set forth herein. Individual Settlement Payments shall be mailed by the
4 Settlement Administrator by regular First Class U.S. Mail to each Participating Class Member's
5 last known mailing address within fourteen (14) days after Defendant provides the Settlement
6 Administrator with the total Maximum Settlement Amount. Individual Settlement Payments
7 shall be allocated as follows: 20% as wages subject to all applicable tax withholdings, 40% as
8 non-wage penalties not subject to payroll tax withholdings, and 40% as non-wage interest not
9 subject to payroll tax withholdings. The Settlement Administrator shall issue an IRS Form W-2
10 to each Participating Class Member for the portion of the Individual Settlement Payment
11 allocated as wages and subject to all applicable tax withholdings. The Settlement Administrator
12 shall issue an IRS Form 1099 to each Participating Class Member for the portion of the
13 Individual Settlement Payment allocated as non-wage penalties and interest and not subject to
14 payroll tax withholdings. Defendant shall be responsible for its share of payroll taxes due on the
15 portion of the net settlement fund allocated to wages, in addition to the Maximum Settlement
16 Amount.

17 i. Each Participating Class Member's Individual Settlement
18 Payment shall be calculated solely by the Settlement Administrator according to the following
19 formula: Defendant shall provide the Settlement Administrator with the Total Qualified Pay
20 Periods; the Settlement Administrator shall then (1) divide the Net Settlement Amount by the
21 Total Qualified Pay Periods and then (2) multiply each Participating Class Member's number of
22 Qualified Pay Periods by the result in (1) to obtain the amount of each Participating Class
23 Member's Individual Settlement Payment. The Parties estimate that Participating Class
24 Members will receive approximately \$25-\$30 per Qualified Pay Period based on estimated Net
25 Settlement Amount and estimated number of Total Qualified Pay Periods. The Individual
26 Settlement Payment will be reduced by any required legal deductions for each Participating
27 Class Member.

ii. Individual Settlement Payments shall be made by check and shall be made payable to each Participating Class Member as set forth in this Stipulation.

iii. The back of each check issued to Participating Class Members shall state as follows: "My signature hereon constitutes my declaration, under penalty of perjury, that I am the individual to whom this check was made payable and serves as my full and complete release of all 'Released Claims' as described more fully in the "Stipulation of Class Action and PAGA Settlement."

iv. If an Individual Settlement Payment check remains uncashed after Sixty (60) days from the date of mailing, the Settlement Administrator shall mail a reminder postcard to the Participating Class Member. If an Individual Settlement Payment check remains uncashed after One Hundred Eighty (180) days from the date of mailing, the Settlement Administrator shall void the check and the funds from the voided check shall be distributed by the Settlement Administrator to the California State Controller's Office Unclaimed Property Fund in the name of the Participating Class Member.

b. PAGA Payments. PAGA Payments shall be paid by the Settlement Administrator from the Maximum Settlement Amount. Three Thousand Seven Hundred Fifty Dollars (\$3,750.00) shall be paid by the Settlement Administrator directly to the LWDA within fourteen (14) days after Defendant provides the Settlement Administrator with the total Maximum Settlement Amount. PAGA Group Members' PAGA Payments shall be paid by the Settlement Administrator pursuant to the formula set forth herein. PAGA Payments shall be mailed by the Settlement Administrator by regular First Class U.S. Mail to each PAGA Group Member's last known mailing address within fourteen (14) days after Defendant provides the Settlement Administrator with the total Maximum Settlement Amount. PAGA Payments shall be allocated as non-wage penalties not subject to payroll tax withholdings. The Settlement Administrator shall issue an IRS Form 1099 to each PAGA Group Member for their PAGA Payment.

i. Each PAGA Group Member's PAGA Payment shall be calculated

solely by the Settlement Administrator according to the following formula: Defendant shall provide the Settlement Administrator with the Total Qualified PAGA Pay Periods; the Settlement Administrator shall then (1) divide One Thousand Two Hundred Fifty Dollars (\$1,250.00) by the Total Qualified PAGA Pay Periods and then (2) multiply each PAGA Group Member's number of Qualified PAGA Pay Periods by the result in (1) to obtain the amount of each PAGA Group Member's PAGA Payment.

ii. PAGA Payments shall be made by check and shall be made payable to each PAGA Group Member as set forth in this Stipulation. The back of each check issued to PAGA Group Members shall state as follows: "My signature hereon constitutes my declaration, under penalty of perjury, that I am the individual to whom this check was made payable and serves as my full and complete release of all 'PAGA Released Claims' as described more fully in the "Stipulation of Class Action and PAGA Settlement."

iii. If a PAGA Group Member's PAGA Payment check remains uncashed after Sixty (60) days from the date of mailing, the Settlement Administrator shall mail a reminder postcard to the PAGA Group Member. If a PAGA Group Member's PAGA Payment check remains uncashed after One Hundred Eighty (180) days from the date of mailing, the Settlement Administrator shall void the check and the funds from the voided check shall be distributed by the Settlement Administrator to the California State Controller's Office Unclaimed Property Fund in the name of the PAGA Group Member.

iv. Individual Settlement Payments and PAGA Payments shall be issued to Participating Class Members in one check.

c. Individual Settlement Payments Do Not Trigger Employment Relationship or Additional Benefits. All monies received by Participating Class Members under the Settlement which are attributable to wages shall constitute income to such Participating Class Members solely in the year in which such monies actually are received by the Participating Class Members. It is expressly understood and agreed that the receipt of Individual Settlement Payments shall not entitle any Participating Class Member to additional

1 compensation or benefits under any collective bargaining agreement or under any bonus, contest
2 or other compensation or benefit plan or agreement in place during the period covered by the
3 Settlement, nor shall it entitle any Participating Class Member to any increased pension and/or
4 retirement, or other deferred compensation benefits. It is the intent of the Parties that Individual
5 Settlement Payments provided for in this Stipulation are the sole payments to be made by
6 Defendant to Participating Class Members in connection with this Settlement, with the
7 exception of Plaintiff and PAGA Group Members, and that the Participating Class Members are
8 not entitled to any new or additional compensation or benefits as a result of having received the
9 Individual Settlement Payments (notwithstanding any contrary language or agreement in any
10 collective bargaining agreement or in any benefit or compensation plan document that might
11 have been in effect during the period covered by this Settlement).

12 d. Class Representative Service Award. Subject to Court approval, Plaintiff
13 shall be paid a Class Representative Service Award not to exceed Five Thousand Dollars
14 (\$5,000.00), or any lesser amount as awarded by the Court, for his time and effort in bringing
15 and prosecuting the Action and for releasing his Released Claims. Defendant agrees not to
16 oppose or object to this request if it complies with the terms of this Stipulation. The Class
17 Representative Service Award shall be paid to Plaintiff from the Maximum Settlement Amount
18 no later than fourteen (14) days after Defendant provide the Settlement Administrator with the
19 total Maximum Settlement Amount. The Settlement Administrator shall issue an IRS Form
20 1099 to Plaintiff for his Class Representative Service Award. Plaintiff shall be solely and
21 legally responsible to pay any and all applicable taxes on his respective Class Representative
22 Service Award and shall hold harmless Defendant, Class Counsel, and Defense Counsel from
23 any claim or liability for taxes, penalties, or interest arising as a result of payment of the Class
24 Representative Service Award. The Class Representative Service Award shall be made in
25 addition to Plaintiff's Individual Settlement Payment and PAGA Payment. Any amount
26 requested by Plaintiff for the Class Representative Service Award and not awarded by the Court
27 shall become part of the Net Settlement Amount and shall be distributed to Participating Class
28

Members as part of their Individual Settlement Payments.

e. Class Counsel Award. Subject to Court approval, Class Counsel shall be entitled to receive reasonable attorneys' fees in an amount not to exceed one-third (33 1/3%) of the sum of the Maximum Settlement Amount, which amounts to Sixty-Nine Thousand Three-Hundred and Twenty-Six Dollars and zero cents (\$69,326.40). In addition, subject to Court approval, Class Counsel shall be entitled to an award of reasonable costs associated with Class Counsel's prosecution of the Action in an amount not to exceed Ten Thousand Dollars (\$10,000.00). Class Counsel shall provide the Settlement Administrator with a properly completed and signed IRS Form W-9 in order for the Settlement Administrator to process the Class Counsel Award approved by the Court. Defendant shall not oppose or object to Class Counsel's request for a Class Counsel Award that complies with the terms of this Stipulation. In the event the Court awards Class Counsel less than Sixty-Nine Thousand Three Hundred and Twenty-Six Dollars and zero cents (\$69,326.40) in attorneys' fees and/or less than Ten Thousand Dollars (\$10,000.00) in costs, the difference shall become part of the Net Settlement Amount and shall be distributed to Participating Class Members as part of their Individual Settlement Payments. Class Counsel shall be paid any Court-approved attorneys' fees and costs no later than fourteen (14) days after Defendant provide the Settlement Administrator with the total Maximum Settlement Amount. Class Counsel shall be solely and legally responsible to pay all applicable taxes on the Class Counsel Award. The Settlement Administrator shall issue an IRS Form 1099 to Class Counsel for the Class Counsel Award. This Settlement is not conditioned upon the Court awarding Class Counsel any particular amount of attorneys' fees or costs.

f. Settlement Administration Costs. The Settlement Administrator shall be paid from the Maximum Settlement Amount for the Settlement Administration Costs, which are estimated not to exceed Five Thousand Dollars (\$5,000.00). Any portion of the estimated or designated Settlement Administration Costs that are not in fact required to fulfill the total settlement administration costs shall become part of the Net Settlement Amount. Prior to

Plaintiff filing a motion for final approval of this Settlement, the Settlement Administrator shall provide the Parties with a statement detailing the Settlement Administration Costs to date. The Parties agree to cooperate in the settlement administration process and to make all reasonable efforts to control and minimize Settlement Administration Costs.

i. The Parties each represent they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

ii. The Settlement Administrator shall keep the Parties timely apprised of the performance of all Settlement Administrator responsibilities required by the Settlement. The Settlement Administrator shall be authorized to establish a Qualified Settlement Fund (“QSF”) pursuant to IRS rules and regulations in which the Maximum Settlement Amount shall be placed and from which payments required by the Settlement shall be made.

iii. The Settlement Administrator shall be entitled to withdraw from the QSF its Settlement Administration Costs no earlier than fourteen (14) days after Defendant provides the Settlement Administrator with the total Maximum Settlement Amount.

62. Final Settlement Approval Hearing and Entry of Final Order and Judgment.

Upon expiration of the Response Deadline, a Final Approval Hearing shall be conducted to determine whether to grant final approval of the Settlement, including determining the amounts properly payable for: (i) the Class Counsel Award; (ii) the Class Representative Service Award; and (iii) the PAGA Settlement Amount. Prior to the Final Approval Hearing, the Settlement Administrator shall provide a written report or declaration to the Parties describing the process and results of the administration of the Settlement to date, which report or declaration shall be filed by Plaintiff with the Court prior to the Final Approval Hearing. If the Court grants final approval of the Settlement, the Settlement Administrator shall post notice of final judgment on its website within ten (10) calendar days of entry of the Final Order and Judgment.

63. Nullification of Settlement. In the event: (i) the Court does not enter the

Preliminary Approval Order; (ii) the Court does not grant final approval the Settlement; (iii) the Court does not enter the Final Order and Judgment; or (iv) the Settlement does not become final for any other reason, this Stipulation shall be rendered null and void, any order or judgment entered by the Court in furtherance of this Settlement shall be treated as void from the beginning and this Stipulation and any documents related to it shall not be used by any Class Member or Class Counsel to support any claim or request for class certification in the Action, and shall not be used in any other civil, criminal or administrative action against Defendant or any of the other Released Parties. Any Settlement Administration Costs already incurred by the Settlement Administrator shall be paid to the Settlement Administrator by Defendant. In the event an appeal is filed from the Court's Final Order and Judgment, or any other appellate review is sought, administration of the Settlement shall be stayed pending final resolution of the appeal or other appellate review. Any fees incurred by the Settlement Administrator prior to it being notified of the filing of an appeal from the Court's Final Order and Judgment, or any other appellate review, shall be paid by Defendant to the Settlement Administrator.

64. No Admission by Defendant. Defendant denies all claims alleged in the Action and deny all wrongdoing whatsoever. Neither this Stipulation, nor any of its terms and conditions, nor any of the negotiations connected with it, is a concession or admission, and none shall be used against Defendant as an admission or indication with respect to any claim of any fault, concession, or omission by Defendant or that class certification is proper under the standard applied to contested certification motions. The Parties stipulate and agree to the certification of the proposed class for settlement purposes only. As part of this Settlement, Defendant shall not be required to enter into any consent decree nor shall Defendant be required to agree to any provision for injunctive or prospective relief. The Parties further agree that this Stipulation will not be admissible in this or any other proceeding as evidence that either (i) a class action should be certified or (ii) Defendant is liable to Plaintiff or any Class Member, other than according to the terms of this Stipulation.

65. Exhibits and Headings. The terms of this Stipulation include the terms set forth

1 in any attached Exhibits, which are incorporated by this reference as though fully set forth
2 herein. The Exhibits to this Stipulation are an integral part of the Settlement. The descriptive
3 headings of any paragraphs or sections of this Stipulation are inserted for convenience of
4 reference only.

5 66. Interim Stay of Action. The Parties agree to stay and to request that the Court
6 stay all proceedings in the Action, except such proceedings necessary to implement and
7 complete the Settlement and enter the Final Order and Judgment. In the event that the
8 Settlement does not become final and/or the Effective Date does not occur for any reason, the
9 Parties further agree that, pursuant to Code of Civil Procedure § 583.330(a), the time beginning
10 on August 18, 2021 through the date on which the interim stay of proceedings is lifted shall not
11 be included in computing the five-year period specified in Code of Civil Procedure § 583.310
12 for each of the Action.

13 67. Amendment or Modification. This Stipulation may be amended or modified only
14 by a written instrument signed by counsel for all Parties or their successors-in-interest.

15 68. Entire Agreement. This Stipulation and any attached Exhibits constitute the
16 entire agreement between the Parties, and no oral or written representations, warranties, or
17 inducements have been made to Plaintiff or Defendant concerning this Stipulation or its Exhibits
18 other than the representations, warranties, and covenants contained and memorialized in this
19 Stipulation and its Exhibits. No other prior or contemporaneous written or oral agreements may
20 be deemed binding on the Parties.

21 69. Authorization to Enter Into Settlement Agreement. Class Counsel and Defense
22 Counsel warrant and represent they are expressly authorized by the Parties whom they represent
23 to negotiate this Stipulation and to take all appropriate Action required or permitted to be taken
24 by such Parties pursuant to this Stipulation to effectuate its terms, and to execute any other
25 documents required to effectuate the terms of this Stipulation. The Parties, Class Counsel, and
26 Defense Counsel shall cooperate with each other and use their best efforts to effectuate the
27 implementation of the Settlement. The person signing this Stipulation on behalf of Defendant
28

represents and warrants that he/she is authorized to sign this Stipulation on behalf of Defendant. Plaintiff represents and warrants that he is authorized to sign this Stipulation and that he has not assigned any claim, or part of a claim, covered by this Settlement to a third-party. The Parties have cooperated in the drafting and preparation of this Stipulation Agreement. Hence, in any construction made of this Stipulation, the same shall not be construed against any of the Parties.

70. Binding on Successors and Assigns. This Stipulation shall be binding upon, and inure to the benefit of, the successors and assigns of the Parties.

71. California Law Governs. All terms of this Stipulation and the Exhibits hereto shall be governed by and interpreted according to the laws of the State of California, without giving effect to any law that would cause the laws of any jurisdiction other than the State of California to be applied.

72. Counterparts. This Stipulation 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.

73. This Settlement Is Fair, Adequate and Reasonable. Plaintiff represents that this Settlement is a fair, adequate, and reasonable settlement of the Action and that he has arrived at this Settlement after extensive arms-length negotiations, taking into account all relevant factors, present and potential.

74. Jurisdiction of the Court. Following entry of the Final Order and Judgment, the Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Stipulation and all orders and judgments entered in connection therewith, and the Parties, Class Counsel, and Defense Counsel submit to the jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the Settlement embodied in this Stipulation and all orders and judgments entered in connection therewith.

75. Invalidity of Any Provision. Before declaring any term or provision of this Stipulation invalid, the Parties request that the Court first attempt to construe the terms or provisions valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Stipulation as valid and enforceable.

1 76. Binding Nature of Notice of Class Action Settlement. It is agreed that because
2 the Class Members are so numerous, it is impossible or impractical to have each Class Member
3 execute the Stipulation. The Class Notice shall advise all Class Members of the binding nature
4 of the Settlement, and the release of Released Claims and shall have the same force and effect as
5 if this Stipulation were executed by each Participating Class Member.

6 77. Confidentiality. Plaintiff and Class Counsel agree that they have not and will not
7 publish the Settlement.. In response to any inquiries Plaintiff will state that "the case was
8 resolved and it was resolved confidentially." Class Counsel shall not report the Settlement in
9 any medium or in any publication, shall not post or report anything regarding the claims of
10 Plaintiff or the Class or the Resolution on their website, and shall not contact any reporters or
11 media regarding the Resolution. However, Plaintiff and Class Counsel are authorized to make a
12 limited disclosure to the Court and the LWDA for the purposes of obtaining the approval of the
13 Settlement and are further authorized to publicize only the amount and type of the settlement
14 without disclosing the identity of case. This disclosure is limited to court filings and Plaintiff
15 nor his counsel or representatives are permitted to disseminate or publish, distribute or discuss
16 the information provided to the Court in those filings outside the filings themselves and any
17 hearing held on those filings, unless ordered otherwise by the Court. The Parties agree the
18 Confidentiality provision contained herein is in the best interest of Class Members in order to
19 protect their anonymity in connection with the Settlement and will not impede Class Counsel's
20 ability to discharge fiduciary duties.

21 78. Settlement Website. The Settlement Administrator shall set up a settlement
22 website where Class Members may also obtain up-to-date information on the matter and
23 hearings including any change of the date or location of any hearings in connection with this
24 Settlement, and notice of final judgment. The URL of the settlement website shall be expressly
25 included in the Class Notice.

26 **Signatures on Next Page.**

1 Dated: 10-04, 2021

Diego Degante.
Plaintiff Diego Degante

2
3
4 Dated: _____, 2021

Defendant Sun Lee, Inc.

5
6 By: _____
7 Supak Pitaknarongphorn

8 Title: _____
9

10 **APPROVED AS TO FORM:**

11
12 Dated: October 13, 2021

Jackson Law, APC

13
14 By: Armond Jackson
15 Armond M. Jackson
16 Attorney for Plaintiff
17 DIEGO DEGANTE
18

19 Dated: _____, 2021

Atkinson, Andelson, Loya, Ruud & Romo

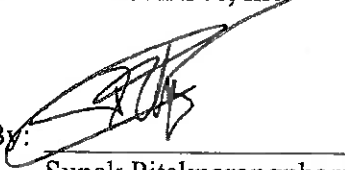
20
21 By: _____
22 Paul S. Fleck
23 David M. Lester
24 Joshua N. Lange
25 Attorneys for Defendant
26 SUN LEE, INC.
27
28

Dated: _____, 2021

Plaintiff Diego Degante

Dated: OCTOBER 8, 2021

Defendant Sun Lee, Inc.

By: 
Supak Pitaknarongphorn

Title: PRESIDENT

APPROVED AS TO FORM:

Dated: _____, 2021

Jackson Law, APC

By: _____
Armond M. Jackson
Attorney for Plaintiff
DIEGO DEGANTE

Dated: October 12, 2021

Atkinson, Andelson, Loya, Ruud & Romo

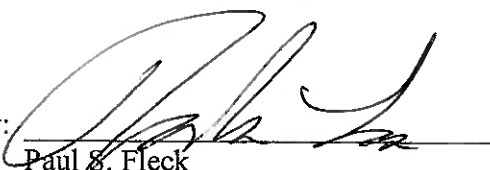
By: 
Paul S. Fleck
David M. Lester
Joshua N. Lange
Attorneys for Defendant
SUN LEE, INC.

EXHIBIT 1

6NOTICE OF PROPOSED CLASS ACTION AND PAGA SETTLEMENT

SUPERIOR COURT OF CALIFORNIA FOR THE COUNTY OF LOS ANGELES

DEGANTE V. SUN LEE, INC., CASE NO. 20STCV31759

A court authorized this notice. This is not a solicitation from a lawyer.

ATTENTION: IF YOU HAVE BEEN EMPLOYED BY SUN LEE, INC. AS AN HOURLY PAID WAREHOUSE EMPLOYEE IN CALIFORNIA DURING THE PERIOD BEGINNING AUGUST 18, 2016 AND ENDING ON [**DATE OF PRELIMINARY APPROVAL ORDER], 2021 YOU ARE ENTITLED TO A SHARE OF A PROPOSED CLASS ACTION SETTLEMENT.**

TO UNDERSTAND YOUR RIGHTS, PLEASE READ THIS NOTICE CAREFULLY.

A proposed class action settlement (“the Settlement”) has been reached between Plaintiff Diego Degante (“Plaintiff”), on behalf of himself and the below-defined Class Members, and Defendant Sun Lee, Inc. (“Defendant”).

The Settlement resolves the above class action lawsuit (the “Action”) about claims related to allegations that Defendant (1) failed to pay all minimum wages; (2) failed to pay overtime wages; (3) failed to provide required rest breaks; (4) failed to provide required meal breaks; (5) failed to furnish accurate itemized wage statements; (6) failed to pay all wages due to discharged and quitting employees; (7) failed to timely pay wages during employment; (8) unlawfully received wages; and (9) engaged in unfair business practices. Plaintiff also asserts a claim for civil penalties under the Private Attorneys General Act (“PAGA”) based on the foregoing alleged violations by Defendant. Defendant denies all of Plaintiff’s claims, and maintains that it has complied with all applicable laws. Specifically, Defendant contends that it correctly compensated Plaintiff, Class Members, and aggrieved employees; provided Plaintiff, Class Members and aggrieved employees with proper meal and rest periods or paid required premiums for missed or non-compliant breaks; provided Plaintiff, Class Members and aggrieved employees with compliant wage statements; maintained all required records for Plaintiff, Class Members and aggrieved employees; and timely paid Plaintiff, Class Members, and aggrieved employees all wages owing at the time of termination and during employment. Defendant has entered into the Settlement solely for purposes of resolving this dispute.

The Settlement provides for Individual Settlement Payments based on the pay periods you performed work for Defendant in California as an hourly paid warehouse employee during the period from August 18, 2016 to [**enter date of preliminary approval order**], 2021 as well as PAGA Payments based on the pay periods you performed work for Defendant in California as an hourly paid warehouse employee during the period from August 21, 2019 to [**enter date of preliminary approval order**], 2021.

OVERVIEW OF YOUR LEGAL RIGHTS AND OPTIONS UNDER THE SETTLEMENT

DO NOTHING	You will automatically receive an Individual Settlement Payment in exchange for which, whether or not you cash or deposit the payment, you will be bound by all terms of the Settlement and any Final Judgment entered in the Action if the Settlement receives final approval by the Court, and you will give up your rights to be part of any other lawsuit against Defendant and/or the Released Parties involving the same or similar legal claims as the ones in the Action for the period beginning on August 18, 2016 and ending on [__enter date of preliminary approval order__], 2021. If you are a PAGA Group Member, you will also receive a PAGA Payment. You will be mailed a settlement check at the address where this Notice was mailed (unless you timely provide a forwarding address to the Settlement Administrator).
EXCLUDE YOURSELF	The only way for you to be part of any other lawsuit against Defendant and/or the Released Parties involving the same or similar legal claims as the ones in the Action for the period beginning on August 18, 2016 and ending on [__enter date of preliminary approval order__], 2021 is to submit a valid Exclusion Form to the Settlement Administrator postmarked no later than [+60 days from date of mailing]. If you submit an Exclusion Form, you will <u>not</u> receive an Individual Settlement Payment, but you will receive a PAGA Payment if you are a PAGA Group Member.
OBJECT	If you wish to object to the Settlement, you must submit a written Objection, and supporting papers, to the Settlement Administrator that is postmarked or fax stamped no later than [+60 days from date of mailing]. This option is available only if you do <u>not</u> exclude yourself.

These rights and options, and how to exercise them, are explained in more detail in this notice.

The Court handling this case has determined only that there is sufficient evidence to suggest that the proposed Settlement might be fair, adequate, and reasonable, and the Court still has to make a final determination of those issues at the Final Approval Hearing. Settlement payments will only be issued if the Court grants final approval of the Settlement.

Additional information regarding the Settlement is available through the Settlement Administrator or Class Counsel, whose contact information is provided in this notice.

BASIC INFORMATION

1. Why did I get this notice?

On [insert preliminary approval date], the Superior Court of California, County of Los Angeles (“the Court”) preliminarily approved a class action settlement of the Action on behalf of all persons who were employed by Defendant in California as hourly paid warehouse employees (“Class Members”) during the period beginning on August 18, 2016 and ending on [__enter date of preliminary approval order__], 2021 (the “Class Period”). According to Defendant’s records,

you are a Class Member. This notice explains the Action, the Settlement, and your legal rights.

The Action is known as *Diego Degante v. Sun Lee, Inc., et al.*, Case No. 20STCV31759 and is pending in the Superior Court of California for the County of Los Angeles (the “Action”). Diego Degante is the Plaintiff, and the company he sued, Sun Lee, Inc., is the Defendant.

2. What is the Action about?

The Action generally involves claims under California’s wage and hour laws. Plaintiff is a former hourly paid warehouse employee of Defendant. He alleges that Defendant did not provide proper meal or rest breaks, failed to pay minimum wages and overtime wages, failed to timely pay wages, failed to pay all wages at termination, failed to provide compliant wage statements, and unlawfully received wages, and violated California’s Business and Professions Code. As a result, Plaintiff alleges that he and the Class Members are entitled to recover unpaid straight time and overtime wages, meal and rest period premiums, interest, and statutory and civil penalties. Defendant denies that it engaged in any wrongful conduct or violated the law in any way, and believes Plaintiff and the Class Members were properly and timely compensated and provided proper meal and rest breaks. However, both Plaintiff and Defendant believe the Settlement is fair, adequate, and reasonable, and that it is in the best interest of the Class Members.

3. Why is this lawsuit a class action?

In a class action, one or more people called “Plaintiff(s)” (in this case, Diego Degante) sue on behalf of people who have similar alleged claims. All of these people are a “class” or “class members.” The Court resolves the issues for all class members, except for those who exclude themselves from the class. On [insert date], the Honorable Amy D. Hogue issued an order conditionally certifying the Settlement Class for purposes of settlement only.

4. Who is in the Settlement Class?

“Class Members” or “Class” means all persons employed by Defendant in the State of California at any time during the period from August 18, 2016 through [__enter date of preliminary approval order__], 2021 as an hourly paid warehouse employee. “PAGA Group Members” means all persons employed by Defendant in the State of California at any time during the period from August 21, 2019 through [__enter date of preliminary approval order__], 2021 as an hourly paid warehouse employee.

5. Why is there a settlement?

After conducting substantial investigation, including review of Defendant’s policies, timekeeping records, and payroll records, both sides agreed to the Settlement to avoid the cost and risk of further litigation. The Settlement does not mean that any laws were broken. Defendant denies all of the claims asserted in the Action and denies that it has violated any laws. Plaintiff and his lawyers think the Settlement is in the best interests of all Class Members.

THE SETTLEMENT BENEFITS—WHAT YOU GET

6. What does the settlement provide?

Under the terms of the Settlement, Defendant agrees to pay a Maximum Settlement Amount of Two Hundred Eight Thousand Dollars (\$208,000.00). Deducted from this Maximum Settlement Amount will be sums approved by the Court for attorneys' fees (not to exceed \$69,326.40), or 33.33% of the Maximum Settlement Amount, attorneys' litigation costs (not to exceed \$10,000.00), a Class Representative Service Award to Plaintiff for his services (not to exceed \$5,000.00), the PAGA Settlement Amount (i.e., a payment of Three Thousand Seven Hundred Fifty Dollars (\$3,750.00) to the State of California Labor and Workforce Development Agency for alleged penalties and a One Thousand Two Hundred Fifty Dollars (\$1,250.00) *pro rata* distribution to PAGA Group Members as their PAGA Payment), and the fees and expenses of the Settlement Administrator, **Simpluris, Inc.** (estimated not to exceed \$5,000.00), which will result in a maximum amount payable by Defendant for distribution to Class Members who do not opt out (the "Net Settlement Amount"). Defendant's share of payroll taxes will be paid separately from and in addition to the Maximum Settlement Amount. No portion of the Maximum Settlement Amount shall revert to Defendant.

The Net Settlement Amount will be distributed to Class Members who do not opt out of the Settlement ("Participating Class Members") on a *pro rata* basis, based on the number of pay periods that each Participating Class Member performed work for Defendant as an hourly paid warehouse employee in California during the Class Period ("Qualified Pay Periods"). To determine a Participating Class Member's estimated settlement payment ("Individual Settlement Payment"), the Net Settlement Amount will be divided by the total number of Qualified Pay Periods worked by all Participating Class Members during the Class Period, multiplied by the number of Qualified Pay Periods worked by that Participating Class Member, according to the following formula:

[Net Settlement Amount ÷ Total Qualified Pay Periods for all Participating Class Members] x Participating Class Member's Individual Qualified Pay Periods = estimated Individual Settlement Payment

Class Members' Individual Settlement Payments will be reduced by any required legal deductions. No benefit, including but not limited to pension benefits and/or 401(k), shall increase or accrue as a result of any payment made as a result of this Settlement.

The Parties recognize that the Class Members' Individual Settlement Payments are for wages, interest, and penalties. The Parties agree that 20% of the Individual Settlement Payments shall be reported as wages subject to all applicable tax withholdings on IRS Form W-2 and its state and local equivalents, 40% shall be reported as non-wage interest not subject to payroll tax withholdings on IRS Form 1099, and 40% shall be reported as penalties not subject to payroll tax withholdings on IRS Form 1099 and its state and local equivalents.

The Parties are neither providing tax nor legal advice, nor making representations regarding tax obligations or consequences, if any, related to any settlement amounts to be paid to the Participating Class Members. Each Participating Class Member will assume any tax obligations or consequences that may arise from any settlement amount paid to him or her and should

consult with a tax expert if he or she has any questions. Each Participating Class Member's pro rata distribution amount prior to legal deductions will be reduced by the amount of any required payroll-related deductions.

Class Members who were employed by Defendant in the State of California at any time during the PAGA Period as an hourly paid warehouse employee ("PAGA Group Members") will also receive a PAGA Payment. "PAGA Payment" means the amount payable from the PAGA Settlement Amount to each PAGA Group Member. "PAGA Settlement Amount" means the portion of the Maximum Settlement Amount allocated to the resolution of PAGA claims in the Action. The PAGA Settlement Amount is Five Thousand Dollars (\$5,000.00). Three Thousand Seven Hundred Fifty Dollars (\$3,750.00) shall be paid by the Settlement Administrator directly to the LWDA. The remaining One Thousand Two Hundred Fifty Dollars (\$1,250.00) shall be distributed to PAGA Group Members as their PAGA Payment. The "PAGA Period" is the period of time from August 21, 2019 through [enter date of preliminary approval order], 2021. PAGA Payments shall be paid by the Settlement Administrator from the Maximum Settlement Amount. PAGA Payments shall be allocated as non-wage penalties not subject to payroll tax withholdings. The Settlement Administrator shall issue an IRS Form 1099 to each PAGA Group Member for their PAGA Payment. Each PAGA Group Member's PAGA Payment shall be calculated solely by the Settlement Administrator according to the following formula: Defendant shall provide the Settlement Administrator with the Total Qualified PAGA Pay Periods; the Settlement Administrator shall then (1) divide One Thousand Two Hundred Fifty Dollars (\$1,250.00) by the Total Qualified PAGA Pay Periods and then (2) multiply each PAGA Group Member's number of Qualified PAGA Pay Periods by the result in (1) to obtain the amount of each PAGA Group Member's PAGA Payment. "Qualified PAGA Pay Periods" means the total number of pay periods during the PAGA Period that PAGA Group Members performed work for Defendant as an hourly paid warehouse employee.

To the extent any Participating Class Member or PAGA Group Member disputes any aspect of his or her payment, number of Qualified Pay Periods, or number of Qualified PAGA Pay Periods, that Participating Class Member or PAGA Group Member may submit supporting evidence to the Settlement Administrator. Defendant's records will be presumed determinative.

Once the Settlement becomes final, Plaintiff's Class Representative Service Award, the payment to Class Counsel for their awarded attorneys' fees and costs, the Individual Settlement Payments to Participating Class Members, and the PAGA Payments will be made within 14 calendar days after Defendant provides the Settlement Administrator with the total Maximum Settlement Amount. The Maximum Settlement Amount shall be paid by Defendant to the Settlement Administrator within 15 days after the Effective Date. The "Effective Date" means the date of the Court's order approving the settlement and judgment thereon ("Judgment") becomes final. For purposes of this Settlement, the Court's Judgment "becomes final" upon the latter of: (a) if no appeal is filed, the expiration date of the time for the filing or noticing of any appeal from, or other challenge to, the Court's Judgment (i.e., 30 calendar days after notice of entry of the Court's Judgment); (ii) if an appeal is filed, the date affirmance of an appeal of the Judgment becomes final; or (iii) if an appeal is filed, the date of final dismissal of any appeal from the Judgment or the final dismissal of any proceeding on review of any court of appeal decision relating to the Judgment.

7. What am I giving up in exchange for the settlement benefits?

In exchange for the consideration provided, and upon the Settlement Administrator's receipt of the total Maximum Settlement Amount from Defendant, Plaintiff and each Participating Class Member who does not submit a valid Exclusion Form (defined in response to Question 10 below) will release Defendant and its parents, subsidiaries, predecessors, successors, joint ventures, assigns, and each of its respective shareholders, owners, officers, directors, managers, employees, operators, insurers, representatives, trustees, attorneys, insurers, administrators, fiduciaries, beneficiaries, subrogates, and agents (collectively, the "Released Parties") from all claims, rights, demands, liabilities, and causes of action of every nature and description, known and unknown, as alleged in the Complaint or that could have been asserted in the Action based on the facts alleged, arising from or related to the following claims against the Release Parties: for meal and rest breaks; unpaid wages, including minimum wages, regular wages, overtime and double time wages; wage statement violations; untimely wages, wages due upon termination, civil and statutory penalties, and derivative claims.

HOW TO GET A SETTLEMENT PAYMENT

8. How do I get a settlement payment?

You will automatically receive an Individual Settlement Payment in exchange for which, whether or not you cash or deposit the payment, you will be bound by all terms of the Settlement and any Final Judgment entered in the Action if the Settlement receives final approval by the Court, and you will give up your rights to be part of any other lawsuit against Defendant and/or the Released Parties involving the same or similar legal claims as the ones in the Action arising during the Class Period. You will be mailed a settlement check at the address where this notice was mailed (unless you timely provide a forwarding address to the Settlement Administrator).

Additionally, if you are a PAGA Group Member, you will also receive a PAGA Payment, regardless of whether you submit an Exclusion Form. Your Individual Settlement Payment and PAGA Payment will be issued in one check.

9. When will I get my check?

Checks will be mailed to Participating Class Members and PAGA Group Members eligible to receive benefits under the Settlement after the Court grants "final approval" of the Settlement. If the judge approves the settlement after a hearing on [insert date] (see "The Court's Final Approval Hearing" below), there may be appeals. If there are any appeals, resolving them could take some time, so please be patient. Please also be advised that you will only have 180 days from the date that the check is issued to cash it. If you do not cash your check within 180 days of the date of its mailing, your check shall be voided, and your share of the settlement proceeds will be distributed by the Settlement Administrator to the California State Controller's Office Unclaimed Property Fund in your name.

EXCLUDING YOURSELF FROM THE SETTLEMENT

10. How do I ask the Court to exclude me from the Settlement Class?

If you do not wish to participate in the Settlement, you must complete and send a timely Exclusion Form. The Exclusion Form must be completed, signed, dated and mailed by First Class U.S. Mail, or the equivalent, postmarked no later than **[+60 days from date of mailing]** to:

INSERT SETTLEMENT ADMIN INFO

Exclusion Forms that do not include all required information and/or that are not timely submitted will be deemed null, void, and ineffective, unless otherwise ordered by the Court. If you do not submit a valid and timely Exclusion Form on or before **[+60 days from date of mailing]**, you will be bound by all terms of the Settlement and any Final Judgment entered in the Action if the Settlement is approved by the Court.

11. If I exclude myself, can I get anything from the settlement?

Not unless you are also a PAGA Group Member. If you exclude yourself now you will not get anything from the Settlement unless you are a PAGA Group Member. If you ask to be excluded, you will not get an Individual Settlement Payment and you will not be bound by the Settlement, but you will still receive a PAGA Payment if you are a PAGA Group Member.

12. If I don't exclude myself, can I sue later?

No. Unless you exclude yourself, you give up the right to sue Defendant for the Released Claims arising during the Class Period. You must exclude yourself from the Settlement Class to start or continue your own lawsuit.

THE LAWYERS REPRESENTING YOU

13. Do I have a lawyer in this case?

The Court has appointed the following lawyers to serve as Class Counsel for the Class Members:

JACKSON LAW, APC
Armond M. Jackson
2 Venture Plaza, Suite 240
Irvine, CA 92618
Phone: (949) 281-6857
Fax: (949) 777-6218

14. How will the costs of the lawsuit and the settlement be paid?

Subject to court approval, Defendant agrees to pay attorneys' fees in an amount not to exceed one-third (33 1/3%) of the sum of the Maximum Settlement Amount and the Prior Settlement Amount, which amounts to Sixty-Nine Thousand Three Hundred Twenty-Six Dollars and zero cents (\$69,326.40) plus actual litigation costs and expenses (not to exceed \$10,000.00) to Class Counsel. The Court may award less than these amounts. If lesser amounts are awarded, the difference will be returned to the Net Settlement Amount.

In addition, and subject to Court approval, Defendant also agree to pay, as part of the Maximum Settlement Amount, up to Five Thousand Dollars (\$5,000.00) to Plaintiff as a Class Representative Service Award for his participation in the Action and for taking on the risk of litigation. Subject to Court approval, Defendant also agrees to pay Three Thousand Seven Hundred Fifty Dollars (\$3,750.00) to the State of California Labor and Workforce Development Agency for alleged civil penalties. Defendant also agrees to pay, as part of the Maximum Settlement Amount, the Settlement Administrator's costs and fees associated with administering the Settlement, estimated not to exceed Five Thousand Dollars (\$5,000.00). The Court may award less than these amounts. If lesser amounts are awarded, the difference will be included in the Net Settlement Amount and will be available for distribution to Participating Class Members.

OBJECTING TO THE SETTLEMENT

15. How do I object to the Settlement?

If you do not submit an Exclusion Form, you may object to the proposed Settlement, or any portion thereof, by completing a written objection ("Objection Form"). The Objection Form must be signed and mailed by regular U.S. Mail, postmarked no later than **[+60 days from date of mailing]**, to the Settlement Administrator at the following address:

[Settlement Administrator]
[insert info]

The Objection Form must (1) state your full name; (2) be signed by you; (3) state the grounds for the objection; and (4) must be postmarked by **[+60 days from date of mailing]** and returned to the Settlement Administrator at the specified address above. If you wish to appear at the Court's Final Approval Hearing (see response to Question 17 below) and orally present your objection to the Court, you may do so whether or not you submitted an Objection Form to the Settlement Administrator. Any Class Member who submits an Objection Form or appears at the Final Approval Hearing to submit a verbal objection remains eligible to receive monetary compensation from the Settlement. A Class Member who submits an Exclusion Form may not object to the proposed Settlement.

16. What's the difference between objecting and asking to be excluded?

Objecting is simply telling the Court you do not like something about the Settlement. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class.

THE COURT'S FINAL APPROVAL HEARING

The Court will hold a hearing to decide whether to approve the Settlement. You may attend the hearing and you may ask to speak, but you don't have to.

17. When and where will the Court decide whether to approve the settlement?

The Court will hold a Final Approval Hearing on **[insert time/date]** in Department 7 at the Superior Court of California for the County of Los Angeles, Spring Street Courthouse, located at **312 North Spring Street, Los Angeles, California 90012**. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will also decide how much to pay Class Counsel. After the hearing, the Court will decide whether to approve the Settlement. We do not know how long these decisions will take.

18. Do I have to come to the hearing?

No. Class Counsel will answer any questions the judge may have. But you are welcome to come. If you submit an Objection Form to the Settlement Administrator, you do not have to come to Court to talk about it. You may also pay another lawyer to attend, but it is not required. Class Counsel will not represent you in connection with any objection.

19. May I speak at the hearing?

If you wish to appear at the Final Approval Hearing and orally present your objection to the Court, you may do so regardless of whether or not you submitted an Objection Form. Please adhere to the latest COVID-19 courthouse protocol. Although the Presiding Judge, Eric C. Taylor has eliminated social distancing protocol and restored in-person access without capacity limits in all Los Angeles County courthouses and courtrooms, a mandatory face mask order remains in effect. Face masks must be worn over the nose and mouth at all times in all public courthouse spaces.

IF YOU DO NOTHING

20. What happens if I do nothing at all?

If you do nothing, you will automatically receive an Individual Settlement Payment and PAGA Payment, if applicable, as described above and you will be bound by the release of Released Claims against the Released Parties.

GETTING MORE INFORMATION

21. How do I get more information?

This notice summarizes the Settlement. More details are in the Stipulation of Class Action and PAGA Settlement, which is attached as **Exhibit X** to the Declaration of Armond M. Jackson in Support of Plaintiff Diego Degante's Motion for Preliminary Approval of Class Action and PAGA Settlement, filed on **[INSERT DATE]**. The case is assigned to Department 7 of the Los Angeles Superior Court, Spring Street Courthouse, located at 312 North Spring Street, Los Angeles, California 90012. The case file may be viewed online at <https://www.lacourt.org/casesummary/ui/>.

You may also contact Class Counsel or the Settlement Administrator for more information.

[Settlement Administrator]

[insert info]

The Settlement Administrator has set up a settlement website where you may also obtain up-to-date information on the matter including any change of the date or location of any hearings in connection with this Settlement. The settlement website URL is **XXXXXX**

Please do not contact the Court for more information about the Settlement.

EXHIBIT 2

INFORMATION SHEET

Superior Court of the State of California, County of Los Angeles

Degante v. Sun Lee, Inc., Case No. 20STCV31759

Calculation of Individual Settlement Payments: Each Class Member who does not properly request to be excluded from the Settlement will receive a share of the Net Settlement Amount, based upon the number of pay periods that he or she actually performed work for Defendant Sun Lee, Inc. as an hourly paid warehouse employee in California during the period from August 18, 2016 through [__enter date of preliminary approval order__], 2021 (“Qualified Pay Periods”). Individual Settlement Payments will be calculated as follows:

Defendant Sun Lee, Inc. (“Defendant”) will provide the Settlement Administrator with the total number of Qualified Pay Periods worked by all Participating Class Members (“Total Qualified Pay Periods”). Then, the Settlement Administrator will (1) divide the Net Settlement Amount by the Total Qualified Pay Periods, resulting in a value for each pay period worked by Participating Class Members, and then (2) multiply each Participating Class Member’s number of Qualified Pay Periods by the result in (1) to obtain the estimated amount of the Participating Class Member’s Individual Settlement Payment.

Calculation of PAGA Payments: Each Class Member who was employed by Defendant as an hourly paid warehouse employee during the period from August 21, 2019 to [__enter date of preliminary approval order__], 2021 (“PAGA Group Members”), will also receive a PAGA Payment, based upon the number of pay periods that he or she actually performed work for Defendant as an hourly paid warehouse employee in California during the period from August 21, 2019 to [__enter date of preliminary approval order__], 2021 (“Qualified PAGA Pay Periods”). PAGA Payments will be calculated as follows:

Defendant will provide the Settlement Administrator with the total number of Qualified PAGA Pay Periods worked by all PAGA Group Members (“Total Qualified PAGA Pay Periods”). Then, the Settlement Administrator will (1) divide One Thousand Two Hundred Fifty Dollars (\$1,250.00) by the Total Qualified PAGA Pay Periods, resulting in a value for each pay period worked by PAGA Group Members, and then (2) multiply each PAGA Group Member’s number of Qualified PAGA Pay Periods by the result in (1) to obtain the estimated amount of the PAGA Group Member’s PAGA Payment.

Please note that your Individual Settlement Payment and PAGA Payment will be issued in one check.

Your Pay Periods and Estimated Payment:

According to Defendant’s records, you worked <<# of Pay Periods>> during the Class Period and <<# of Pay Periods>> during the PAGA Period.

Based on your number of pay periods, **your estimated Individual Settlement Payment is** <<EstSettPayment>> **and your estimated PAGA Payment is** <<EstSettPayment>>.

Please note that this is only an estimate; your actual payment may be greater or smaller than the amount reported above.

Procedure for Disputing Information: If you wish to dispute the number of Qualified Pay Periods and/or Qualified PAGA Pay Periods attributed to you as listed above, you must mail a letter to the Settlement Administrator stating the reasons why you dispute your number of Qualified Pay Periods and/or Qualified PAGA Pay Periods and provide any supporting documentation that you have (e.g., paystubs). Your letter should also include the estimated number of pay periods that you claim to have

performed work for Defendant as an hourly paid warehouse employee in California during the time period from August 18, 2016 to [__enter date of preliminary approval order__], 2021 and during the time period from August 21, 2019 to [__enter date of preliminary approval order__], 2021.

Any disputes and supporting documentation must be mailed to the Settlement Administrator at the address listed below by First Class U.S. Mail, postmarked no later than [Response Deadline].

[Administrator] Address] [City, State Zip]
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Defendant's records regarding the number of Qualified Pay Periods and number of Qualified PAGA Pay Periods will be presumed correct, unless you provide documentation to the Settlement Administrator that establishes otherwise. The Settlement Administrator will evaluate the evidence submitted by you and will make the final decision as to the number of Qualified Pay Periods and Qualified PAGA Pay Periods that should be applied and/or the Individual Settlement Payment to which you may be entitled.

EXHIBIT 3

EXCLUSION FORM

Superior Court of the State of California, County of Los Angeles

Degante v. Sun Lee, Inc., Case No. 20STCV31759

If you want to receive an Individual Settlement Payment, you should not fill out this form; you are not required to do anything at this time. This form is to be used only if you want to exclude yourself from the Settlement.

If you exclude yourself from the Settlement: (1) you will not receive any payments or benefits under the Settlement, unless you are a PAGA Group Member; (2) you will not be able to object to the Settlement; (3) you will not be bound by the Settlement if it is ultimately approved by the Court; and (4) you may pursue any claims which are asserted in the Action that you have against Sun Lee, Inc. ("Defendant") by filing your own lawsuit.

To be excluded from the Settlement, complete this Exclusion Form and mail it to the Settlement Administrator at the address listed below, postmarked no later than [Response Deadline].

[Administrator] Address] [City, State Zip]

Request for Exclusion

I hereby certify that I am or was employed by Defendant as an hourly paid warehouse employee in California for some period of time during the Class Period of August 18, 2016 through [__enter date of preliminary approval order__], 2021.

I have received the Notice of Class Action and PAGA Settlement ("Notice") in the Action, and I request to be excluded from the Settlement. I understand that by submitting this Exclusion Form, I will not receive any money or other benefits under the Settlement, unless I am a PAGA Group Member, and I will not be bound by the Settlement, including the release of Released Claims, as described in the Notice and in the Settlement Agreement on file with the Court.

Please print legibly:

Full Name: _____

Street Address: _____

City, State, Zip Code: _____

Signature of Class Member (or Legal Representative): _____

Date: _____

EXHIBIT 4

Degante v. Sun Lee, Inc.
Los Angeles Superior Court Case No. 20STCV31759

OBJECTION FORM

IF YOU WANT TO PARTICIPATE IN THE SETTLEMENT, BUT YOU **OBJECT** TO THE TERMS OF THE SETTLEMENT, YOU MUST SIGN AND COMPLETE THIS FORM ACCURATELY AND IN ITS ENTIRETY, AND YOU MUST SUBMIT THIS FORM BY FIRST CLASS U.S. MAIL OR FAX TO THE SETTLEMENT ADMINISTRATOR AT THE ADDRESS OR FAX NUMBER BELOW SO THAT IT IS POSTMARKED OR FAX STAMPED ON OR BEFORE [REDACTED].

The Court will consider your objection at the Final Approval Hearing if you submit a timely and valid written statement of objection. All of the information on this form is required. If you do not provide all of the information below, your objection will be deemed null and void. **Even if you submit an objection, you will be bound by the terms of the Settlement, including the release of Released Claims, unless the Court does not approve the Settlement.** You cannot object to the Settlement if you request exclusion from the Settlement.

☐ I OBJECT to the *Degante v. Sun Lee Inc.*, Settlement on the following grounds:

(Attach additional pages if need.)

(Signature)

(Date)

(Print Name)

(Address)

(Telephone Number)

(City / State / Zip Code)

All Objection Forms must be postmarked or fax stamped no later than [REDACTED]. Mail or fax your fully completed and signed Objection Form to:

[Settlement Administrator] Re: <i>Diego Degante v. Sun Lee, Inc.</i> [Address] [City, State, Zip] [Telephone Number; Fax Number]

011226.00017
34326570.1

EXHIBIT 5

1 ATKINSON, ANDELSON, LOYA, RUUD & ROMO
2 A Professional Law Corporation

3 Paul S. Fleck State Bar No. 192345
4 PFleck@aalrr.com

5 David M. Lester State Bar No. 119966
6 David.Lester@aalrr.com

7 Joshua N. Lange State Bar No. 269016
8 Joshua.Lange@aalrr.com

9 12800 Center Court Drive South, Suite 300
10 Cerritos, California 90703-9364

11 Telephone: (562) 653-3200

12 Fax: (562) 653-3333

13 Attorneys for Defendant
14 SUN LEE, INC

15 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
16 **COUNTY OF LOS ANGELES – CENTRAL DISTRICT**
17 **SPRING STREET COURTHOUSE**

18 **DIEGO DEGANTE, as an individual and**
19 **on behalf of other similarly situated**
20 **employees,**

21 **Plaintiff,**

22 **v.**

23 **SUN LEE, INC., a California**
24 **corporation, and DOES 1-50, inclusive,**

25 **Defendants.**

26 **Case No.: 20STCV31759**

27 **Related Case: 21STCV07574**

28 **DECLARATION OF ERIC SPRINGER ON**
BEHALF OF SIMPLURIS, INC.
(PROPOSED SETTLEMENT
ADMINISTRATOR)

Assigned for all purposes to Judge Amy D.
Hogue, Dept. 7

Complaint Filed: August 18, 2020

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I, Eric Springer, declare as follows:

1. I am the Director of Project Management for Simpluris Inc., (“Simpluris”). I am over 18 years of age and authorized to make this declaration on behalf of Simpluris and myself, and make this declaration based upon my own personal knowledge.

2. Simpluris has extensive experience in class action matters, having provided services in litigation settlements involving antitrust, securities fraud, property damage, employment discrimination, minimum wage and hour, product liability, insurance and consumer issues. Simpluris specializes in settlement consultation, data management, legal notification, call center support, claims processing and reporting.

3. We have provided notification and/or claims administration services in more than 5,000 Of these, more than 3,000 were Labor & Employment cases. Over the past 10 years, Simpluris has approximately \$600 million in settlements. A true and correct copy of Simpluris' company ("Simpluris Resume") is attached as Exhibit A.

4. Simpluris is committed to the security of not only our data and information but the Parties' and information as well. We have not experienced any security breaches in our company history. A correct copy of our SOC 2 Certification demonstrating our commitment to security is attached as B. Additionally, Simpluris maintains insurance coverage in the amount of \$3,000,000 for Errors and Omissions.

5. Simpluris does not have any affiliation with counsel for this matter.

6. Simpluris has been selected by counsel to serve as the class action Settlement Administrator for this case. In this capacity, Simpluris will be charged with, among other responsibilities: (a) providing Notice to the Class Members; (b) receiving undeliverable Notice Packets; (c) receiving and responding to questions from Class Members; (d) establishing a fund for authorized claimants; (e) calculating individual settlement payments, distributing funds, and tax-reporting following final approval; (f) mailing settlement checks; (g) answering questions from Class Members;. Simpluris has agreed to administer the Settlement for a fixed fee of \$4,000. If the scope of work increases or decreases significantly, Simpluris will

1 inform the parties and request approval of an adjustment, whether increased or decreased respectively, to
2 the capped costs.

3 I declare under penalty of perjury under the laws of the State of California that the above is true
4 and correct and that this Declaration was executed this 7th day of September, 2021, in Melbourne, Florida.

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7 _____
8 Eric Springer
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