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Attorneys for Plaintiff DIEGO DEGANTE,  
individually, and on behalf of all other similarly  
situated employees

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

DIEGO DEGANTE, individually, and on  
behalf of all other similarly situated  
employees,

Plaintiffs,

vs.

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

Defendant.

Case No.: 20STCV31759  
Related Case: 21STCV07574

[Assigned for all purposes to the Hon. Amy  
D. Hogue, Dept. 7

**DECLARATION OF ARMOND M.  
JACKSON IN SUPPORT OF MOTION  
FOR PRELIMINARY APPROVAL OF  
CLASS ACTION SETTLEMENT**

Date: January 6, 2022  
Time: 11:00 a.m.  
Place: Department 7

Action Filed: August 18, 2020  
FAC Filed: November 20, 2020  
Trial Date: None



1 around November 20, 2020.

2 5. Thereafter, I served a set of written discovery, including a Request for Production of  
3 Documents and Special Interrogatories. Defendant served its responses on February 10, 2021. In  
4 its responses, Defendant agreed to complete a *Belaire West* procedure prior to producing contact  
5 information for the putative class members. The parties also agreed to produce the time records and  
6 wage statements for a 25% sample of the putative class members, upon completion of the *Belaire*  
7 *West* notice procedure.

8 6. I also agreed with Defendant to exclude the Office and Sales department employees and  
9 limit the class to the Warehouse workers only. After completion of a *Belaire West* notice, mailed  
10 to all putative class members, 72 putative class members permitted disclosure of their contact  
11 information, and time and payroll data to my office.

12 7. After completion of the *Belaire West* notice procedure in May 2021, the parties agreed  
13 Defendant would produce a complete set of all the time cards and wage statements for a 25% of  
14 those 72 Warehouse workers who did not opt out, as a statistically significant sampling size for  
15 expert analysis. Defendant produced such data for twenty (20) Warehouse workers, including  
16 Plaintiff Degante. Prior to the mediation and for purposes of the Settlement, the parties relied upon  
17 expert analysis of the time cards and wage statements by a prominent expert consultant in the area  
18 of wage and hour class actions, Aaron Woolfson (“expert” or “the expert”) and, Defendant  
19 ultimately, provided the expert all of the wage statements for all 84 Warehouse workers.

20 8. Plaintiff alleges that Defendant failed to provide compliant meal periods by staffing  
21 employees too thinly in light of the work demands to allow them to take meal periods on time and  
22 for at least 30 minutes.

23 9. Plaintiff alleges that Defendant failed to permit and authorize rest breaks for the same  
24 reason they could not take their meal periods.

25 10. Plaintiff alleges that Defendant’s practices of having employees begin work before  
26 clocking in and also having employees clock out at the end of their shifts but then finish their work  
27 effectively forced Class Members to work off-the-clock in order to complete all of their assigned  
28 daily duties, which resulted in unpaid hours worked that also should have been paid at the overtime

1 rate of pay.

2 11. Plaintiff alleges that Defendant failed to provide complete and accurate itemized wage  
3 statements in compliance with Labor Code section 226(a) by issuing wage statements to Plaintiff  
4 and Class Members that failed to reflect the correct total number of hours worked and therefore, the  
5 correct wages earned, on every wage statement.

6 12. After litigating this case for some time, the parties agreed to mediate and scheduled  
7 mediation for August 18, 2021. Prior to the mediation, Defendant supplemented their formal written  
8 discovery by providing me with Plaintiff's personnel file, Defendant's Employee Handbook, the  
9 total number of Class Members, including those formerly employed during the class period, and the  
10 total number of pay periods and workweeks during the class period. I thoroughly reviewed the  
11 foregoing documents prior to mediation.

12 13. The parties also relied upon the expert to analyze a statistically significant sampling of  
13 class-wide timekeeping data and then even provided the expert with the entire set of wage statements  
14 for all 84 putative class members, which was integral for assessing the value of the claims and  
15 determining a realistic range of recovery for settlement purposes.

16 14. On August 18, 2021, the parties participated in a full day of mediation with mediator  
17 Eleanor Barr, Esq., an experienced mediator of wage and hour class actions. Mediator Barr helped  
18 to manage the parties' expectations and provided a useful, neutral analysis of the issues and risks to  
19 both sides. At the conclusion of the mediation, the parties jointly drafted a Memorandum of  
20 Understanding containing the material terms of the parties' agreement. Thereafter, the Parties  
21 jointly drafted and executed the Stipulation. A true and correct copy of the fully executed  
22 Stipulation of Class Action and PAGA Settlement (hereinafter "Stipulation" or "Settlement") is  
23 attached hereto as **Exhibit A**. At all times, the Parties' negotiations were adversarial and non-  
24 collusive, and the Stipulation thus constitutes a fair, adequate, and reasonable compromise of the  
25 claims at issue.

26 ///

27 ///

28 ///

1                   **PLAINTIFF’S COUNSEL CONDUCTED A THOROUGH INVESTIGATION OF**  
2                   **THE FACTUAL AND LEGAL ISSUES AND WERE THUS ABLE TO OBJECTIVELY**  
3                   **ASSESS THE SETTLEMENT’S REASONABLENESS**

4           15. By engaging in a thorough investigation and evaluation of Plaintiff’s claims, I can opine  
5 that the Settlement, for the consideration and on the terms set forth in the Stipulation, is fair,  
6 reasonable, an adequate, and is in the best interests of the Class Members in light of all known facts  
7 and circumstances, including the risk of significant delay and uncertainty associated with litigation,  
8 various defenses asserted by Defendant.

9           16. Prior to the outset of the litigation, Plaintiff provided me with detailed accounts of his  
10 experience working for Defendant and the circumstances that gave rise to the alleged Labor Code  
11 violations. In addition to informing my initial evaluation of the lawsuit, the information that Plaintiff  
12 and other employees provided through my interviews with them also influenced my discovery  
13 efforts.

14           17. Plaintiff’s discovery requests led to the production of considerable information relied  
15 upon for the Settlement, including a statistically significant sampling of thousands of pages of  
16 timekeeping and payroll records, and policies and practices directly pertaining to the alleged Labor  
17 Code violations at issue, as well as the contact information for seventy-two (72) Class Members.  
18 reviewed Defendant’s written policies provided in its Employee Handbook, and reviewed the entire  
19 set of thousands of pages of data and documents produced by Defendant through the analysis of the  
20 expert. From this analysis, I was able to analyze Labor Code issues, theories and alleged violations  
21 that would have provided direct evidence for use at trial in a class and PAGA action. I and the  
22 expert analyzed the timekeeping and payroll data, in order to assess, *inter alia*, the incidence of meal  
23 and rest period violations, and premiums paid for said violations, the minimum and overtime rates  
24 paid to Class Members, the amount of underpaid minimum, regular and overtime wages, the  
25 accuracy of the wage statements, and the amount of waiting time penalties under Cal. Labor Code  
26 § 203.

27           18. I interviewed Plaintiff and various Class Members who provided accounts of their own  
28 experience, which enabled me to understand the theories explaining the respective frequencies of

1 the alleged violations borne out in the data and records produced and to learn more about the day-  
2 to-day circumstances giving rise to the alleged violations. Overall, I performed a searching  
3 investigation into the claims at issue, which included: (1) determining Plaintiff's suitability as a  
4 class representative through interviews, background investigations, and analyses of his employment  
5 files and related records; (2) researching similar wage and hour class actions as to the claims  
6 brought, the nature of the positions, and the type of employer; (3) analyzing employee time and  
7 wage records; (4) analyzing Defendant's labor policies and practices; (5) researching settlements in  
8 similar cases; (6) researching Plaintiff's novel theories of liability; (7) evaluating Plaintiff's claims  
9 and estimating Defendant's liability for purposes of settlement; (8) drafting the mediation brief; and  
10 (9) participating in the mediation.

#### 11 **THE PARTIES SETTLED AT THE CONCLUSION OF MEDIATION**

12 19. On August 18, 2021, the parties participated in a mediation with mediator Eleanor Barr,  
13 Esq., who helped manage the parties' expectations and provided a useful, neutral analysis of the  
14 issues and risks to both sides. At all times, the Parties' negotiations were adversarial and non-  
15 collusive. After a full day of mediation, the Parties reached a settlement in principal and executed  
16 a detailed Memorandum of Understanding, before entering in the long form Settlement on October  
17 13, 2021.

#### 18 **QUALIFICATIONS AND EXPERIENCE**

19  
20 20. I have been a California licensed attorney since November 2011. I began my career  
21 in law while still in law school when in I served as a law clerk for the Pedersen Law & Dispute and  
22 Resolution Corporation ("PLDRC") handling employment related litigation matters. While clerking  
23 for PLDRC I analyzed and organized discovery documents and researched employment litigation  
24 issues such as Sexual Harassment, Race Discrimination and Wrongful Termination. I worked as an  
25 associate attorney at Pedersen McQueen between March 2013 through January 2017 almost  
26 exclusively engaging in employment matters representing employees. I have litigated several wage  
27 and hour case to trial and currently litigating or have litigated cases valued in the six and seven  
28 figure dollar range, including representative actions. I had primary responsibility for approximately

20 litigation matters on average throughout my employment at PLDRC and Pedersen McQueen and Pedersen Law. I regularly practice in state court and sometimes federal court. As an associate, my responsibilities included carrying primary case responsibility which includes tasks like taking depositions, conducting damages analysis, analyzing discovery documents, conducting client intake, developing discovery and litigation strategies, participating in mediations and arbitrations, engaging in settlement negotiations, trial preparation and trial work, as well as other responsibilities that commonly coincide with managing cases from start to finish.

21. I have been a member of local bar associations, including the Orange County Bar Association, as well as the State Bar of California and American Bar Association and served in a number of leadership roles at all levels. Most notably, I served as a Committee Member of the Orange County Bar Association Young Lawyers' Education Committee and Social Committee.

22. In January 2017, I officially started my own practice Jackson Law, APC. Throughout my career, I have currently litigated over approximately 50 Private Attorney General Act cases and/or class action cases to resolution byway of settlement or trial. Over the course of my career, I have litigated above 100 employment cases, including wage and hour representative actions to resolution byway of settlement, default or trial..

23. Below is a list of all prior wage and hour representative actions on which I have served as lead or co-counsel.

1. *Kim v. FNS, Inc.*, Los Angeles Superior Court, Case No. BC 578015

2. *Demery v. Pacific Rim Capital Alliance Corporation et al.*, San Diego Superior Court, Case No. 37-2017-00003415-CU-OE-CTL

3. *Goldbaum v. Dollarsmart et al.*, San Diego Superior Court, 30-2015-000077437-CU-WT-CLT

4. *Hernandez v. Personnel Staffing Group, LLC et al.*, Orange County Superior Court, Case No. 30-2017-00899277-CU-OE-CXC

5. *Sanchez, et al v. Pueblo Restaurant, Inc. dba Casa Torres*, Los Angeles Superior Court, Case No. BC697241

6. *Augusto v. HIOG Management Services, LLC, et al.*, San Bernardino Superior Court, Case

1 No. CIVDS1610431

2 7. *Mendoza v. McNeal, Duckworth and McNeal, Inc.*, Orange County Superior Court, Case  
3 No. 30-2017-00899290-CU-OE-CXC

4 8. *Ortiz v. Bayside Insurance Associates, Inc. et al*, Orange County Superior Court, Case No.  
5 30-2016-00895669-CU-OE-CXC

6 9. *Paramo v. Quest Nutrition LLC et al.*, Los Angeles County Superior Court, Case No.  
7 BC609306

8 10. *Luis v. Second Street Corporation dba Huntley House Hotel*, Los Angeles County  
9 Superior Court, Case No. BC691018

10 11. *Venegas, at al. v. Bergen Shippers Corp, et al*, Los Angeles County Superior Court, Case  
11 No. BC715217

12 12. *Bernal v. Bristol Equity Partners LP et al*, Orange County Superior Court, Case No. 30-  
13 2016-00854699-CU-OE-CXC

14 13. *Rowe v. Rasier-CA, LLC*, Orange County Superior Court,  
15 Case No. 30-2018-00989673-CU-OE-CXC

16 14. *Abarca v. Habit Restaurants, LLC, The et al*, Orange County Superior Court, Case No.  
17 30-2016-00840385-CU-OE-CJC

18 15. *Radilla v. States Logistics Services, Inc.*, Orange County Superior Court,  
19 Case No. 30-2018-00978231-CU-WT-CJC

20 16. *Rodriguez v. Lampson Sewing Incorporated et al*, Orange County Superior Court, Case  
21 No. 30-2017-00900653-CU-OE-CJC

22 17. *January v. Discovery Management Inc. et al*, Los Angeles Superior Court,  
23 Case No. BC635918

24 18. *Angel Hernandez v. Merchants Landscape Services, Inc. et al.*, Los Angeles Superior  
25 Court, Case No. BC674131

26 19. *Quezada v. Garden Fresh Restaurant Corp. et al*, Orange County Superior Court, Case  
27 No. 30-2016-00840321-CU-OE-CJC

28 20. *Munoz v. Batten Down, Inc. et al*, Los Angeles County Superior Court, Case No.

1 BC617880

2 21. *Salgado v. Resort at Pelican Hill, LLC et al*, Orange County Superior Court, Case No.  
3 30-2016-00840386-CU-OE-CJC

4 22. *Darmawati v. Westview Services Inc.*, Orange County Superior Court, Case No. 30-2  
5 015-00795449-CU-OE-CJC

6 23. *Escobar v. Westcoast Textiles, Inc. et al*, Orange County Superior Court,  
7 Case No. 30-2018-00979111-CU-OE-CXC

8 24. *Chacon v. Express Fashion Operations, LLC*, Orange County Superior Court, Case No.  
9 30-2017-00900648-CU-OE-CXC

10 25. *Chacon v. Express Fashion Operations, LLC*, Orange County Superior Court, Case No.  
11 8:19-cv-00564

12 26. *Plascencia v. RM HQ, LLC, dba Real Mex Restaurants*, Orange County Superior Court,  
13 Case No. 30-2017-00926015-CU-OE-CXC

14 27. *Casas v. PC Hospitality et al.*, Orange County Superior Court,  
15 Case No. 30-2016-00877489-CU-OE-CXC

16 28. *Leon v. SWH Mimi's Café, LLC*, Orange County Superior Court,  
17 Case No. 30-2018-00978815-CU-OE-CXC

18 29. *Quintanilla v. Southwest Wine & Spirits, LLC*, Los Angeles Superior Court, Case No.  
19 BC653817

20 30. *Fabiola Rodriguez v. Second Floor Food, Drinks and Art, LLC*, Orange County Superior  
21 Court, Case No. 30-2018-00981362-CU-WT-CXC

22 31. *Santisteban v. Rod Fraser Enterprises, Inc. et al*, Orange County Superior Court,  
23 Case No. 30-2017-00904202-CU-OE-CXC

24 32. *Milano v. Lev Tambor dba Distractions Lounge*, Orange County Superior Court,  
25 Case No. 30-2018-00966582-CU-WT-CXC

26 33. *Ajin v. Lymi, Inc*, Los Angeles County Superior Court, Case No. BC696168

27 34. *Recinos v. Pacific American Fish Co., et al*, Los Angeles Superior Court,  
28 Case No. BC710735

- 1 35. *Valle-Valdez v. St. Jude Hospital Yorba Linda, et al*, Orange County Superior Court,  
2 Case No. 30-2015-00795457-CU-OE-CJC
- 3 36. *Juarez v. Arakelian Enterprises, Inc., et al*, Los Angeles Superior Court,  
4 Case No. BC710736
- 5 37. *Solarzano v. T&J Fresh Co. dba Chomp Sushi*, Orange County Superior Court,  
6 Case No. 30-2018-00981299-CU-OE-CXC
- 7 38. *Taylor v. G.I. Trucking Company dba Estes West et al*, Los Angeles Superior Court, Case  
8 No. BC722778
- 9 39. *Rendon v. L & L Foods Holdings, LLC, et al*, Orange County Superior Court, Case No.  
10 30-2018-00982745-CU-OE-CXC
- 11 40. *Magana v. Zara USA, Inc., et al*, Orange County Superior Court,  
12 Case No. 8:18-cv-02249-AG (ADSx)
- 13 41. *Flores v. ABM Industry Groups, LLC et al*, Orange County Superior Court,  
14 Case No. 30-2018-00971152-CU-WT-CJC
- 15 42. *Diaz v. Macy's West Stores, Inc. dba Macy's*, Central District of California,  
16 Case No. SACV19-00303 ODW (MAAx)
- 17 43. *Aguirre v. Shelfmaster el al*, Orange County Superior Court, 30-2015-00787557-CU-  
18 OE-CJC
- 19 44. *Goldman v. Encore Energy, Inc.*, Los Angeles County Superior Court, BC606773
- 20 45. *Munoz v. 8947 Sunset Pizza, LLC et al.*, Los Angeles Superior Court,  
21 Case No. BC646999

22 **THE SETTLEMENT IS REASONABLE IN LIGHT OF THE RISKS, EXPENSE,**  
23 **AND DELAY OF CONTINUED LITIGATION AND DEFENDANT'S DEFENSES**

24 24. Based on the information and evidence provided by Defendant in discovery, the expert  
25 analysis of the time cards and wage statements, and my own independent investigation, I determined  
26 an appropriate range of recovery for settlement purposes by offsetting Defendant's maximum  
27 theoretical exposure by: (i) the strength of Defendant's affirmative defenses; (ii) the risk of losing  
28 a motion for class certification on some or all of the claims; (iii) the risk of the Court finding that a

class and PAGA trial would be unmanageable; (iv) the risk of losing on various dispositive or quasi-dispositive motions that Defendant will bring before trial (e.g., motion to strike class and representative allegations, motion to decertify a class action, and/or motions for summary judgment) which may eliminate all or some of Plaintiff's claims, or bar evidence necessary to prove such claims; (v) the risk of losing some or all of the claims at trial; (vi) the chances a Court may find Defendant did not willfully refuse to pay discharged or terminated employees (i.e. a good faith failure) under Cal. Lab. Code section 203; (vii) the chances a Court may find Defendant did not willfully and intentionally refuse to comply (i.e, a good faith failure) with the wage statement requirements under Cal. Labor Code section 226(e); (viii) the chances of the Court exercising its discretion to reduce PAGA penalties (*see* Cal. Lab. Code section 2699(e); (ix) the delay in payment to class members due to years of protracted litigation in certifying a class, obtaining a favorable verdict at trial, upholding that verdict on appeal, and administering class notice and payments to the class at that later stage instead of now; (x) the chances of a favorable verdict being reversed on appeal; and (xi) the difficulties attendant to collecting on a judgment (collectively, the "Discount Factors"). Based on the preceding and considering the aggregate value of the claims in light of the Discount Factors, I valued the claims for settlement purposes at between **\$0** and **\$677,245.86**.

25. Expert evaluation of the entire set of wage statements for all 84 Warehouse workers revealed the following: (1) approximately 3,673 semi-monthly pay periods since August 18, 2016; (2) approximately 1,800 pay periods since August 18, 2019; (3) approximately 7,500 workweeks since August 18, 2016; (4) approximately 33,936 shifts since August 18, 2016; (5) 34 currently employed Warehouse workers and 50 formerly employed Warehouse workers since August 18, 2016; and (6) an average final rate of pay of \$15.64/hour. The following is a table of potential damages:

| August 18, 2016 through August 18, 2021 |                                                                                        |                                           |                                                                                      |
|-----------------------------------------|----------------------------------------------------------------------------------------|-------------------------------------------|--------------------------------------------------------------------------------------|
| Claim                                   | Highest Theoretical Damage Exposure                                                    | Reasonable Range of Damages and Penalties |                                                                                      |
| Failure to Provide Meal Breaks          | \$ 227,296.12 (damages) and \$180,000.00 (civil penalties) for a total of \$407,296.12 | \$0                                       | \$113,648.06 (damages) and \$90,000.00 (civil penalties) for a total of \$203,648.06 |

|                                                                    |                                                                                                |            |                                                                                                  |
|--------------------------------------------------------------------|------------------------------------------------------------------------------------------------|------------|--------------------------------------------------------------------------------------------------|
|                                                                    | \$227,296.12<br>(damages) and<br>\$180,000 (civil<br>penalties) for a total<br>of \$407,296.12 | \$0        | \$56,824.03<br>(damages) and<br>\$45,000 (civil<br>penalties) for a<br>total of<br>\$101,824.03. |
| Failure to Provide Rest Breaks                                     |                                                                                                |            |                                                                                                  |
| Failure to Pay Minimum and<br>Overtime Wages                       | \$375,867.54                                                                                   | \$0        | \$187,933.77                                                                                     |
| Failure to Provide Accurate Wage<br>Statements                     | \$90,000.00                                                                                    | \$0        | \$90,000.00                                                                                      |
| Waiting Time Penalties                                             | \$187,680.00                                                                                   | \$0        | \$93,840.00                                                                                      |
| <b>Total Damages (excluding<br/>attorneys' fees and interest):</b> | <b>\$1,468,139.78.00</b>                                                                       | <b>\$0</b> | <b>\$677,245.86</b>                                                                              |

### **Meal and Rest Periods**

26. Plaintiff alleges that Defendant understaffed shifts and scheduled meal periods such that employees did not take their meal periods within the first five hours of a shift, were less than thirty minutes, or did not take a meal period at all, on some occasions. Similarly, Plaintiff alleges employees were not authorized to take rest periods due to understaffing. Expert analysis of the sample time records Defendant produced for 20 of the 84 Warehouse workers, and an extrapolation of the result of the analysis to all 84 Warehouse workers revealed the following findings: (1) Approximately 31,202 shifts greater than 3 and a half hours and 28,855 shifts greater than 5 hours; (2) Out of the 28,855 shifts greater than 5 hours, the estimated meal period violation rate is 50.3%, or 14,533 potential shifts with a violation, while avoiding double counting of shifts with both a late or short or missing second meal period, and impacting 2,679 pay periods.

27. Although Defendant's time records may create a rebuttable presumption that it did not provide meal periods on those occasions, in compliance with California law, *see, e.g., Donahue v. AMN Services, LLC* (2021) 11 Cal.5th 58, the claims are likely overwhelmed by individual inquiries, and substantial other evidence either rebuts the presumption or minimizes the potential value of the claims.

28. First, Defendant maintains an Employee Handbook, which sets forth meal and rest period policies consistent with California law. To the extent Plaintiff may allege he felt pressured by his duties or schedule, Defendant will argue this is not evidence that Defendant did not authorize

1 or provide Plaintiff his meal and rest periods.

2 29. Second, expert analysis of the time and payroll data for all Warehouse workers only  
3 reveals meal period violations and in only fifty percent of the shifts greater than 5 hours.  
4 Furthermore, since employees are not required in California to record their rest periods times, it  
5 would be difficult to show rest break violations.

6 30. Third, expert analysis revealed evidence of 8,061 potentially short meal periods (i.e. less  
7 than 30 minutes) and 2,340 potentially “late” meal periods (i.e. started after the fifth hour), but many  
8 of the “meal period violations” are just a few minutes short or late. Furthermore, in opposition to  
9 any motion for class certification, Defendant will has represented it will present declarations from  
10 dozens of employees attesting to Defendant’s lawful meal and rest period policies and practices, and  
11 how employees personally chose to skip, delay or shorten breaks on their own without any influence  
12 from Defendant

13 31. . Therefore, based on the foregoing and the “Discounted Factors” described above, these  
14 claims should be discounted. After taking into account the foregoing considerations and the  
15 Discount Factors, I have assessed the combined value of the meal and rest period claims, inclusive  
16 of civil penalties, at between **\$0** and **\$305,472.09**.

17 32. More specifically, the high end of the realistic range for the meal period claim accounts  
18 for all the Discount Factors to consider the best scenario of a trier of fact finding for liability and  
19 damages as half of the 50.3% violation rate (14,533 shifts divided by 2 = 7,266.5 multiplied times  
20 average final rate of pay of \$15.64 per hour = \$113,648.06) and \$100 in civil penalties under PAGA  
21 for half of the eligible pay periods during the PAGA period (i.e. approximately 1,800 wage  
22 statements since August 18, 2019 divided by 2 = 900 multiplied times \$100 = \$90,000.00) for a total  
23 of \$203,648.06 as the realistic case scenario for the meal period claim.

24 33. For the rest periods, the risk to Plaintiff is greater due to the additional consideration of  
25 a lack of rest period recordkeeping requirement. Therefore, I estimate the best case scenario at one  
26 quarter of a 50.3% violation rate found in the meal period records. The calculation is as follows:  
27 14,533 shifts divided by 4 = 3,633.25 multiplied times average final rate of pay of \$15.64 per hour  
28 = \$56,824.03; and \$100 in civil penalties under PAGA for one quarter of the eligible pay periods

(1,800 divided by 4 = 450) multiplied times \$100 = \$45,000, for a total of \$101,824.03 as the realistic best case scenario for the rest period claim.

### **Minimum Wage and Overtime Claim**

34. Based on Plaintiff's experiences and discussion with other Warehouse workers, Plaintiff alleges that the lack of sufficient staffing and relief coverage effectively forced Class Members to work off-the-clock before and after their shifts for about 10-15 minutes per day, to complete all assigned duties, particularly at the end of the day after clocking out, including clean-up work and sometimes a security screening prior to leaving the premises. Plaintiff further alleges that even a cursory comparison and review of employees' time cards and corresponding wage statements evidences clear underpayment of wages based on the hours worked as indicated in the time cards.

35. In this case, common proof of unpaid minimum and overtime wages for "off-the-clock" work will be especially difficult to present to the court at the motion for class certification stage, for purposes of commonality and superiority (i.e. a manageable trial plan), as well as to demonstrate at trial for purposes of finding class-wide liability and damages. As with the preceding claims, I had to discount the value of the minimum wage and overtime claim to account for the risks of continued litigation and Defendant's affirmative defenses.

36. For example, Defendant will simply argue: (i) that Plaintiff will not be able to present any evidence of a company-wide, uniform policy requiring employees to work off-the-clock and (ii) it cannot be held liable because it did not know employees were actually performing work off-the-clock.

37. Furthermore, although employees are permitted to arrive early at the job site, Defendant will argue that its policies align with those in the *See's Candy Shops, Inc.* matter in that employees were expressly prohibited from working, when on premises before and after their scheduled shift, but allowed to pursue personal activities. [See, e.g. *See's Candy Shops, Inc. v. Superior Court* (2012) 210 Cal.App.4th 889, 907 (Court found employees were not subject to control of employer for time spent on employer's premises prior to the start of a shift, even when clocked in, because employer prohibited employees from performing any work before scheduled start time and employees were free to pursue any personal activities during that time before a shift.)] .

1 38. Expert analysis of the 20-employee sample of time cards and wage statements, and  
2 extrapolation to all 84 class members, revealed that, in the aggregate, Defendant underpaid  
3 Warehouse workers by 14,696 minutes (244.93 hours), across 249 paychecks, but overpaid  
4 Warehouse workers by 39,129 minutes (652.15 hours), across 1,078 paychecks, for a net  
5 overpayment of 407.22 hours.

6 39. Defendant's maximum exposure for 15 minutes of unpaid wages per day is calculated  
7 as follows: 33,396 shifts x 15 minutes per shift divided by 60 (minutes per hour) = 8,349 unpaid  
8 hours during the class period. 8,349 x \$15.64 average hourly rate x 1.5 overtime rate (assuming all  
9 off the clock work should have been paid overtime wages) = \$195,867.54. PAGA civil penalties  
10 could theoretically be as high as \$180,000.00 (\$100 civil penalty x 1,800 eligible pay periods since  
11 August 18, 2019), for a total theoretical exposure of \$375,867.54 for Plaintiffs' minimum wage and  
12 overtime claims.

13 40. However, based on certain Discount Factors (i.e. lack of common evidence such as  
14 express policies and customer deadlines), the lack of documentary evidence, and Defendant's ability  
15 to garner numerous declarations in support of its defense to this claim creates uncertainty. , I estimate  
16 that a more realistic high end of exposure discounts the top end by at least 50% of the highest  
17 theoretical amount, leaving a more realistic range of recovery between \$0 and \$187,933.77.

18 **Wage Statement Claim**

19 41. Plaintiff alleges that Defendant failed to provide Plaintiff with timely and accurate wage  
20 statements as a derivative claim of the foregoing allegations for failure to provide breaks, pay for  
21 all hours worked, and improper overtime premium pay. Plaintiff also alleges Labor Code section  
22 226 damages should apply to an anomaly on certain Warehouse workers wage statements that label  
23 some of them as "Salaries-Warehouse" and omit their regular rate of pay and hours worked at that  
24 rate of pay. This claim will likely fail at the class certification stage and/or at trial.

25 42. Defendant provided wage statements with the itemized information, as required under  
26 Cal. Lab. Code section 226, to its Warehouse workers, including Plaintiff, on a semi-monthly basis.  
27 To the extent this claim is derivative of the claims set forth above - that Plaintiff's wage statements  
28 were not accurate because Plaintiff was not paid an additional hour of pay when he was not provided

1 meal and rest periods, not paid for all hours worked, and not properly compensated for all overtime  
2 premium pay - the claim bears the same risk for failure as the factual reasons discussed above.

3 43. Additionally, to the extent Plaintiff alleges wage statement violations for the Warehouse  
4 workers labeled as “Salaries-Warehouse” because their wage statements omit their regular rate of  
5 pay and hours worked at that rate of pay, that will most likely not be considered the type of omission  
6 that creates damages. The wage statement does include the gross wages earned at the regular rate  
7 of pay, and Plaintiff’s overtime rate and overtime hours from which Plaintiff can promptly and easily  
8 determine their regular rate and hours worked during that pay period (i.e. multiply the overtime rate  
9 by 2/3 to determine the regular rate.). [See, e.g., *Price v. Starbucks Corp.* (2011) 192 Cal.App.4th  
10 1136, 1143; and *Morgan v. United Retail, Inc.* (2010) 186 Cal.App.4th 1136, 1147.] As such, there  
11 is no need to reference other documents or information.

12 44. Moreover, Labor Code section 204(b) permits employers to advance wages or pay for  
13 excess hours worked in one pay period onto the next pay period.

14 45. Furthermore, to award statutory penalties under section 226(e), Plaintiff would have had  
15 to show that Defendant knowingly and intentionally issued wage statements with unlawful  
16 deficiencies which justifies a discount for this claim. [See Labor Code § 226; *Price v. Starbucks*  
17 *Corp.*, 192 Cal. App. 4th 1136, 1142–43 (2011); see also *Elliot v. Spherion Pac. Work, LLC*, 572 F.  
18 Supp. 2d 1169, 1180–81 (2008).]

19 46. Defendant issued approximately 1,800 wage statements since August 18, 2019 (one year  
20 prior to the filing of the Complaint). Assuming all wages statements dating back one year prior to  
21 the filing of the complaint are inaccurate, then the Defendant is liable for no more than a range  
22 between \$90,000 to \$180,000 depending upon the application of penalties from Labor Code Section  
23 226 penalties (1,800 x \$50 or \$100 = \$90,000- \$180,000.) Therefore, in light of these considerations  
24 and the Discount Factors, Plaintiff assessed the settlement value of the wage statement claim at  
25 between **\$0 and \$180,000**.

26 **Waiting Time Penalties**

27 47. This claim is based on Plaintiff’s allegations that an extra hour of pay was not provided  
28 when meal or rest breaks were not provided, and that Warehouse workers were not paid all minimum

1 and overtimes premium wages. On the assumption that all 50 formerly employed Warehouse  
2 workers are owed some unpaid wages, then the highest theoretical amount for potential waiting time  
3 penalties is calculated as follows: 50 former employees x 30 days x 8 hours per day x \$15.64 average  
4 hourly wage = \$187,680.00. However, for the reasons discussed above, it will be difficult for  
5 Plaintiff to present substantial common evidence that he and the putative class members were not  
6 paid all wages due at the time of termination as to all formerly employed Warehouse workers.

7 48. Additionally, actions for violations of Labor Code's meal break provisions do not entitle  
8 employees to pursue the derivative waiting time and itemized wage statement penalties. [See  
9 *Naranjo v. Spectrum Security Services, Inc.*, *supra*, 40 Cal.App.5th 444.) Moreover, nothing in the  
10 data indicates any willful violation necessary to trigger Labor Code section 203 waiting time  
11 penalties anyway. As such, I estimate that the reasonable best case scenario is 50% of the theoretical  
12 best case scenario of \$187,680.00. Therefore, a reasonable range of potential waiting time penalties  
13 is **\$0 to \$93,840.**

14 49. On October 14, 2021, I gave notice to the Labor and Workforce Development Agency  
15 of the proposed settlement. A true and correct copy of that notice is attached hereto as **Exhibit B.**

16 I declare under penalty of perjury, under the laws of the State of California, that the foregoing  
17 is true and correct.

18 Executed this 14th day of October 2021, in Irvine, California.

19  
20 /s/ Armond M. Jackson

21 Armond M. Jackson  
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# **EXHIBIT A**

ATKINSON, ANDELSON, LOYA, RUUD & ROMO  
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Attorney for Plaintiff  
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  
28

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  
28

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.

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

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

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

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

27                   i.       Each PAGA Group Member’s PAGA Payment shall be calculated  
28

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

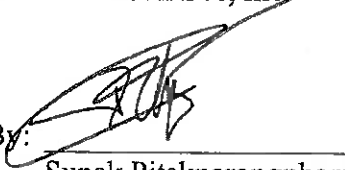
20  
21 By: \_\_\_\_\_  
22 Paul S. Fleck  
23 David M. Lester  
24 Joshua N. Lange  
25 Attorneys for Defendant  
26 SUN LEE, INC.  
27  
28

Dated: \_\_\_\_\_, 2021

Plaintiff Diego Degante

Dated: OCTOBER 8, 2021

Defendant Sun Lee, Inc.

By:   
Supak Pitaknarongphorn

Title: PRESIDENT

**APPROVED AS TO FORM:**

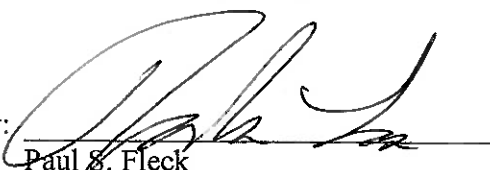
Dated: \_\_\_\_\_, 2021

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**

|                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>DO NOTHING</b>       | 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). |
| <b>EXCLUDE YOURSELF</b> | 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.                                                                                                                                                                                                                                                    |
| <b>OBJECT</b>           | 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]<br>Address]<br>[City, State Zip] |
|--------------------------------------------------|

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]**.**

|                                                           |
|-----------------------------------------------------------|
| <p>[Administrator]<br/>Address]<br/>[City, State Zip]</p> |
|-----------------------------------------------------------|

### **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.

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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:

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*(Attach additional pages if need.)*

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(Signature)

---

(Date)

---

(Print Name)

---

(Address)

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(Telephone Number)

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(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:

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

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# **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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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.

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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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8 Eric Springer  
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# **EXHIBIT B**