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Attorneys for Plaintiff
and Aggrieved Employees

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

TERESA MARTINEZ, as an individual and
on behalf of all others similarly situated,

Plaintiff,

vs.

DOORKING INC., a California corporation;
and DOES 1 through 100,

Defendants

Case No. 20STCV48063

*[Assigned for all purposes to the Hon. William
F. Highberger, Dept. SSC-10]*

**DECLARATION OF PAUL K. HAINES
IN SUPPORT OF PLAINTIFF'S
MOTION FOR APPROVAL OF
SETTLEMENT OF CLAIMS
BROUGHT UNDER THE PRIVATE
ATTORNEYS' GENERAL ACT AND
REASONABLE ATTORNEYS' FEES,
COSTS, AND ENHANCEMENT
PAYMENT**

Date: August 16, 2022

Time: 1:30 p.m.

Dept.: SSC – 10

Complaint Filed: December 16, 2020

Trial Date: None Set

1 I, PAUL K. HAINES, declare as follows:

2 1. I am a shareholder and principal of Haines Law Group, APC, and counsel for the
3 named Plaintiff Teresa Martinez (“Plaintiff”) and the Aggrieved Employees in the above-
4 captioned matter. I am a member in good standing of the bar of the State of California and am
5 admitted to practice in this Court. I have personal knowledge of the facts stated in this declaration
6 and could testify competently to them if called upon to do so.

7 2. I am a 2006 graduate of Pepperdine University School of Law, where I graduated
8 *cum laude*. During law school, I worked as a law clerk for the appellate firm of Horvitz & Levy,
9 located in Encino, California. I also spent a semester in law school working as an extern for the
10 Honorable Edward Rafeedie, District Judge for the United States District Court for the Central
11 District of California.

12 3. Since graduating from law school, my practice has focused almost exclusively on
13 employment litigation. In September 2007, I began working as an associate attorney at the
14 international law firm of Littler Mendelson P.C., at its Los Angeles office, which according to
15 its website is the “largest U.S.-based law firm exclusively devoted to representing management
16 in every aspect of labor and employment law.” While at Littler Mendelson, I was primarily
17 staffed on wage and hour class actions venued in both state and federal courts, and I also worked
18 on a number of single and multi-plaintiff wage and hour matters as well.

19 4. During my employment at Littler Mendelson, I played a significant role in the
20 class actions that I was staffed on, as I was often the only associate staffed on such cases. In
21 particular, I received a wide-array of wage and hour class action experience performing the
22 following types of tasks: drafting demurrers, motions to strike and/or dismiss; removing actions
23 from state court to federal court; drafting and responding to written discovery; drafting and
24 opposing discovery related motions; arguing discovery related motions; drafting motions to
25 consolidate related matters; interviewing putative class members and obtaining declarations in
26 connection with class certification; drafting oppositions to motions for class certification;
27 drafting motions for decertification following class certification; conducting exposure analyses
28 to assess the strengths and weaknesses of asserted claims, the likelihood of prevailing at class

1 certification and potential damages resulting from such claims; drafting mediation briefs; serving
2 as the primary contact to in-house counsel; deposing named plaintiffs and putative class
3 members; deposing retained expert witnesses; and defending the depositions of corporate
4 witnesses. In short, I played an integral role in all aspects of litigation from the inception of a
5 matter through and beyond class certification. I also supervised the work of several junior
6 attorneys who were staffed on the same wage and hour class actions.

7 5. In June 2011, I voluntarily resigned from Littler Mendelson in order to accept an
8 associate attorney position with the international law firm of Morgan, Lewis & Bockius LLP, at
9 its Los Angeles office, where I began working in July 2011. During my employment at Morgan,
10 Lewis & Bockius LLP, I worked exclusively on the defense of wage and hour class and collective
11 actions. For the vast majority of these cases, I was the only associate staffed on the matter, and I
12 performed the same job duties as described in the immediately preceding paragraph. In addition
13 to working on wage and hour class actions, at Morgan, Lewis & Bockius I also worked on a
14 number of “hybrid” actions asserting nationwide wage and hour claims under the Fair Labor
15 Standards Act (“FLSA”), as well as California-specific claims under Rule 23 of the Rules of
16 Civil Procedure.

17 6. In July 2012, I transitioned into litigating wage and hour class actions from the
18 Plaintiff’s side, first as a Partner with the law firm of Boren, Osher & Luftman, LLP, and since
19 February 2016, as a Shareholder of the Haines Law Group, APC. Currently, over ninety percent
20 (90%) of my practice is dedicated exclusively to the prosecution of wage and hour class actions,
21 and my law firm is currently responsible for prosecuting over fifty (50) wage and hour class
22 actions filed in both State and Federal courts throughout California. I have been appointed as
23 Class Counsel in over seventy-five (75) wage and hour class action settlements in state and
24 federal courts within California. A few examples of the matters in which I have been appointed
25 as Class Counsel, all of which have been granted final approval, include the following: *Sanchez*
26 *v. Res-Care, Inc.*, Case No. BC526175, California Superior Court, County of Los Angeles,
27 Honorable John S. Wiley, presiding; *Prado v. Warehouse Demo Services, Inc.*, Case No. CV14-
28 3170 JFW (Ex), United States District Court, Central District of California, Honorable Judge

1 John F. Walter, presiding; *Tesla Motors Wage and Hour Litigation*, JCCP 4792, California
2 Superior Court, Santa Clara County, Judge Peter H. Kirwan presiding; *Bower v. Cycle Gear, Inc.*,
3 Case No. CV14-2712 HSG, United States District Court, Northern District of California,
4 Honorable Judge Haywood S. Gilliam, Jr. presiding; *Longstreth v. PAQ, Inc., dba Food 4 Less*,
5 Case No. 15CV-0206, California Superior Court, County of San Luis Obispo, Honorable Judge
6 Charles S. Crandall, presiding; *Nunez v. CompuCom Systems, Inc.*, Case No. BC618385,
7 California Superior Court, County of Los Angeles, Honorable Judge John Shepard Wiley, Jr.
8 presiding; *Mansilla v. Haeco Americas Line Services, LLC, et al*, Case No. BC615310, Superior
9 Court of California, County of Los Angeles, Honorable Judge Elihu M. Berle presiding. *Morales*
10 *v. Caremeridian, LLC, et al.*, Case No. BC593191, California Superior Court, County of Los
11 Angeles, Judge William F. Highberger presiding; *Rodrigues v. CP Kelco U.S., Inc.*, Case No. 37-
12 2017-00004339-CU-OE-CTL, California Superior Court, County of San Diego, Honorable
13 Judge Joel R. Wohlfeil, presiding; *Sandoval v. Rotational Molding, Inc.*, Case No. BC640678,
14 Superior Court of California, County of Los Angeles, Honorable Judge William F. Highberger
15 presiding; *Gooding v. Vita-Mix Corp., et al*, Case No. 2:16-cv-03898-ODW (JEMx), United
16 States District Court for the Central District of California, Honorable Judge Otis D. Wright II
17 presiding.

18 7. I have also moved to certify and have received an order certifying a class action
19 and/or conditionally certifying a collective action, in the following cases: *Medeiros v. Vortex*
20 *Financial Management Inc.*, Case No. 30-2013-00644741-CU-OE-CXC, California Superior
21 Court, County of Orange, Honorable Judge Gail A. Andler, presiding (certifying a class of
22 employees who were misclassified as independent contractors); *Javine v. San Luis Ambulance*
23 *Service, Inc.*, Case No. CV13-07480 BRO (SSx), United States District Court, Central District
24 of California, Honorable Judge Beverly Reid O'Connell, presiding (conditionally certifying an
25 unpaid FLSA overtime wage class); *Prado v. Warehouse Demo Services, Inc.*, Case No. CV14-
26 3170 JFW (Ex), United States District Court, Central District of California, Honorable Judge
27 John F. Walter, presiding (certifying a rest period violation class and conditionally certifying an
28 FLSA unpaid overtime wage class); *Bower v. Cycle Gear, Inc.*, Case No. CV14-2712 HSG,

1 United States District Court, Northern District of California, Honorable Judge Haywood S.
2 Gilliam, Jr., presiding (conditionally certifying an unpaid FLSA overtime wage class); *Vega v.*
3 *Weatherford U.S., Limited Partnership*, Case No. CV14-1790-JLT, United States District Court,
4 Eastern District of California, Honorable Jennifer L. Thurston, presiding (conditionally certifying
5 an unpaid FLSA overtime wage class); *Galvan v. AMVAC Chemical Corporation*, Case No. 30-
6 2014-00716103-CU-OE-CXC, California Superior Court, County of Orange, Honorable Judge
7 William Claster, presiding (certifying unpaid overtime wage class and waiting time penalty
8 class); *Camacho v. Residential Fire Systems, Inc.*, Case No. 30-2015-775372-CU-OE-CXC,
9 California Superior Court, County of Orange, Honorable Glenda Sanders, presiding (certifying
10 piece rate pay plan classes, expense reimbursement class, wage statement class, and waiting time
11 penalties class); *Ontiveros v. Safelite Fulfillment, Inc.*, et al, Case No. CV 15-7118-DMG
12 (RAOx), United States District Court, Central District of California, Honorable Dolly M. Gee
13 presiding (certifying six classes of employees for rest period violations, wage statement
14 violations, meal period violations, and overtime and double-time violations); *Vazquez, et al v.*
15 *Kraft Heinz Foods Company*, Case No. 16-cv-2749-WQH-BLM, United States District Court,
16 Southern District of California, Honorable William Q. Hayes presiding (certifying six classes of
17 employees for unpaid wages, meal period violations, wage statement violations, and waiting time
18 penalties); *Caudle, et al. v. Sprint/United Management Company, et al.* Case No. C 17-06874-
19 WHA, United States District Court, Northern District of California, Honorable William H. Alsup
20 presiding (certifying three classes of employees for unlawful wage deductions, wage statement
21 violations, and waiting time violations); *Perez v. Sunbelt Rentals, Inc.* Case No. 37-2018-
22 00026405-CU-OE-CTL, California Superior Court, County of San Diego, Honorable Eddie C.
23 Sturgeon presiding (certifying class of employees for wage statement violations); *Staublein v.*
24 *Wells Fargo Bank, N.A.*, Case No. CIV DS1712267, San Bernardino Superior Court, Hon. David
25 S. Cohn presiding (certifying wage statement class); and *Bowlin-Burdick, et al v. Life Care*
26 *Centers of America, Inc.*, Case No. BC657139, Los Angeles County Superior Court, Honorable
27 Maren E. Nelson presiding (certifying four classes for meal period violations, rest period
28 violations, wage statement violations, and waiting time penalties).

1 8. Of particular relevance to this case, I served as lead or co-lead counsel for the
2 plaintiff and aggrieved employees in several PAGA-only settlements, including but not limited
3 to:

- 4 • *Pentinio v. Southern Wine and Spirits of America, Inc.*, Case No. BC570234,
5 California Superior Court, County of Los Angeles, Honorable Judge Maureen
6 Duffy-Lewis, presiding, approved by the Court on January 19, 2016;
- 7 • *Resendez v. Bridgestone Retail Operations, LLC*, Case No. BC596892, California
8 Superior Court, County of Los Angeles, Honorable Judge Marc Marmaro
9 presiding, approved by the Court on June 13, 2016;
- 10 • *Canul v. Basmat, Inc.*, Case No. BC674940, California Superior Court, County of
11 Los Angeles, Honorable Judge Teresa A. Beaudet presiding, approved by the
12 Court on August 22, 2018;
- 13 • *Silva v. CitiStaff Solutions, Inc.*, Case No. BC620115, California Superior Court,
14 County of Los Angeles, Honorable Judge David S. Cunningham III presiding,
15 approved by the Court on November 19, 2018;
- 16 • *Cruz v. Fleetwash, Inc.*, Case No. 19STCV03033, California Superior Court,
17 County of Los Angeles, Honorable Judge Stuart M. Rice presiding, approved by
18 the Court on October 7, 2019; and
- 19 • *Ibarra v. Baker Commodities, Inc.*, Case No. 19STCV06148, California Superior
20 Court, County of Los Angeles, Honorable Yolanda Orozco presiding, approved
21 by the Court on September 30, 2020.

22 9. In 2015, 2016, and 2017, Thomson Reuters recognized me as a Top Young
23 Attorney in Southern California in the annual Rising Star Edition of Super Lawyer. This is an
24 honor awarded to no more than two and a half percent of attorneys under the age of forty in
25 Southern California each year. In 2018, 2019, and 2020, Thomson Reuters recognized me as a
26 “Super Lawyer,” an honor awarded to no more than five percent of attorneys in Southern
27 California each year.

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1 10. As counsel for Plaintiff and Aggrieved Employees in this case, I have been
2 intimately involved in every aspect of this case from its inception through the present.

3 11. In operation since 1948, Defendant DoorKing Inc. (“DoorKing”) is one of the
4 country’s leading manufacturers of telephone entry systems, vehicle gate operators, parking
5 control products, and access control systems.

6 12. On December 16, 2020, Plaintiff, through my office, filed the instant action,
7 alleging class-wide violations of the California Labor Code for: (1) minimum wage violations;
8 (2) failure to pay all overtime wages; (3) rest period violations; (4) meal period violations; (5)
9 wage statement violations; (6) waiting time penalties; and (7) unfair competition. That same day,
10 Plaintiff also submitted her notification letter to DoorKing and to the LWDA regarding
11 DoorKing’s alleged Labor Code violations, as required by Labor Code § 2699.3. A true and
12 correct copy of that letter is attached hereto as **Exhibit 2**.

13 13. On February 22, 2021, after exhausting her pre-filing PAGA requirements,
14 Plaintiff filed a First Amended Class and Representative Action Complaint adding a cause of
15 action for civil penalties under the PAGA based on the same underlying Labor Code violations
16 as those alleged in her original complaint. Thereafter, DoorKing produced an arbitration
17 agreement signed by Plaintiff that included a class action waiver. After Plaintiff’s counsel
18 reviewed the arbitration agreement, Plaintiff’s counsel concluded that the arbitration agreement
19 would likely be found by the Court to be enforceable, and the Court would likely require Plaintiff
20 to dismiss her class and individual claims as a result. On July 29, 2021, the Parties submitted a
21 stipulation to dismiss Plaintiff’s individual and class claims without prejudice, and requested
22 leave for Plaintiff to file a Second Amended Representative Action Complaint containing only a
23 PAGA claim. On August 2, 2021, the Court granted the Parties’ stipulation and dismissed
24 Plaintiff’s individual and class claims without prejudice. On August 2, 2021, Plaintiff filed her
25 Second Amended Representative Action Complaint.

26 14. In connection with mediation, DoorKing informally produced information and
27 documents pertaining to Plaintiff and other Aggrieved Employees, including, but not limited to,
28 timekeeping and payroll records for all non-exempt employees during the PAGA Period, an

1 employee handbook, and a list of Aggrieved Employees during the PAGA Period containing their
2 respective date of hire and date of termination (where applicable), in order for Plaintiff's counsel
3 to investigate Plaintiff's allegations and value the claims prior to mediation. On February 17,
4 2022, the Parties attended a full-day mediation with experienced and highly regarded mediator
5 Lisa Klerman, Esq., in an effort to resolve Plaintiff's PAGA claim. During mediation, the Parties
6 vigorously debated the legal bases for Plaintiff's claims and DoorKing's defenses, the
7 manageability of the case as a representative action, the potential amount of penalties, and the
8 Parties' data analyses and conclusions based thereon. With the assistance of Ms. Klerman, the
9 Parties agreed to fully and finally resolve Plaintiff's PAGA claim. The Parties subsequently
10 negotiated and finalized the Settlement now before the Court.

11 15. A true and correct copy of the fully-executed Settlement Agreement is attached
12 hereto as **Exhibit 1**. The proposed Explanatory Letter to be mailed to Aggrieved Employees with
13 their settlement payments is attached as **Exhibit A** to the Settlement Agreement. The Settlement
14 provides for DoorKing to pay a Gross Settlement Amount ("GSA") of \$180,000.00. After
15 deducting amounts for requested attorneys' fees, attorneys' costs, Plaintiff's enhancement
16 payment, and settlement administration costs, the Settlement provides for the Net Settlement
17 Amount ("NSA") to be distributed 75% to the LWDA and 25% to Aggrieved Employees,
18 pursuant to Lab. Code § 2699(i). All portions distributed to Aggrieved Employees shall be
19 distributed pro rata based on the number of pay periods each Aggrieved Employee worked for
20 DoorKing during the PAGA Period. This settlement is non-reversionary, and does not require
21 Aggrieved Employees to submit claim forms to reap financial benefit from the Settlement. Based
22 on an NSA of \$100,793.23, the total amount paid to Aggrieved Employees is estimated at
23 \$25,198.31, with approximately \$75,594.92 paid to the LWDA. According to information
24 provided by DoorKing, the number of Aggrieved Employees is approximately 246. Thus, the
25 average payment to Aggrieved Employees is estimated at \$102.43.

26 16. Although Plaintiff steadfastly maintains her claims are meritorious, she
27 acknowledges her position included real risks and uncertainty. For example, with respect to
28 Plaintiff's claim that from the beginning of the PAGA Period through April 2021, DoorKing

1 unlawfully rounded non-exempt employees' time entries to the nearest quarter hour increment,
2 DoorKing maintains its rounding policy was neutral on its face (rounding to the nearest quarter-
3 hour) and as applied, and therefore cannot result in liability. DoorKing also argues any off-the-
4 clock work was minimal and was thus *de minimis* and not compensable. While Plaintiff pointed
5 to *Troester v. Starbucks Corp.*, 5 Cal.5th 829 (2018), where the California Supreme Court held
6 California's labor laws generally do not recognize a *de minimis* defense, DoorKing argued
7 *Troester* should be limited to its facts. DoorKing further argued that just because an employee
8 was clocked in does not mean they were actually performing compensable work; for example,
9 DoorKing contends many employees clocked in a few minutes before their shift and engaged in
10 purely personal activities, such as talking to their co-workers in the break room, and did not begin
11 working until the start of their shift. Finally, DoorKing maintains this claim would not be
12 manageable on a representative basis, since some employees were *overpaid* because of rounding,
13 and that determining whether each employee was underpaid by rounding (and whether they were
14 actually working during the unpaid off-the-clock time) would require hundreds of mini-trials,
15 rendering the claim unmanageable.

16 17. With respect to Plaintiff's meal period claims, DoorKing contends that it has
17 always maintained compliant written meal period policies throughout the PAGA Period, and that
18 employees are free to take their meal periods whenever they choose as DoorKing does not police
19 employee meal periods. DoorKing also maintains that Plaintiff's meal period claim would not be
20 manageable on a representative basis, as individual inquiries would be required to establish which
21 Aggrieved Employees experienced non-compliant meal periods, how many non-compliant meal
22 periods each Aggrieved Employee experienced, and why a particular Aggrieved Employee had a
23 non-compliant meal period during a particular shift.

24 18. As for Plaintiff's rest period claim, DoorKing contends its written rest period
25 policies are legally compliant, and that it has always authorized and permitted employees at least
26 10-minute rest periods for each four (4) hours worked, or major fraction thereof. Any failure to
27 take rest periods was a result of employee choice, DoorKing argues, rather than any DoorKing
28 policy or practice. DoorKing further argues that Plaintiff's rest period claim is not manageable

1 on a representative basis, since individual inquiries would be required to determine which
2 employees failed to take rest periods, how many rest periods they failed to take, and the reasons
3 why each employee failed to take rest period(s) on a particular shift.

4 19. Plaintiff also alleges that DoorKing failed to pay all overtime wages to Plaintiff
5 and other Aggrieved Employees by failing to include the value of all non-discretionary
6 remuneration into the regular rate of pay for purposes of calculating overtime pay. However,
7 DoorKing maintains that it properly calculated the regular rate of pay at all times during the
8 PAGA Period and correctly paid all overtime wages to Aggrieved Employees.

9 20. As for Plaintiff's derivative claims that DoorKing violated its wage statement and
10 final payment obligations in violation of Labor Code §§ 226 and 203, respectively, DoorKing
11 asserts it has strong, good-faith defenses to Plaintiff's underlying claims, precluding a finding of
12 a failure to pay all final wages that would otherwise result in waiting time penalties. DoorKing
13 further contends that wage statements always accurately reflected amounts paid to employees,
14 and thus DoorKing could not be found liable for wage statement violations under the relevant
15 case law.

16 21. DoorKing further maintains that even if the Court awarded PAGA penalties for
17 any of the alleged violations, the Court would substantially reduce the penalties based on the
18 discretionary factors in Labor Code § 2699(e)(2). DoorKing argues that many courts have reduced
19 PAGA penalties drastically where, as here, the employer presented good-faith defenses and
20 attempted to comply with the law.

21 22. Plaintiff asserts that she would be able to seek PAGA penalties for each Aggrieved
22 Employee for each pay period in the PAGA limitations period. Based on data provided by
23 DoorKing, there were approximately 9,150 pay periods during the PAGA limitations period.
24 Assuming an initial violation rate of \$100 per pay period under Labor Code § 2699(f), Plaintiff
25 estimated a total potential maximum PAGA exposure of \$915,000.00 (9,150 "initial" violations
26 * \$100 penalty). However, based on DoorKing's various defenses as described above, and
27 because the Court maintains discretion to reduce these penalties, Plaintiff discounted that figure
28 by 50% for risk of losing on the merits and/or not being able to proceed on a representative basis,

1 and by an additional 55% for risk of the Court reducing penalties, to arrive at a realistic exposure
2 of \$205,875.00. Therefore, the proposed \$180,000.00 Settlement represents approximately 87.4%
3 of Plaintiff's reasonably forecasted total recovery, while avoiding the risks of proceeding through
4 trial.

5 23. My office is requesting attorneys' fees of one-third of the Gross Settlement
6 Amount ("GSA") (i.e., \$60,000.00). Based on my experience in similar wage and hour class and
7 representative actions in California state courts, fee awards in matters such as this one generally
8 equal about one-third of the gross recovery. In addition, and as explained below and in the
9 accompanying Motion, the requested fee is fair compensation for undertaking complex, risky,
10 expensive, and time-consuming litigation on a purely contingent basis. This case also involved
11 nuanced legal issues, including DoorKing's obligations to pay all wages owed and to "provide"
12 meal periods and "authorize and permit" rest periods, as well as the availability and amount of
13 PAGA civil penalties for the alleged Labor Code violations. DoorKing was also represented by
14 experienced wage-and-hour litigation counsel. Thus, the requested fee award is fair, reasonable
15 and adequate and should be approved.

16 24. The requested fee award is also supported by counsel's lodestar. Including
17 expected future hours incurred in connection with the hearing on this Motion and overseeing
18 settlement distribution, my firm has a lodestar of approximately \$95,645.00 without the use of
19 any multiplier, resulting in a negative multiplier of approximately 0.62 compared to the
20 \$60,000.00 fee request. A general summary showing the number of hours of work performed by
21 each attorney and the paralegals from my firm is set forth below:

Name	Rate	Hours	Pre-Multiplier Lodestar
Paul K. Haines (16th Year Attorney)	\$675	22.4	\$15,120.00
Sean M. Blakely (13th Year Attorney)	\$650	55.9	\$36,335.00
Neil M. Larsen (10th Year Attorney)	\$550	78.5	\$43,175.00
Firm Paralegals	\$175	5.8	\$1,015.00
Total Lodestar			\$95,645.00

1 25. My proposed hourly rate of \$675, Mr. Blakely's proposed hourly rate of \$650, and
2 Mr. Larsen's proposed hourly rate of \$550 are reasonable in light of our respective skills, wage
3 and hour class action litigation experience, reputation, and fee awards to other attorneys of similar
4 experience in California. In addition, the respective hourly rates requested by the attorneys at my
5 firm are in line with the current *Laffey* Matrix, a true and correct copy of which is attached hereto
6 as **Exhibit 3**. The *Laffey* Matrix has been recognized by California courts as "a widely recognized
7 compilation of attorney and paralegal rates based on various levels of experience." *Theme*
8 *Promotions, Inc. v. News America Mktg. FSI, Inc.*, 731 F.Supp.2d 937, 948 (N.D. Cal. 2010); see
9 also *Reed v. 1-800 Contacts, Inc.*, No. 12-cv-02359 JM (BGS), 2014 WL 29011 at **8-9 (S.D.
10 Cal. Jan. 2, 2014) (cross-checking requested hourly rates against the *Laffey* Matrix and finding
11 that "the *Laffey* matrix lends further credibility" to counsel's requested hourly rates). Pursuant to
12 the *Laffey* Matrix, a reasonable hourly rate for an attorney with my and Mr. Blakely's level of
13 experience (11th to 19th year out of law school) is \$764, and a reasonable hourly rate for an
14 attorney with Mr. Larsen's level of experience (8th to 10th year out of law school) is \$676, and a
15 reasonable hourly rate for paralegals is \$208. Each hourly rate sought by my firm is below the
16 relevant hourly rate cited in the *Laffey* Matrix.

17 26. My office has expended significant time and effort in this case, including but not
18 limited to: conducting extensive research regarding the merits of Plaintiff's claims, her ability to
19 recover PAGA civil penalties, and DoorKing's potential defenses; conducting significant analysis
20 of data and information produced by DoorKing, and using this data and analysis to draft a
21 comprehensive mediation brief and exposure analysis; attending a full-day mediation; and
22 preparing and negotiating the Settlement, this Motion and supporting declarations. My office will
23 also oversee the settlement administration process and work with the administrator to prepare a
24 post-disbursement declaration. Given the considerable potential for adverse outcomes in this case,
25 the contingent risk borne by Plaintiff's counsel was great.

26 27. Since undertaking representation of Plaintiff, my firm has dedicated substantial
27 resources to this litigation without receiving any compensation to date. My office is requesting
28 reimbursement of \$10,456.77 in total costs. A summary of the costs incurred by my office in

1 connection with this case is attached hereto as **Exhibit 4**. These costs include filing and service
2 fees, copying costs, mediation fees, and other expenses that were all reasonably incurred in the
3 prosecution of this litigation on behalf of Plaintiff and the Aggrieved Employees.

4 28. I believe the requested \$5,000.00 enhancement payment to Plaintiff is reasonable
5 given Plaintiff's efforts in this case and the risks she undertook on behalf of Aggrieved
6 Employees. Plaintiff provided substantial factual information and documents to my office,
7 assisted in identifying potential witnesses, and otherwise assisted in the prosecution of this case,
8 and also undertook significant risk in the event this case were lost as well as the reputational risk
9 inherent in suing a former employer on a representative basis. Accordingly, I believe Plaintiff's
10 requested enhancement payment is reasonable.

11 I declare under penalty of perjury under the laws of the State of California that the
12 foregoing is true and correct. Executed on July 20, 2022, at El Segundo, California.

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15 Paul K. Haines
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EXHIBIT 1

SETTLEMENT AGREEMENT

This Settlement Agreement ("Settlement Agreement" or "Settlement") is made and entered into between Plaintiff Teresa Martinez ("Plaintiff"), acting in a private attorney general capacity and in an individual capacity, and Defendant DoorKing, Inc. ("Defendant") (collectively, the "Parties").

I. DEFINITIONS

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

1. "Action" means the matter titled *Teresa Martinez v. DoorKing, Inc.*, Los Angeles Superior Court, Case No. 20STCV48063, and as set forth in Plaintiff's correspondence to the California Labor and Workforce Development Agency ("LWDA Letter") dated December 16, 2020.
2. "Aggrieved Employees" consist of all current and former non-exempt employees who worked for Defendant in California at any time during the PAGA Period.
3. "Defendant" means DoorKing, Inc.
4. "Settlement Administrator" means Phoenix Settlement Administrators.
5. "Complaint" means the operative complaint in the Action, which the Parties intend will be the Second Amended Complaint, as described below.
6. "Court" means the Superior Court of California for the County of Los Angeles.
7. "Individual PAGA Payment" means the amount to be paid to each Aggrieved Employee based on the formula described herein.
8. "LWDA" means the California Labor and Workforce Development Agency.
9. "Gross Settlement Amount" is the non-reversionary sum of One Hundred Eighty Thousand Dollars and Zero Cents (\$180,000.00), which represents the total amount payable under this Settlement Agreement by Defendant (subject to the Escalator Clause described below), including, without limitation, payments to all Aggrieved Employees, payment to the LWDA, payment of Plaintiff's attorneys' fees and costs, payment of Plaintiff's enhancement payment, and payment to the Settlement Administrator for administration costs.
10. "Net Settlement Amount" is the amount remaining to distribute to the LWDA and Aggrieved Employees after the following amounts, if approved by the Court, are subtracted from the Gross Settlement Amount: (a) Plaintiff's attorneys' fees up to one-third of the Gross Settlement Amount (currently estimated to be \$60,000.00); (b) Plaintiff's costs up to \$20,000.00; (c) Plaintiff's enhancement payment up to \$5,000.00; and (d) administration costs up to \$10,000.00.

11. "PAGA" means the California Labor Code Private Attorneys General Act, California Labor Code § 2698, *et seq.*

12. "PAGA Period" means the time period from December 16, 2019 through February 18, 2022.

13. "PAGA Released Claims" mean all claims, rights, demands, liabilities and causes of action that arose during the PAGA Period for civil penalties under the PAGA, that were alleged in the Action or that could have been alleged based on the facts alleged in the Action. The PAGA Released Claims include, but are not limited to, claims under the PAGA for civil penalties for alleged violations of Labor Code §§ 201-204, 226, 226.7, 510, 512, 516, 558, 1174, 1182.12, 1194, 1194.2, 1197, 1198; and claims for attorneys' fees, costs, or interest resulting therefrom. The release of the PAGA Released Claims shall extend for the duration of the PAGA Period.

14. "Parties" means, collectively, Plaintiff and Defendant.

15. "Plaintiff's Counsel" means Paul K. Haines, Sean M. Blakely, and Neil Larsen of Haines Law Group, APC.

16. "Released Parties" means Defendant and its former, present and future owners, parents, and subsidiaries, and all of their current, former and future officers, directors, members, managers, partners, shareholders, joint venturers, successors, assigns, accountants, insurers, or legal representatives.

II. RECITALS

1. Plaintiff performed work for Defendant as a non-exempt employee in California during the PAGA Period and alleges she is an Aggrieved Employee.

2. On December 16, 2020, Plaintiff provided written notice to the LWDA and Defendant DoorKing, Inc., asserting claims for civil penalties pursuant to PAGA stemming from alleged violations of various Labor Code sections and her intent to file a civil lawsuit under the PAGA. On that same day, Plaintiff filed a Class Action Complaint alleging the following causes of action: (i) failure to pay overtime wages; (ii) minimum wage violations; (iii) meal period violations; (iv) rest period violations; (v) wage statement penalties; (vi) waiting time penalties; and (vii) unfair competition as a result of the aforementioned violations (Bus. & Prof. Code § 17200 *et seq.*).

3. On February 22, 2021, after exhausting her administrative requirements for bringing a claim under the PAGA, Plaintiff filed a First Amended Class and Representative Action Complaint ("FAC"), adding a cause of action for civil penalties pursuant to the Private Attorneys General Act of 2004 ("PAGA"), California Labor Code § 2698, *et seq.*

4. During the Parties' initial meet and confer efforts, Defendant provided Plaintiff's counsel with a copy of an Arbitration Agreement and class action waiver executed by Plaintiff during her employment with Defendant. Following Plaintiff's counsel's review of the Arbitration Agreement, Plaintiff's counsel concluded that the Arbitration Agreement would likely be found enforceable by the Court as to Plaintiff's individual and class claims, and that the Court would

likely require Plaintiff to dismiss her class claims as a result of the class action waiver. Accordingly, on August 2, 2021, Plaintiff filed a Second Amended Representative Action Complaint ("SAC") in the Action, which dismissed Plaintiff's individual and class claims without prejudice, and alleged a single cause of action for civil penalties under the PAGA.

6. On February 17, 2022, the Parties participated in a private mediation with Lisa Klerman, Esq. With the assistance of Ms. Klerman, the Parties agreed to fully and finally resolve the PAGA Released Claims as to Plaintiff and Aggrieved Employees.

III. OPERATIVE TERMS OF SETTLEMENT AGREEMENT

The Parties agree as follows:

1. **Non-Admission.** Nothing in this Settlement Agreement shall be construed to be an admission by Plaintiff that her claims do not have merit or by Defendant of any liability or wrongdoing as to Plaintiff, Aggrieved Employees or any other person, and Defendant specifically disclaims any such liability or wrongdoing. The Parties have entered into this Settlement Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses and risks. This Settlement Agreement and any related court documents or orders are not and may not be cited or admitted as evidence of liability.

2. **Gross Settlement Amount.** Defendant shall pay One Hundred Eighty Thousand Dollars and Zero Cents (\$180,000.00) as the non-reversionary Gross Settlement Amount. Defendant will not pay more than the Gross Settlement Amount (subject to the Escalator Clause below). Defendant shall deposit the Gross Settlement Amount into a Qualified Settlement Account and agrees to fund the settlement within fifteen (15) calendar days of the Court's Order approving the PAGA settlement.

The Gross Settlement Amount shall be used to pay: (1) Amounts distributable to the LWDA and Aggrieved Employees; (2) Plaintiff's attorneys fees and costs; (3) Plaintiff's enhancement payment; and (4) Settlement administration costs.

3. **Escalator Clause.** Defendant represents that there are approximately 9,150 pay periods worked by Aggrieved Employees in California during the PAGA Period ("Affected Pay Periods"). If the actual number of Affected Pay Periods is more than 10% greater than this number (i.e., if there are more than 10,066 Affected Pay Periods), Defendant shall increase the Gross Settlement Amount in proportion to the increase in Affected Pay Periods (e.g., if the number of Affected Pay Periods is 12% greater than 9,150, Defendant will increase the Gross Settlement Amount by 12%).

4. **Net Settlement Amount.** The Parties agree that the following amounts should be subtracted from the Gross Settlement Amount, if approved by the Court, resulting in a Net Settlement Amount to distribute to the LWDA and Aggrieved Employees:

a. **Plaintiff's Attorneys' Fees and Costs.** Defendant will not oppose Plaintiff's request for attorneys' fees in the amount up to one third of the Gross Settlement Amount (currently estimated to be \$60,000.00) and costs up to \$20,000.00 incurred in prosecuting this Action. In the event the Court approves less than these amounts, the difference

will be added to the Net Settlement Amount (although Plaintiff may appeal an order granting less than the full amount sought for attorneys' fees and costs). Defendant, via the Settlement Administrator, will report these payments on IRS Form 1099 issued to Plaintiff's Counsel.

b. Plaintiff's Enhancement Payment. Defendant will not oppose Plaintiff's request for an enhancement payment of up to \$5,000.00 for serving as the representative plaintiff in this Action. In the event the Court approves a payment of less than the requested amount, the difference will be added to the Net Settlement Amount (although Plaintiff may appeal an order granting less than the full amount sought for Plaintiff's enhancement payment). Defendant, via the Settlement Administrator, will report this payment on IRS Form 1099 issued to Plaintiff.

c. Administration Costs. Defendant will not oppose the Settlement Administrator's costs in the amount up to \$10,000.00 for administering the settlement. In the event the Court approves a payment of less than this amount, the difference will be added to the Net Settlement Amount. Defendants, via the Settlement Administrator, will report this payment on IRS Form 1099 issued to the Settlement Administrator.

5. Allocation of Net Settlement Amount. One hundred percent (100%) of the Net Settlement Amount shall be designated as "civil penalties" and shall be distributed 75% to the LWDA and 25% to Aggrieved Employees, pursuant to Labor Code § 2699(i). The 25% portion to be paid to Aggrieved Employees shall be paid to all Aggrieved Employees pro rata based on the number of pay periods worked by each Aggrieved Employee during the PAGA Period.

a. The Parties agree that should the Court deny approval of the Settlement based on the allocation of the Gross Settlement Amount or the Net Settlement Amount, the Parties agree to re-negotiate in good faith in an effort to obtain approval of the Settlement.

6. PAGA Released Claims. Plaintiff agrees that upon entry of an Order approving the Settlement, and upon the Settlement being fully funded, Plaintiff and all Aggrieved Employees will release the PAGA Released Claims against the Released Parties that arose during the PAGA Period. Upon entry of the Order approving the settlement and judgment entered thereon and the Settlement being fully funded, Plaintiff and all Aggrieved Employees will be forever barred from pursuing any and all of the PAGA Released Claims that arose during the PAGA Period against the Released Parties.

7. Plaintiff's Release of Claims. The named Plaintiff will release Released Parties from any and all claims she has or may have against Released Parties at this time and will waive any and all rights she have or may have under California Civil Code § 1542.

Plaintiff expressly waives and relinquish all rights and benefits afforded by Section 1542 of the Civil Code of the State of California and does so understanding and acknowledging the significance of such specific waiver of Section 1542. Section 1542 of the Civil Code of the State of California states as follows:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by HIM or her must have materially affected his or her settlement with the debtor or released party.

Plaintiff, being aware of this section, hereby expressly waives and relinquishes all rights and benefits she may have under it, as well as under any other statutes or common law practices of similar effect.

However, excluded from Plaintiff's general release are any claims for workers compensation, unemployment insurance, or any other claims that cannot be waived by law.

This waiver does not apply to any actions or claims which may arise after execution of this agreement.

8. **Covenants and Representations by Plaintiff and Plaintiff's Counsel.**

a. Plaintiff represents and warrants that she has not assigned or transferred or purported to assign or transfer to any person or entity, any claim or portion thereof, or interest therein, which is or may be subject to this Settlement Agreement.

b. Plaintiff acknowledges that she has read this Settlement Agreement, that she fully understands her rights, privileges and duties under the Settlement Agreement, and enters into this Settlement Agreement freely and voluntarily. Plaintiff further acknowledges that she has had the opportunity to consult with her attorneys to explain the terms of this Settlement Agreement and the consequences of signing this Settlement Agreement.

9. **Confidentiality.** Except as provided below to the extent necessary to effectuate the settlement or as required by court or legal process, Plaintiff and Plaintiff's Counsel will keep the terms of this Settlement Agreement confidential. Neither Plaintiff nor Plaintiff's Counsel shall issue a press release, hold a press conference, publish information about the settlement on any website or through any social media or otherwise publicize the settlement or communicate its terms in public or in private, unless ordered by the Court. However, for the limited purpose of establishing adequacy of counsel in future actions, Plaintiff's counsel may reference the Action by name and case number in a declaration establishing adequacy as class or representative counsel.

To permit judicial review and approval of the Settlement, as required by Labor Code section 2698, *et seq.*, Plaintiff's Counsel will file the Settlement Agreement with the Court and submit the Settlement to the LWDA as part of the Parties' seeking Court approval of the Settlement, per Labor Code § 2699(1)(2).

10. **Motion for Approval of PAGA Settlement by Plaintiff's Counsel.** Plaintiff's Counsel shall be responsible for preparing and filing the Motion for Approval of the PAGA Settlement.

11. **Termination of Settlement Agreement.** If the Court does not approve the settlement, if the Court does not enter judgment as provided for in this Settlement Agreement, or if appellate review is sought and, on such review, the Court's decision is materially modified or reversed, or if one or more of the material terms of the Settlement Agreement is not approved or is materially modified or reversed or found to be invalid, then either of the Parties shall have the right within 10 days of written notice thereof to elect to terminate the Settlement Agreement, in which case the Settlement Agreement shall have no force or effect, and the Parties shall be

deemed to have reverted to their respective status as of the date and time immediately prior to the execution of this Settlement Agreement.

12. **Judgment.** As part of the Motion to approve the Settlement, Plaintiff shall submit a proposed judgment which enters judgment in the Action in accordance with the terms of the Settlement, retains jurisdiction over the Action under Cal. Code Civ. Proc. § 664.6 for the purpose of enforcing the terms of the Settlement following approval of the Settlement, and enjoins the prosecution of any of the PAGA Released Claims against any of the Released Parties upon the judgment being entered and the Settlement being fully funded. This Settlement Agreement is expressly conditioned upon the Court entering judgment as set forth herein. The judgment will not release or bar any claims other than the PAGA Released Claims as to Plaintiff and Aggrieved Employees.

IV. ADMINISTRATION OF SETTLEMENT

1. **Settlement Administrator.** The Parties agree to engage Phoenix Settlement Administrators to handle the administration of this settlement.

2. **Provision of Information for Aggrieved Employees.** Within five (5) business days after entry of an order approving the settlement, Defendant shall provide the Settlement Administrator with information for Aggrieved Employees. Defendant will in good faith compile from its records a list of Aggrieved Employees that will be in a computer-readable format, such as a Microsoft Excel spreadsheet, and shall include each Aggrieved Employee's full name, last known mailing address, last known telephone number, number of Affected Pay Periods worked during the PAGA Period, and Social Security numbers to the extent available from Defendant's records. Because Social Security numbers are included in the list, the Settlement Administrator will maintain the list in confidence, and access shall be limited to those with a need to use the list as part of the administration of the Settlement. Within the same 5 business-day period, Defendant shall also send Plaintiff's Counsel a redacted list of Aggrieved Employees with Affected Pay Period information, so that Plaintiff's Counsel can determine whether the Escalator Clause has been triggered. Within 7 calendar days of receiving the Aggrieved Employees' information from Defendant, the Settlement Administrator will circulate to counsel for both Parties an anonymized spreadsheet containing the Individual PAGA Payments to each Aggrieved Employee and the data used to calculate said payments. The Settlement Administrator shall obtain approval from all counsel of the calculations before mailing Individual PAGA Payments.

3. **Explanatory Letter and Individual PAGA Payments.** Upon receipt of the information for Aggrieved Employees, the Settlement Administrator will perform a search on the National Change of Address database to update the Aggrieved Employees' addresses. Within twenty-one (21) calendar days after the Settlement has been fully funded and after receiving approval from Plaintiff's Counsel and Defendant's counsel of the payment calculations as provided above, the Settlement Administrator shall mail copies of the explanatory letter, which has been mutually approved by the Parties and is attached hereto as **Exhibit A**, in English and Spanish, along with Individual PAGA Payments to all Aggrieved Employees via regular First Class U.S. Mail.

The Settlement Administrator will calculate the amount to be received by each Aggrieved Employee, which will be based on the formula set forth in Section III.5., *supra*. The

Settlement Administrator will send each Aggrieved Employee a check for his or her Individual PAGA Payment along with the explanatory letter. Checks will remain negotiable for 180 days. Each Individual PAGA Payment shall be deemed penalties and reported using IRS Form 1099, with no withholdings taken.

4. **Undeliverable Notices.** The Settlement Administrator shall exercise its best judgment to determine the current mailing address for each Aggrieved Employee. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Aggrieved Employee.

Any checks returned as non-deliverable on or before the check cashing deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace or other reputable search method using the name, address or Social Security number of the Aggrieved Employee involved, and will perform up to a single re-mailing if a new address is located.

Funds represented by checks returned as undeliverable after a re-mailing, checks for whom the Settlement Administrator could not locate an updated address after performing a skip trace, and funds represented by checks remaining un-cashed more than 180 days after issuance (collectively, "Uncashed Checks"), shall escheat to the California State Controller's Office for deposit in the Unclaimed Property Fund, in the name of the Aggrieved Employee.

5. **Distribution of Payments.** Within twenty-one (21) calendar days of the Settlement being fully funded, the Settlement Administrator shall issue payments to: (1) Aggrieved Employees; (2) the LWDA; (3) Plaintiff's Counsel for Plaintiff's Counsel's Court-approved attorneys' fees and litigation costs and expenses; (4) Plaintiff for the Court-approved enhancement payment and (5) the Settlement Administrator for Court-approved Settlement administration costs incurred in connection with the Settlement. Payments made by Defendant pursuant to this Settlement shall be held by the Settlement Administrator in an interest-bearing account until they are disbursed, with any accrued interest inuring to the benefit of the Aggrieved Employees in the form of pro rata increases to Aggrieved Employees' Individual PAGA Payments.

6. **Accounting.** Within forty-five (45) days after all payments have been made under the Settlement, the Settlement Administrator will provide an accounting under oath to the Parties of the amounts paid from the settlement.

7. **Tax Consequences.** Neither Plaintiff nor Defendant, nor counsel for either of the Parties, makes any representations or warranties with respect to tax consequences of any payment under this Settlement Agreement.

V. MISCELLANEOUS PROVISIONS

1. **Drafting.** The Parties agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive, arm's-length negotiations between the Parties and that neither Party shall be considered the "drafter" of this Settlement Agreement for purposes of having terms construed against that Party.

2. **Successors.** This Settlement Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators and successors.

3. **Costs and Fees.** The Parties shall each bear their own costs and attorneys' fees incurred in connection with this Settlement Agreement, the Action and Plaintiff's claims, except as otherwise set forth specifically herein.

4. **Governing Law.** This Settlement Agreement shall be construed under and governed by the laws of the State of California. This Settlement Agreement shall be deemed to have been entered into in Los Angeles, California, and all questions of validity, interpretation or performance of any of its terms or of any rights or obligations of the Parties to this Settlement Agreement shall be governed by California law. If any legal or equitable action is necessary to enforce the terms of this Settlement Agreement, it shall be brought in the State of California, County of Los Angeles.

5. **Complete Agreement.** The Parties each acknowledge and represent that no promise or representation not contained in this Settlement Agreement has been made to them with respect to the subject matter of this Settlement Agreement, and acknowledge and represent that this Settlement Agreement contains the entire understanding between them and contains all terms and conditions pertaining to the compromise and settlement of the PAGA claim in the Action.

6. **Nullification of Settlement Agreement.** In the event that: (i) the Court does not approve the settlement as provided herein; or (ii) the settlement does not become final for any other reason, then this Settlement Agreement and any documents generated to bring it into effect, will be null and void, and the Parties will be returned to their respective positions before the Settlement was executed.

7. **Judgment and Continued Jurisdiction.** As noted above, after approval of this settlement, the Court will have continuing jurisdiction under Cal. Code Civ. Proc. § 664.6 for purposes of addressing: (i) the interpretation and enforcement of the terms of the settlement, (ii) settlement administration matters, and (iii) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement Agreement.

8. **Amendment or Modification.** This Settlement Agreement may be amended or modified only by a written instrument, signed by either the Parties or their successors-in-interest, or by counsel for all Parties.

9. **Authorization to Enter into Settlement Agreement.** Counsel for all Parties warrant and represent that they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this settlement, the Parties may seek the

assistance of the mediator (Lisa Klerman, Esq.) or the Court to resolve such disagreement.

10. **Execution and Counterparts.** This Settlement Agreement is subject only to the execution of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All executed counterparts, and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange among themselves original signed counterparts.

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

12. **Invalidity of Any Provision.** Before declaring any provision of this Settlement Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent with applicable precedents, so as to define all provisions of this Settlement Agreement valid and enforceable.

13. **Severability.** If any term or provision of this Settlement Agreement is held to be invalid or unenforceable, the remaining portions of this Settlement Agreement will continue to be valid and will be performed, construed and enforced to the fullest extent permitted by law, and the invalid or unenforceable term will be deemed amended and limited in accordance with the intent of the Parties, as determined from the face of the Agreement, to the extent necessary to permit the maximum enforceability or validation of the term or provision.

14. **Waiver.** No waiver of any condition or covenant contained in this Settlement Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such Party of the same or any other condition, covenant, right or remedy.

15. **Enforcement Action.** In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement Agreement or to declare rights and/or obligations under this settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

16. **Mutual Preparation.** The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one Party merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

17. **Representation by Counsel.** The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement

Agreement, and this Settlement Agreement has been executed with the consent and advice of counsel, and reviewed in full.

18. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement.

19. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this settlement, and further intend that this Settlement Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

IN WITNESS THEREOF, the Parties each acknowledge that he/it has read the foregoing Settlement Agreement, accepts and agrees to the provisions contained in this Settlement Agreement and hereby executes it voluntarily and with full understanding of its consequences.

Dated: 6-7, 2022

Teresa Martinez
Teresa Martinez, Plaintiff

DOORKING, INC.

Dated: 6/10, 2022

Suzanne Richmond
By: SUZANNE RICHMOND
Its: SECRETARY

APPROVED AS TO FORM:

Dated: June 7, 2022

HAINES LAW GROUP, APC

By: P. H.
Paul K. Haines
Attorneys for Plaintiff

Dated: , 2022

LAW OFFICE OF SUSAN A. RODRIGUEZ

By:
Susan A. Rodriguez
Attorneys for Defendant

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19. **Binding Agreement.** The Parties warrant that they understand and have full authority to enter into this settlement, and further intend that this Settlement Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

IN WITNESS THEREOF, the Parties each acknowledge that he/it has read the foregoing Settlement Agreement, accepts and agrees to the provisions contained in this Settlement Agreement and hereby executes it voluntarily and with full understanding of its consequences.

Dated: 6.7, 2022

TERESA MARTINEZ
Teresa Martinez, Plaintiff

Dated: 6/10, 2022

DOORKING, INC.

Suzanne Richmond
By: SUZANNE RICHMOND
Its: SECRETARY

APPROVED AS TO FORM:

Dated: June 7, 2022

HAINES LAW GROUP, APC

By: P. H.
Paul K. Haines
Attorneys for Plaintiff

Dated: 6/10, 2022

LAW OFFICE OF SUSAN A. RODRIGUEZ

By: Susan A. Rodriguez
Susan A. Rodriguez
Attorneys for Defendant

EXHIBIT A

Re: Payment from Teresa Martinez v. DoorKing, Inc.
Superior Court of California Los Angeles County; Case No. 20STCV48063

Date: / /2022

SIMID
Name
Address

Dear Name:

Enclosed, please find a check made payable to you. This is your payment from the settlement of a lawsuit titled *Teresa Martinez v. DoorKing, Inc.*, Los Angeles Superior Court, Case No. 20STCV48063, pending in the Superior Court of the State of California for the County of Los Angeles (the “Action”).

The Action was filed against Defendant DoorKing, Inc. (“Defendant”) and includes a claim pursuant to the California Labor Code Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq.* (“PAGA”). The Action was brought by Plaintiff Teresa Martinez (“Plaintiff”) on behalf of the State of California and other alleged aggrieved employees. You have been identified as one of the employees on whose behalf the case was brought.

In the lawsuit, Plaintiff claimed that Defendants violated the California Labor Code by failing to pay minimum wages, failing to pay overtime wages, failing to provide meal periods, failing to authorize and permit rest periods, failing to provide employees with itemized wage statements, and failing to timely pay final wages. Defendant vehemently disputes all of Plaintiff’s allegations and denies that it engaged in any of the alleged misconduct. The Parties have reached a settlement of Plaintiff’s representative PAGA claims, and on [DATE], the Court approved the settlement, including the amount of civil penalties to be paid under the settlement. A portion of the civil penalty settlement amount goes to the State of California’s Labor and Workforce Development Agency. Another portion of the civil penalty settlement amount goes to employees of Defendant who were allegedly affected by the alleged violations of the Labor Code. In agreeing to enter into this settlement, Defendant does not admit that it is liable in any way to current or former employees for any violations of the California Labor Code, or any penalties, and has denied and disputed all of Plaintiff’s contentions. The Court has not decided the merits of Plaintiff’s claims or Defendant’s defenses.

Pursuant to the settlement, enclosed is a check for your share of a portion of the civil penalties. This check will remain valid for 180 days from the date of issuance. Please note that no deductions/withholdings have been made from your settlement payment, and you will be responsible for any tax consequences arising from your receipt of the same (for which an IRS Form 1099 will issue). If you do not cash your check within 180 days of issuance, the funds will be deposited by the Settlement Administrator with the California State Controller to be deposited in the Unclaimed Property Fund in your name. If you are still employed by Defendants, your decision to cash the check will not affect your employment in any way.

While you were not a party to the Action, you and the State of California have been bound by the settlement entered in this matter and approved by the Court, including the release contained in the settlement. The release pertains to civil penalties under PAGA only. The release includes all claims under the PAGA that were alleged in, or could have been alleged based on the facts alleged in, Plaintiff’s complaint in the Action, including claims for civil penalties, attorneys’ fees, costs, or interest under the PAGA based on Defendants’ alleged failure to pay overtime, alleged failure to pay all minimum wages, alleged failure to provide proper meal periods, alleged failure to authorize and permit rest periods, alleged failure to furnish accurate wage statements, and alleged failure to timely pay final wages, during the time period December 16, 2019 through February 18, 2022 (the “PAGA Period”).

If you have any questions, you can contact , the Settlement Administrator, at 1- - .

EXHIBIT 2

HAINES LAW GROUP
EMPLOYMENT ATTORNEYS

December 16, 2020

VIA LWDA WEBSITE

Labor and Workforce Development Agency
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612

Re: *Teresa Martinez v. DoorKing Inc.*

To Whom It May Concern:

Please be advised that this law firm represents Teresa Martinez (“Ms. Martinez”) in claims arising from her employment with DoorKing Inc.; and Does 1 through 100 (collectively “DoorKing”). Ms. Martinez is an “aggrieved employee” as defined by Labor Code Section 2698 *et seq.*, due to DoorKing’s numerous violations of the Labor Code as set forth below. The purpose of this letter is to comply with Labor Code Section 2699.3, which requires aggrieved employees to notify their employer and the Labor & Workforce Development Agency (“LWDA”) of the specific provisions of the Labor Code allegedly violated. For purposes of this letter, “aggrieved employees” include all of DoorKing’s non-exempt employees who worked for DoorKing in California during the one year immediately preceding the date of this letter through the present.

Ms. Martinez was employed by DoorKing as a non-exempt employee in the position of “PCB Assembler” (or similarly titled position) from approximately January 20, 1997, until approximately December 31, 2019, when Ms. Martinez resigned. During Ms. Martinez’s employment with DoorKing, Ms. Martinez was scheduled to work Monday through Friday from approximately 5:00 a.m. to approximately 1:30 p.m., although Ms. Martinez occasionally worked outside of these hours.

During Ms. Martinez’s and other aggrieved employees’ employment with DoorKing, DoorKing utilized a timekeeping system which resulted in Ms. Martinez and other aggrieved employees not being compensated for all hours actually worked, whether by rounding, time-shaving, or otherwise. Specifically, DoorKing rounded Ms. Martinez’s and other aggrieved employees’ timekeeping entries in an uneven manner to a quarter of an hour increment, so that, over a period of time, Ms. Martinez and other aggrieved employees were deprived of all earned minimum and overtime wages. Upon information and belief, DoorKing’s timekeeping system regularly, systematically, and impermissibly rounded the hours worked by Ms. Martinez and other aggrieved employees in DoorKing’s favor, resulting, over a period of time, in the failure to compensate Ms. Martinez and other aggrieved employees for all hours worked. Further, on occasions when Ms. Martinez and other aggrieved employees worked over eight hours in a workday and/or forty hours in a

workweek, DoorKing's timekeeping policies/practices deprived them of additional overtime wages earned. Due to DoorKing's timekeeping policies/practices, which failed to compensate for all hours worked, Ms. Martinez and other aggrieved employees were not compensated for all required minimum and overtime wages.

During Ms. Martinez's and other aggrieved employees' employment with DoorKing, Ms. Martinez and other aggrieved employees often worked in excess of eight hours per workday and/or forty hours per workweek, but did not receive overtime compensation equal to one and one-half times their regular rate of pay for all overtime hours worked. Specifically, DoorKing paid Ms. Martinez and other aggrieved employees non-discretionary bonuses and/or other forms of pay not excludable as a matter of law when calculating the regular rate of pay (hereinafter the aforementioned forms of pay are referred to as "Incentive Pay"). Despite DoorKing's payment of Incentive Pay to Ms. Martinez and other aggrieved employees, DoorKing failed to properly calculate Ms. Martinez's and other aggrieved employees' regular rates of pay, thereby causing Ms. Martinez and other aggrieved employees to be underpaid all of their required overtime wages.

Ms. Martinez and other aggrieved employees were not authorized and permitted to take all legally compliant rest periods due to DoorKing's rest period policies/practices, which fail to authorize and permit an off-duty rest period for every four hours worked, or major fraction thereof. Specifically, DoorKing's rest break policy as stated in DoorKing's employee handbook explicitly required Ms. Martinez and other aggrieved employees to remain on DoorKing's premises during rest periods ("You are required to remain on the work premises during your rest break(s)"). As a result, DoorKing failed to relieve Ms. Martinez and other aggrieved employees of all work duties during rest periods and failed to relinquish control during rest periods, in violation of California law. *See Augustus v. ABM Security Services, Inc.*, 2 Cal.5th 257, 260 (2016) ("[D]uring required rest periods, employers must relieve their employees of all duties and relinquish any control over how employees spend their break time."). In the event that a legally compliant rest period was not in fact authorized and permitted, Ms. Martinez and other aggrieved employees were not paid the rest period premium required by Labor Code § 226.7. Upon information and belief, during at least a portion of the relevant time period, DoorKing did not maintain any payroll code or other mechanism for the payment of rest period premium payments as required by Labor Code § 226.7.

DoorKing also failed to provide Ms. Martinez and other aggrieved employees with all legally compliant meal periods due to DoorKing's meal period policies/practices, which have resulted in late (commencing after the fifth hour of work), short (less than 30 minutes), and missed meal periods. In addition, DoorKing failed to provide Ms. Martinez and other aggrieved employees with second meal periods on shifts over 10.0 hours. On those occasions when Ms. Martinez and other aggrieved employees were not provided with all legally-required meal periods to which they were entitled, DoorKing failed to compensate Ms. Martinez and other aggrieved employees with the required meal period premium for each workday in which they experienced a meal period violation as mandated

by Labor Code § 226.7. Upon information and belief, during at least a portion of the relevant time period, DoorKing maintained no payroll code for paying meal period premiums under Labor Code § 226.7.

As a result of DoorKing's failure to pay all minimum and overtime wages, as well as their failure to pay all rest and meal period premium wages, DoorKing maintained inaccurate payroll records and issued inaccurate wage statements to Ms. Martinez and other aggrieved employees in violation of Labor Code § 226.

As a further result of DoorKing's failure to pay all minimum and overtime wages and rest and meal period premiums, DoorKing failed to timely pay Ms. Martinez and other aggrieved employees all wages owed at the time of their respective separations from employment.

As described above, DoorKing committed the following violations of the Labor Code, and Industrial Welfare Commission Wage Order 1 ("Wage Order 1"):

Minimum Wage Violations

DoorKing was required to pay Ms. Martinez and other aggrieved employees an hourly rate at least equal to the minimum wage for each hour actually worked. *See* Labor Code §§ 1182.12, 1194; 1194.2, 1197; Wage Order 1, § 4. As alleged above, DoorKing failed to conform its pay practices to the requirements of the law by failing to pay Ms. Martinez and other aggrieved employees for all hours actually worked including, but not limited to, all hours they were subject to the control of DoorKing and/or suffered or permitted to work under the California Labor Code and Wage Order 1. As a result of these policies/practices, which failed to compensate for all hours worked, Ms. Martinez and other aggrieved employees were deprived of all required minimum wages.

Overtime Wage Violations

DoorKing was required to pay Ms. Martinez and other aggrieved employees overtime wages for all hours worked in excess of eight hours per workday and/or forty hours per workweek. *See* Labor Code §§ 1194(a) and 1198; Wage Order 1, § 3. According to Labor Code § 510(a), "Any work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee." This Section further provides, "Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee. In addition, any work in excess of eight hours on any seventh day of a workweek shall be compensated at the rate of no less than twice the regular rate of pay of an employee." As alleged above, DoorKing caused Ms. Martinez and other aggrieved employees to work overtime hours, but did not credit Ms. Martinez and other aggrieved employees with all overtime hours actually worked, and did not compensate Ms. Martinez and other aggrieved employees at one and one-half times their

regular rates of pay for such hours. As a result of these policies/practices, Ms. Martinez and other aggrieved employees were not compensated for all overtime wages.

Rest Period Violations

As alleged above, DoorKing failed to authorize and permit Ms. Martinez and other aggrieved employees to take all required rest periods. *See* Labor Code §§ 226.7 and 516; Wage Order 1, § 12. As a result, Ms. Martinez and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday that they were not authorized and permitted to take all legally required rest periods. *See* Labor Code § 226.7 (“If an employer fails to provide an employee a meal period or rest period in accordance with an applicable order of the Industrial Welfare Commission, the employer shall pay the employee one additional hour of pay at the employee’s regular rate of compensation for each workday that the meal or rest period is not provided.”)

Meal Period Violations

As alleged above, DoorKing failed to provide Ms. Martinez and other aggrieved employees with all required and compliant meal periods. *See* Labor Code §§ 226.7 and 512; Wage Order 1, § 11. As a result, Ms. Martinez and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday they experienced a meal period violation. *See* Labor Code § 226.7 (“If an employer fails to provide an employee a meal or rest or recovery period in accordance with ... [an] order of the Industrial Welfare Commission ... the employer shall pay the employee one additional hour of pay at the employee’s regular rate of compensation for each workday that the meal or rest or recovery period is not provided.”).

Wage Statement Violations

DoorKing was required to furnish Ms. Martinez and other aggrieved employees with complete and accurate itemized wage statements that showed, among other things, their rates of pay, corresponding number of hours worked at each rate of pay, total gross wages earned, total net wages earned. *See* Labor Code §§ 226(a) and 1174(d); Wage Order 1, § 7. As a result of DoorKing’s failure to pay all overtime and minimum wages, and failure to pay all required meal and rest period premium wages, DoorKing maintained inaccurate payroll records and issued inaccurate wage statements to Ms. Martinez and other aggrieved employees in violation of Labor Code § 226. DoorKing’s failure to comply with its wage statement obligations was knowing and intentional, and Ms. Martinez and other aggrieved employees have suffered injury as a result.

Waiting Time Penalties

Labor Code §§ 201 and 202 require that employees receive all of their final wages at the time of their separation of employment. DoorKing failed to timely pay Ms. Martinez and other aggrieved employees all of their final wages at the time of separation, which

included all overtime and minimum wages as well as all meal and rest period premium wages. Pursuant to Labor Code § 203, DoorKing's failure to pay all final wages due to Ms. Martinez and other aggrieved employees was willful and, consequently, entitles Ms. Martinez and other aggrieved employees to waiting time penalties equal to one day of wages at their standard hourly rate for each day DoorKing failed to pay their final wages after their separation, up to a maximum of thirty days.

As an "aggrieved employee," Ms. Martinez will initiate a civil action on behalf of herself and other aggrieved employees to recover civil penalties resulting from the wage and hour violations alleged herein. Based on Ms. Martinez's own investigation, and on information and belief, DoorKing committed and continues to commit the following Labor Code violations:

- a. DoorKing violated Labor Code §§ 1182.12, 1194, 1194.2, and 1197 by failing to pay Ms. Martinez and other aggrieved employees the statutory minimum wage for all hours worked;
- b. DoorKing violated Labor Code §§ 204, 510, 1194, and 1198 by failing to pay Ms. Martinez and other aggrieved employees all overtime compensation earned;
- c. DoorKing violated Labor Code §§ 226.7, 516, 558, and 1198 by failing to authorize and permit Ms. Martinez and other aggrieved employees all required rest periods and failing to pay rest period premiums to Ms. Martinez and other aggrieved employees at these employees' respective regular rates of compensation for rest period violations;
- d. DoorKing violated Labor Code §§ 226.7, 512, 558, and 1198 by failing to provide meal periods as required by law and failing to pay meal period premiums to Ms. Martinez and other aggrieved employees at these employees' respective regular rates of compensation for meal period violations;
- e. DoorKing violated Labor Code § 226 by failing to furnish Ms. Martinez and other aggrieved employees with accurate and compliant itemized wage statements;
- f. DoorKing violated Labor Code §§ 201, 202, and 203 by failing to timely pay all final wages due to Ms. Martinez and other aggrieved employees;
- g. DoorKing violated Labor Code § 204 by failing to pay Ms. Martinez and other aggrieved employees all wages earned at least twice during each calendar month; and
- h. DoorKing violated Labor Code §§ 1174 and 1198 by failing to maintain accurate records on behalf of Ms. Martinez and other aggrieved employees.

LWDA
December 16, 2020
Page 6 of 6

Pursuant to Labor Code Section § 2699.3(a)(2)(A), please notify us and DoorKing if the LWDA intends to investigate these alleged violations of the Labor Code. Please contact me should you require additional information.

Very truly yours,
HAINES LAW GROUP, APC



Paul K. Haines

cc: DoorKing Inc. (via certified mail)

7020 1290 0000 9379 6089

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
 Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

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\$

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\$

Sent To

Street &

City, St.

DoorKing Inc.
 c/o Leo Montegrando
 24508 Mariposa Ave.
 Harbor City, CA 90710 (Attn AC)



PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete Items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

DoorKing Inc.
 c/o Leo Montegrando
 24508 Mariposa Ave.
 Harbor City, CA 90710



9590 9402 6191 0220 9442 39

2. Article Number (Transfer from service label)

7020 1290 0000 9379 6089

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *Mailman*

☐ Agent

☒ Addressee

B. Received by (Printed Name)

MAILMAN

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

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Domestic Return Receipt

EXHIBIT 3

LAFFEY MATRIX

[History](#)
[Case Law](#)
[See the Matrix](#)
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			Years Out of Law School *				
Year	Adjustmt Factor**	Paralegal/ Law Clerk	1-3	4-7	8-10	11-19	20 +
6/01/21- 5/31/22	1.006053	\$208	\$381	\$468	\$676	\$764	\$919
6/01/20- 5/31/21	1.015894	\$206	\$378	\$465	\$672	\$759	\$914
6/01/19- 5/31/20	1.0049	\$203	\$372	\$458	\$661	\$747	\$899
6/01/18- 5/31/19	1.0350	\$202	\$371	\$455	\$658	\$742	\$894
6/01/17- 5/31/18	1.0463	\$196	\$359	\$440	\$636	\$717	\$864
6/01/16- 5/31/17	1.0369	\$187	\$343	\$421	\$608	\$685	\$826
6/01/15- 5/31/16	1.0089	\$180	\$331	\$406	\$586	\$661	\$796
6/01/14- 5/31/15	1.0235	\$179	\$328	\$402	\$581	\$655	\$789
6/01/13- 5/31/14	1.0244	\$175	\$320	\$393	\$567	\$640	\$771
6/01/12- 5/31/13	1.0258	\$170	\$312	\$383	\$554	\$625	\$753
6/01/11- 5/31/12	1.0352	\$166	\$305	\$374	\$540	\$609	\$734
6/01/10- 5/31/11	1.0337	\$161	\$294	\$361	\$522	\$589	\$709
6/01/09- 5/31/10	1.0220	\$155	\$285	\$349	\$505	\$569	\$686
6/01/08- 5/31/09	1.0399	\$152	\$279	\$342	\$494	\$557	\$671
6/01/07-5/31/08	1.0516	\$146	\$268	\$329	\$475	\$536	\$645
6/01/06-5/31/07	1.0256	\$139	\$255	\$313	\$452	\$509	\$614
6/1/05-5/31/06	1.0427	\$136	\$249	\$305	\$441	\$497	\$598
6/1/04-5/31/05	1.0455	\$130	\$239	\$293	\$423	\$476	\$574
6/1/03-6/1/04	1.0507	\$124	\$228	\$280	\$405	\$456	\$549
6/1/02-5/31/03	1.0727	\$118	\$217	\$267	\$385	\$434	\$522
6/1/01-5/31/02	1.0407	\$110	\$203	\$249	\$359	\$404	\$487
6/1/00-5/31/01	1.0529	\$106	\$195	\$239	\$345	\$388	\$468
6/1/99-5/31/00	1.0491	\$101	\$185	\$227	\$328	\$369	\$444
6/1/98-5/31/99	1.0439	\$96	\$176	\$216	\$312	\$352	\$424
6/1/97-5/31/98	1.0419	\$92	\$169	\$207	\$299	\$337	\$406
6/1/96-5/31/97	1.0396	\$88	\$162	\$198	\$287	\$323	\$389
6/1/95-5/31/96	1.032	\$85	\$155	\$191	\$276	\$311	\$375
6/1/94-5/31/95	1.0237	\$82	\$151	\$185	\$267	\$301	\$363

The methodology of calculation and benchmarking for this Updated Laffey Matrix has been approved in a number of cases. See, e.g., *DL v. District of Columbia*, 267 F.Supp.3d 55, 69 (D.D.C. 2017)

* “Years Out of Law School” is calculated from June 1 of each year, when most law students graduate. “1-3” includes an attorney in his 1st, 2nd and 3rd years of practice, measured from date of graduation (June 1). “4-7” applies to attorneys in their 4th, 5th, 6th and 7th years of practice. An attorney who graduated in May 1996 would be in tier “1-3” from June 1, 1996 until May 31, 1999, would move into tier “4-7” on June 1, 1999, and tier “8-10” on June 1, 2003.

** The Adjustment Factor refers to the nation-wide Legal Services Component of the Consumer Price Index produced by the Bureau of Labor Statistics of the United States Department of Labor.

EXHIBIT 4

Haines Law Group, APC

Expense Summary
Teresa Martinez v. DoorKing, Inc.

EXPENSE	AMOUNT
Mediation Costs	\$7,500.00
Filing, Service, and Messenger Fees	\$2,832.21
Copying and Postage Costs	\$124.56
TOTAL:	\$10,456.77

HAINES LAW GROUP, APC

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Attorneys for Plaintiff
and Aggrieved Employees

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

TERESA MARTINEZ, as an individual and on
behalf of all others similarly situated,

Plaintiff,

vs.

DOORKING INC., a California corporation;
and DOES 1 through 100,

Defendants.

Case No.: 20STCV48063

*[Assigned for all purposes to the Hon.
William F. Highberger, Dept. SSC-10]*

**PLAINTIFF TERESA MARTINEZ'S
NOTICE OF MOTION AND
MOTION FOR APPROVAL OF
SETTLEMENT OF CLAIMS
BROUGHT UNDER THE PRIVATE
ATTORNEYS GENERAL ACT AND
REASONABLE ATTORNEYS'
FEES, COSTS, AND
ENHANCEMENT PAYMENT**

Date: August 16, 2022

Time: 1:30 p.m.

Dept.: SSC – 10

Complaint Filed: December 16, 2020

Trial Date: None Set

1 **TO THE HONORABLE COURT, ALL PARTIES, AND THEIR ATTORNEYS OF**
2 **RECORD:**

3 PLEASE TAKE NOTICE that on August 16, 2022, at 1:30 p.m., or as soon thereafter as
4 the matter may be heard in Department 10 of the above-entitled Court, located at 312 North
5 Spring Street, Los Angeles, CA 90012, Plaintiff Teresa Martinez (“Plaintiff”), individually and
6 on behalf of the State of California and other Aggrieved Employees, will, and hereby does, move
7 this Court for entry of an Order as follows:

- 8 1. Granting approval, pursuant to California Labor Code § 2699(l), of the proposed
9 settlement of claims brought pursuant to the Private Attorneys General Act of 2004
10 (Cal. Labor Code § 2698, *et seq.*) and as set forth in the Parties’ Settlement
11 Agreement, a true and correct copy of which is attached to the Declaration of Paul K.
12 Haines filed concurrently herewith;
- 13 2. Appointing Phoenix Settlement Administrators as the Settlement Administrator;
- 14 3. Approving the proposed Explanatory Letter (attached as Exhibit A to the Settlement
15 Agreement), and directing that it be distributed to Aggrieved Employees pursuant to
16 the terms of the Settlement Agreement;
- 17 4. Directing the funding and distribution of the Gross Settlement Amount pursuant to
18 the terms of the Settlement Agreement;
- 19 5. Approving an award of attorneys’ fees to Plaintiff’s counsel of \$60,000.00 and an
20 award of litigation costs to Plaintiff’s counsel of \$10,456.77;
- 21 6. Approving an enhancement payment to Plaintiff in the amount of \$5,000.00; and
- 22 7. Approving up to \$3,750.00 in administration costs to Phoenix Settlement
23 Administrators.

24 ///

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1 This Motion is based on this Notice; the attached Memorandum of Points and Authorities;
2 the declaration of Paul K. Haines and all exhibits attached thereto; the declaration of Sean M.
3 Blakely; the declaration of Neil M. Larsen; the declaration of Jodey Lawrence of Phoenix
4 Settlement Administrators and all exhibits attached thereto; the declaration of Plaintiff Teresa
5 Martinez; the Settlement Agreement; Plaintiff's Request for Judicial Notice and all exhibits
6 attached thereto; all other pleadings and papers on file in this action; and on any further oral or
7 documentary evidence or argument presented at the time of hearing.

8
9
10 Dated: July 21, 2022

Respectfully submitted,

HAINES LAW GROUP, APC

11
12 By:  _____

Paul K. Haines
Sean M. Blakely
Attorneys for Plaintiff

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1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 Plaintiff Teresa Martinez (“Plaintiff”), an “aggrieved employee” under the Private
4 Attorneys’ General Act of 2004 (“PAGA”), respectfully moves this Court for an Order granting
5 approval of the Settlement Agreement (“Settlement”) with Defendant DoorKing, Inc.
6 (“Defendant” or “DoorKing”).¹ This PAGA representative action seeks civil penalties predicated
7 on DoorKing’s alleged failure to pay all minimum and overtime wages owed and alleged failure
8 to provide legally compliant meal and rest periods from December 16, 2019 through February
9 18, 2022 (the “PAGA Period”). The proposed Settlement, under which DoorKing has agreed to
10 pay a non-reversionary Gross Settlement Amount (“GSA”) of \$180,000.00, will resolve
11 Plaintiff’s representative claim filed on behalf of the State of California and all “Aggrieved
12 Employees,” which consists of all current and former non-exempt employees who worked for
13 DoorKing in California at any time during the PAGA Period.

14 Notably, the relief provided for under the Settlement, and the claims released thereunder,
15 are *solely* for the payment of *civil penalties* under the PAGA.

16 In deciding whether to grant approval of the Settlement, the primary issue is whether the
17 Settlement is fair, reasonable, and adequate. As set forth herein, the proposed Settlement
18 embodies all of the features of a settlement that is fair, reasonable, and adequate, as it: (1) is the
19 product of arm’s-length negotiations; (2) was negotiated by attorneys experienced in wage-and-
20 hour issues and PAGA litigation with the assistance of an experienced, neutral mediator; (3) was
21 negotiated after undertaking sufficient discovery and investigation to evaluate the relative
22 strength and value of Plaintiff’s PAGA claim and DoorKing’s defenses thereto; and (4) reflects
23 a reasoned compromise based on the relative strength and value of the PAGA claim, as well as
24 the risks, expenses, complexity and likely duration of further litigation.

25 ///

26
27
28 ¹ The proposed Settlement Agreement is attached as Exhibit 1 to the Declaration of Paul K. Haines
filed herewith. The Explanatory Letter to Aggrieved Employees is attached as Exhibit A to the
Settlement.

As noted, the Settlement provides for a GSA of \$180,000.00. *See* Settlement, §§ I.9; III.2. After deducting amounts for requested attorneys’ fees (\$60,000.00), attorney costs (\$10,456.77), Plaintiff’s Enhancement Payment (\$5,000.00), and administration costs (\$3,750.00), the Settlement provides for distribution of a Net Settlement Amount (“NSA”) of approximately \$100,793.23 be paid to Aggrieved Employees and the California Labor & Workforce Development Agency (“LWDA”). Settlement, §§ I.10; III.4-5.

The NSA shall be distributed 75% (approximately \$75,594.92) to the LWDA, and 25% (approximately \$25,198.31) to Aggrieved Employees, pursuant to the requirements of the PAGA as codified in Lab. Code § 2699(i). *See* Settlement, § III.5. There are approximately 246 Aggrieved Employees, resulting in average payments of approximately \$102.43 to each Aggrieved Employee.

The GSA of \$180,000.00 represents a positive result for the State of California and Aggrieved Employees. Further litigation may have resulted in a smaller recovery or even no recovery at all, based on the defenses asserted by DoorKing and the significant ongoing litigation risks. Moreover, the GSA is greater than other PAGA penalty awards that have been approved as reasonable. *See, e.g., Penaloza v. PPG Industries Inc.*, Case No. BC471369, 2013 WL 2917624 at *2 (Super. Ct. L.A. County, May 20, 2013) (approving total PAGA set-aside of \$5,000, or \$7.49 per employee); *Cabrera v. Advantage Sale & Marketing, LLC*, Case No. BC485259, 2013 WL 1182822 (Super. Ct. L.A. County, Mar. 12, 2013) (approving PAGA set-aside of \$10,000, or \$3.33 per employee). The amounts requested for attorneys’ fees and costs, Plaintiff’s enhancement payment, and settlement administration costs are all fair, adequate, and reasonable. Thus, Plaintiff respectfully requests that the Court enter the [Proposed] Judgment and Order submitted concurrently herewith.

II. SUMMARY OF THE LITIGATION

A. Brief Factual Background and Summary of Claims

In operation since 1948, DoorKing is one of the country’s leading manufacturers of telephone entry systems, vehicle gate operators, parking control products, and access control systems. *See* Declaration of Paul K. Haines (“Haines Decl.”), ¶ 11. Plaintiff was employed by

DoorKing as a non-exempt “PCB Assembler” from approximately January 1997 until her resignation in December 31, 2019. *See* Declaration of Plaintiff Teresa Martinez (“Martinez Decl.”), ¶ 2.

Plaintiff’s PAGA claim is predicated primarily on DoorKing’s allegedly unlawful timekeeping practices, which Plaintiff alleges has consistently and systematically underpaid its non-exempt employees, as well as DoorKing’s unlawful meal and rest period policies/practices. As explained below, DoorKing denies Plaintiff’s allegations and asserted several affirmative defenses to her claims.

B. Relevant Procedural History

On December 16, 2020, Plaintiff filed the instant action, alleging class-wide violations of the California Labor Code for: (1) minimum wage violations; (2) failure to pay all overtime wages; (3) rest period violations; (4) meal period violations; (5) wage statement violations; (6) waiting time penalties; and (7) unfair competition. Haines Decl., ¶ 12. That same day, Plaintiff also submitted her notification letter to DoorKing and to the LWDA regarding DoorKing’s alleged Labor Code violations, as required by Labor Code § 2699.3. *Id.*, Exh. 2.

On February 22, 2021, after exhausting her pre-filing PAGA requirements, Plaintiff filed a First Amended Class and Representative Action Complaint adding a cause of action for civil penalties under the PAGA based on the same underlying Labor Code violations as those alleged in her original complaint. *See* Haines Decl., ¶ 13. Thereafter, DoorKing produced an arbitration agreement signed by Plaintiff that included a class action waiver. *Id.* After Plaintiff’s counsel reviewed the arbitration agreement, Plaintiff’s counsel concluded that the arbitration agreement would likely be found by the Court to be enforceable, and the Court would likely require Plaintiff to dismiss her class and individual claims as a result. *Id.* On July 29, 2021, the Parties submitted a stipulation to dismiss Plaintiff’s individual and class claims without prejudice, and requested leave for Plaintiff to file a Second Amended Representative Action Complaint containing only a PAGA claim. *Id.* On August 2, 2021, the Court granted the Parties’ stipulation and dismissed Plaintiff’s individual and class claims without prejudice. *Id.* On August 2, 2021, Plaintiff filed her Second Amended Representative Action Complaint. *Id.*

1 **C. Pre-Mediation Discovery and Mediation**

2 In connection with mediation, DoorKing informally produced information and
3 documents pertaining to Plaintiff and other Aggrieved Employees, including, but not limited to,
4 timekeeping and payroll records for all non-exempt employees during the PAGA Period, an
5 employee handbook, and a list of Aggrieved Employees during the PAGA Period containing
6 their respective date of hire and date of termination (where applicable), in order for Plaintiff's
7 counsel to investigate Plaintiff's allegations and value the claims prior to mediation. Haines
8 Decl., ¶ 14.

9 On February 17, 2022, the Parties attended a full-day mediation with experienced and
10 highly regarded mediator Lisa Klerman, Esq., in an effort to resolve Plaintiff's PAGA claim.
11 Haines Decl., ¶ 14; *see also* Settlement, § II.5. During mediation, the Parties vigorously debated
12 the legal bases for Plaintiff's claims and DoorKing's defenses, the manageability of the case as
13 a representative action, the potential amount of penalties, and the Parties' data analyses and
14 conclusions based thereon. Haines Decl., ¶ 14. With the assistance of Ms. Klerman, the Parties
15 agreed to fully and finally resolve Plaintiff's PAGA claim. *Id.* The Parties subsequently
16 negotiated and finalized the Settlement now before the Court. *Id.*

17 **III. SUMMARY OF THE SETTLEMENT**

18 **A. "Aggrieved Employees" Defined**

19 As noted above, the "Aggrieved Employees" consist of all current and former non-exempt
20 employees who worked for DoorKing in California at any time during the PAGA Period. *See*
21 Settlement, § I.2. The PAGA Period is defined as the time period from December 16, 2019
22 through February 18, 2022. *Id.*, § I.12.

23 **B. Monetary Terms**

24 The Settlement provides for DoorKing's payment of a non-reversionary Gross Settlement
25 Amount ("GSA") of \$180,000.00. *Id.*, §§ I.9, III.2. After deducting requested attorneys' fees,
26 litigation costs, Plaintiff's enhancement payment, and settlement administration costs, the
27 Settlement provides for the Net Settlement Amount ("NSA") to be distributed 75% to the LWDA
28 and 25% to Aggrieved Employees, per Labor Code § 2699(i). *Id.*, at §§ III.4-5. The Aggrieved

Employees' portion of the NSA is estimated to be \$25,198.31 and will be distributed to all Aggrieved Employees based on the number of pay periods worked by each Aggrieved Employee during the PAGA Period. *See* Settlement, § III.5.

**1. Attorneys' Fees and Costs, Administration Costs, and Plaintiff's
Enhancement Payment**

Plaintiff's counsel requests one-third of the GSA (i.e., \$60,000.00) in attorneys' fees, and \$10,456.77 in litigation costs. *See* Settlement, § III.4(a); Haines Decl., ¶¶ 23-27 & Exh. 4. As discussed in detail below, a fee award of one-third of the GSA is fair, adequate, and reasonable as a percentage of the fund and is in line with fee awards in other PAGA settlements.

The Parties have agreed to engage Phoenix Settlement Administrators ("Phoenix") as the third-party settlement administrator. Settlement, § IV.1. Phoenix will update Aggrieved Employees' addresses using the National Change of Address database, calculate and distribute Individual PAGA Payments, mail payments to all Aggrieved Employees together with the Explanatory Letter, and perform other duties that are integral to the effectuation of the Settlement. *Id.*, §§ IV.2-6. Plaintiff requests that the Court approve up to \$3,750.00 in administration costs to Phoenix, which will cover all costs incurred by Phoenix in connection with the Settlement. *Id.* at § III.4(c); *see also* Declaration of Jodey Lawrence ("Lawrence Decl.") and attached exhibits.

Finally, Plaintiff requests an enhancement payment of \$5,000.00, in recognition of Plaintiff's contributions to this case and her efforts in bringing this case to successful resolution. *See* Settlement, § III.4(b); Martinez Decl., ¶¶ 3-7.

2. Payment to LWDA and Aggrieved Employees

The NSA will be distributed 75% to the LWDA and 25% to Aggrieved Employees, pursuant to Labor Code § 2699(i). Based on the above requested distributions, the NSA is estimated to be \$100,793.23, with \$75,594.92 paid to the LWDA and \$25,198.31 distributed to Aggrieved Employees. Haines Decl., ¶ 15; *see also* Settlement, §§ I.10; III.4-5. As noted, there are approximately 246 total Aggrieved Employees. *Id.* Thus, it is anticipated that overall, Aggrieved Employees will receive average Settlement payments of approximately \$102.43 *Id.*

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1 **3. *Funding of the Settlement***

2 DoorKing will deposit the Gross Settlement Amount with Phoenix, the Settlement
3 Administrator, within fifteen (15) calendar days of Court approval. *See* Settlement. § III.2. Within
4 twenty-one (21) calendar days after the Settlement has been fully funded and after receiving
5 approval from counsel of the payment calculations, Phoenix will mail the Individual PAGA
6 Payments and Explanatory Letter in English and Spanish to Aggrieved Employees via First-Class
7 U.S. Mail. *See* Settlement, § IV.3.

8 Funds from any settlement checks remaining uncashed after 180 days shall escheat to the
9 California State Controller’s Office for deposit in the Unclaimed Property Fund, in the name of
10 the Aggrieved Employee. *See* Settlement, § IV.4.

11 **IV. LEGAL ARGUMENT**

12 **A. Standards for Approval of a PAGA Settlement**

13 The settlement of a PAGA claim requires court approval pursuant to the PAGA statute,
14 which states that the “court shall review and approve any settlement of any civil action filed
15 pursuant to this part.” Labor Code § 2699(l). Of course, “[s]ettlement is a compromise, which
16 balances the possible recovery against the risks inherent in litigating further.” *See In re TD*
17 *Ameritrade Account Holder Litig.*, 2011 WL 4079226 at *9 (N.D. Cal. Sept. 13, 2011). “[T]he
18 very essence of a settlement is...‘a yielding of absolutes and an abandoning of highest hopes,’”
19 as “it is the very uncertainty of outcome in litigation and avoidance of wasteful and expensive
20 litigation that induce consensual settlements.” *Officers for Justice v. Civil Service Com.*, 688 F.2d
21 615, 624 (9th Cir. 1982). As such, “the settlement or fairness hearing is not to be turned into a
22 trial or rehearsal for trial on the merits” or “judged against a hypothetical or speculative measure
23 of what might have been achieved by the negotiators.” *Id.*

24 Although the PAGA statute does not set forth the criteria by which a PAGA settlement is
25 to be judged, it is presumed that a reviewing court may utilize some of the factors for review of
26 a class action settlement. However, “a PAGA claim asserted on a non-class representative
27 basis...is not considered a class action but a law enforcement action, and therefore does not have
28 to meet the requirements of [a class action].” *Casida v. Sears Holdings Corp.*, 2012 WL 253217

1 at *3 (E.D. Cal. Jan. 26, 2012); *Mendez v. Tween Brands, Inc.*, 2010 WL 2650571 at *4 (E.D.
2 Cal. Jul. 1, 2010) (“PAGA claims are law enforcement actions, not class actions”). A court’s
3 review of a PAGA settlement implicates the following unique features that render the approval
4 process distinct from approval of a class action settlement.

5 First, in evaluating a PAGA settlement, the court is not concerned with amount(s)
6 received by “aggrieved employees,” but rather, must focus on the total settlement amount in
7 achieving PAGA’s objective. “The remedy sought in a PAGA suit consists of civil penalties, not
8 individual or class damages.” *Mendez*, 2010 WL 2650571 at *4. “Unlike class actions, these civil
9 penalties are not meant to compensate unnamed employees because the action is fundamentally
10 a law enforcement action.” *Ochoa-Hernandez v. Cjaders Foods, Inc.*, No. C-08-2073-MHP,
11 2010 WL 1340777 at *4 (N.D. Cal. Apr. 2, 2010). As our Supreme Court confirmed, “PAGA
12 claims are ‘representative’ actions in the sense that they are brought on the state’s behalf. The
13 employee... ‘represents the same legal right and interest as’ those agencies — ‘namely, recovery
14 of civil penalties that otherwise would have been assessed and collected by the [LWDA].’” *ZB,*
15 *N.A. v. Sup. Ct.*, 8 Cal.5th 175, 185 (2019) (citing *Iskanian v. CLS Transp. Los Angeles, LLC*, 59
16 Cal.4th 348, 380 (2014)).

17 Moreover, while “[a PAGA] action is ... designed to protect the public and penalize the
18 employer for past illegal conduct” (*Mendez*, 2010 WL 2650571 at *4), a PAGA settlement – like
19 any settlement – involves a compromise that stops short of rendering findings of liability and
20 damages. “Unlike a class action seeking damages or injunctive relief for injured employees, the
21 purpose of PAGA is to incentivize private Parties to recover civil penalties for the government
22 that otherwise may not have been assessed and collected by overburdened state enforcement
23 agencies.” *Ochoa-Hernandez*, 2010 WL 1340777 at *4.

24 Second, consistent with the fact that unnamed employees have no property interest in a
25 PAGA claim,² “[u]nnamed employees need not be given notice of the PAGA claim, nor do they
26

27 ² “The [PAGA] does not create property rights or any other substantive rights” as “[i]t is simply
28 a procedural statute allowing an aggrieved employee to recover civil penalties—for Labor Code
violations—that otherwise would be sought by state labor law enforcement agencies.” See
Amalgamated Transit Union, Local 1756, AFL-CIO v. Sup. Ct., 46 Cal.4th 993, 1003 (2009).

1 have the ability to opt-out of the representative PAGA claim.” *Ochoa-Hernandez*, 2010 WL
2 1340777 at *5; *see also Robinson v. Southern Counties Oil Co.*, 53 Cal.App.5th 476, 482 (2020)
3 (recognizing that “there is no mechanism for opting out of the judgment entered on the PAGA
4 claim.”). This renders the approval process of a PAGA settlement distinct from a class action
5 settlement, as the Court need not employ the “two-step approval process” required for class
6 action settlements under Fed. R. Civ. Proc. Rule 23(e) and Cal. Rule of Court 3.769.

7 Finally, unlike a class action settlement under Fed. R. Civ. Proc. Rule 23(e) or Cal. Rule
8 of Court 3.769, the scope of release in a PAGA settlement is limited to *civil penalties*. While
9 “judgment in [a PAGA] action is binding not only on the named employee plaintiff but also on
10 government agencies and any aggrieved employee not a party to the proceeding...the non-party
11 employees, because they were not given notice of the action or afforded any opportunity to be
12 heard, would not be bound by the judgment as to remedies other than civil penalties.” *Arias v.*
13 *Sup. Ct.*, 46 Cal. 4th 969, 986-87 (2009).

14 **1. Factors in Evaluating a Representative PAGA Settlement**

15 In deciding whether to approve a proposed settlement, a trial court has broad powers to
16 determine if the proposed settlement is fair under the circumstances of the case. *Mallick v. Sup.*
17 *Ct.*, 89 Cal.App.3d 434, 438 (1979). In exercising these powers, the overriding concern is to
18 ensure that a proposed settlement is “fair, adequate, and reasonable.” *Dunk v. Ford Motor Co.*,
19 48 Cal.App.4th 1794, 1801 (1996) (internal quotations omitted). Relevant factors for the Court
20 to consider include, but are not limited to:

21 [T]he strength of plaintiffs’ case, the risk, expense, complexity and likely
22 duration of further litigation, the risk of maintaining class action status
23 through trial, the amount offered in settlement, the extent of discovery
24 completed and the stage of the proceedings, the experience and views of
counsel, the presence of a governmental participant, and the reaction of the
class members to the proposed settlement.

25 *Id.* These factors require balancing, are non-exhaustive, and trial courts should tailor the factors
26 to each case and give due regard to “what is otherwise a private consensual agreement between
27 the parties.” *Id.* In the context of a PAGA settlement, the third and eighth factors (risk of
28 maintaining class action status and reaction of class members to settlement) are inapplicable.

1 Because settlements inherently involve compromise, even a settlement providing for
2 substantially narrower relief than might be obtained if the suit were successfully litigated can be
3 reasonable because “the public interest may indeed be served by a voluntary settlement in which
4 each side gives ground in the interest of avoiding litigation.” *Wershba v. Apple Computer, Inc.*,
5 91 Cal.App.4th 224, 250 (2001) (quoting *Air Line Stewards, etc., Local 550 v. Am. Airlines, Inc.*,
6 455 F.2d 101, 109 (7th Cir. 1972)). Courts also review the discovery process and information
7 received through it to aid them in assessing whether the Parties sufficiently developed the claims
8 and their supporting factual bases before reaching settlement. *Kullar*, 168 Cal.App.4th at 129-
9 31. Information is sufficient where it allows the Parties and the court to form “an understanding
10 of the amount that is in controversy and the realistic range of outcomes of the litigation.” *Clark*
11 *v. Am. Residential Serv. LLC*, 175 Cal.App.4th 785, 801 (2009). This requirement exists so that
12 the Parties can provide the court with “a meaningful and substantiated explanation of the manner
13 in which the factual and legal issues have been evaluated.” *Kullar*, 168 Cal.App.4th at 132.

14 **a. The Strength of Plaintiff’s Case**

15 Although she steadfastly maintains her claims are meritorious, Plaintiff acknowledges
16 her position included real risks and uncertainty. Haines Decl., ¶ 16. DoorKing asserted several
17 affirmative defenses to Plaintiff’s claims. For example, with respect to Plaintiff’s claim that from
18 the beginning of the PAGA Period through April 2021, DoorKing unlawfully rounded non-
19 exempt employees’ time entries to the nearest quarter hour increment, DoorKing maintains its
20 rounding policy was neutral on its face (rounding to the nearest quarter-hour) and as applied, and
21 therefore cannot result in liability. Haines Decl., ¶ 16; *see also See’s Candy Shops, Inc. v. Sup.*
22 *Ct.*, 210 Cal.App.4th 889, 907 (2012) (approving rounding policy if neutral on its face and “used
23 in such a manner that it will not result, over a period of time, in failure to compensate the
24 employees properly for all the time they have actually worked.”). DoorKing also argues any off-
25 the-clock work was minimal and was thus *de minimis* and not compensable. While Plaintiff
26 pointed to *Troester v. Starbucks Corp.*, 5 Cal.5th 829 (2018), where the California Supreme
27 Court held California’s labor laws generally do not recognize a *de minimis* defense, DoorKing
28 argued *Troester* should be limited to its facts. (“[W]e decide only whether the *de minimis* rule is

1 applicable to the facts of this case as described by the Ninth Circuit.” *Troester*, 5 Cal.5th at 829.)
2 Haines Decl., ¶ 16, DoorKing further argued that just because an employee was clocked in does
3 not mean they were actually performing compensable work; for example, DoorKing contends
4 many employees clocked in a few minutes before their shift and engaged in purely personal
5 activities, such as talking to their co-workers in the break room, and did not begin working until
6 the start of their shift. *Id.* Finally, DoorKing maintains this claim would not be manageable on a
7 representative basis, since some employees were *overpaid* because of rounding, and that
8 determining whether each employee was underpaid by rounding (and whether they were actually
9 working during the unpaid off-the-clock time) would require hundreds of mini-trials, rendering
10 the claim unmanageable. *Id.*

11 With respect to Plaintiff’s meal period claims, DoorKing contends that it has always
12 maintained compliant written meal period policies throughout the PAGA Period, and that
13 employees are free to take their meal periods whenever they choose as DoorKing does not police
14 employee meal periods. Haines Decl., ¶ 17. DoorKing also maintains that Plaintiff’s meal period
15 claim would not be manageable on a representative basis, as individual inquiries would be
16 required to establish which Aggrieved Employees experienced non-compliant meal periods, how
17 many non-compliant meal periods each Aggrieved Employee experienced, and why a particular
18 Aggrieved Employee had a non-compliant meal period during a particular shift. *Id.*

19 With respect to Plaintiff’s rest period claim, DoorKing contends its written rest period
20 policies are legally compliant, and that it has always authorized and permitted employees at least
21 10-minute rest periods for each four (4) hours worked, or major fraction thereof. Haines Decl., ¶
22 18. Any failure to take rest periods was a result of employee choice, DoorKing argues, rather
23 than any DoorKing policy or practice. *Id.* DoorKing further argues that Plaintiff’s rest period
24 claim is not manageable on a representative basis, since individual inquiries would be required
25 to determine which employees failed to take rest periods, how many rest periods they failed to
26 take, and the reasons why each employee failed to take rest period(s) on a particular shift. *Id.*

27 Plaintiff also alleges that DoorKing failed to pay all overtime wages to Plaintiff and other
28 Aggrieved Employees by failing to include the value of all non-discretionary remuneration into

1 the regular rate of pay for purposes of calculating overtime pay. Haines Decl., ¶ 19. However,
2 DoorKing maintains that it properly calculated the regular rate of pay at all times during the
3 PAGA Period and correctly paid all overtime wages to Aggrieved Employees. *Id.*

4 As for Plaintiff’s derivative claims that DoorKing violated its wage statement and final
5 payment obligations in violation of Labor Code §§ 226 and 203, respectively, DoorKing asserts
6 it has strong, good-faith defenses to Plaintiff’s underlying claims, precluding a finding of a failure
7 to pay all final wages that would otherwise result in waiting time penalties. Haines Decl., ¶ 20;
8 *see also* 8 Cal. Code Regs. § 13520 (a “good faith dispute that any wages are due will preclude
9 imposition of waiting time penalties”); *Kao v. Joy Holiday*, 12 Cal.App.5th 947, 963 (2017)
10 (holding “good faith dispute” precluded imposition of waiting time penalties). DoorKing further
11 contends that wage statements always accurately reflected amounts paid to employees, and thus
12 DoorKing could not be found liable for wage statement violations under the relevant case law.
13 Haines Decl., ¶ 20

14 DoorKing further maintains that even if the Court awarded PAGA penalties for any of
15 the alleged violations, it would substantially reduce the penalties based on the discretionary
16 factors in Labor Code § 2699(e)(2) (authorizing reduction in penalties “if, based on the facts and
17 circumstances of the particular case, to do otherwise would result in an award that is unjust,
18 arbitrary and oppressive, or confiscatory.”). Haines Decl., ¶ 21. Indeed, DoorKing argues, many
19 courts have reduced PAGA penalties drastically where, as here, the employer presented good-
20 faith defenses and attempted to comply with the law. *See Thurman v. Bayshore Transit Mgmt.,*
21 *Inc.*, 203 Cal.App.4th 1112, 1135 (2012) (affirming reduction of PAGA penalties because
22 “defendants took their obligations...seriously and attempted to comply with the law”); *Fleming*
23 *v. Covidien, Inc.*, No. ED-CV-10-1487-RGK, 2011 WL 7563047 at *4 (C.D. Cal. Aug. 12, 2011)
24 (reducing PAGA penalties by over 82%, in part because employer “not aware” of violations);
25 *Carrington v. Starbucks Corp.*, 30 Cal.App.5th 504, 529 (2018) (affirming PAGA penalty of just
26 \$5 per pay period where employer made “good faith attempts” to comply with the law).

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1 **b. Risk, Expense, Complexity, and Duration of Further Litigation**

2 Although the Parties had engaged in significant informal discovery, the Parties still had
3 more formal discovery, including written and deposition discovery, to conduct if the case did not
4 settle. Moreover, potential additional substantive motion work and trial preparation remained for
5 the Parties, as well as potential appeals. As a result, the Parties would likely incur considerably
6 more attorneys' fees and costs through trial and possible appeal. The Settlement avoids those
7 risks and the accompanying expense.

8 **c. Amount Offered in Settlement Given Realistic Value of Claims**

9 The proposed Settlement provides a fair and reasonable monetary recovery for the State
10 of California and Aggrieved Employees in the face of hotly disputed claims, when compared
11 with the potential realistic exposure.

12 Based on the above-described violations, Plaintiff asserts that she would be able to seek
13 PAGA penalties for each Aggrieved Employee for each pay period in the PAGA limitations
14 period. Haines Decl., ¶ 22. Based on data provided by DoorKing, there were approximately 9,150
15 pay periods worked by the Aggrieved Employees during the PAGA Period. *Id.*; *see also*
16 Settlement, § III.3. Assuming an "initial" violation rate of \$100 per pay period under Labor Code
17 § 2699(f) (*see Amaral v. Cintas Corp. No. 2*, 163 Cal.App.4th 1157, 1209 (2008) (holding
18 "initial" violation rate applies to PAGA penalties until employer is notified by Labor
19 Commissioner or a court that it violated Labor Code)), Plaintiff estimated a total potential
20 maximum PAGA exposure of \$915,000 (9,150 "initial" violations * \$100 penalty). Haines Decl.,
21 ¶ 22.

22 However, because the Court maintains discretion to reduce these penalties, and in light
23 of DoorKing's arguments and defenses described above, Plaintiff discounted that figure by 50%
24 for a risk of losing on the merits and/or not being able to proceed on a representative basis, and
25 by an additional 55% for risk of the Court reducing penalties, to arrive at a realistic exposure of
26 \$205,875.00. Haines Decl., ¶ 22; *see also, e.g., Thurman*, 203 Cal.App.4th at 1136 (affirming
27 reduction of PAGA penalties); *Fleming*, 2011 WL 7563047 at *5 (reducing PAGA penalties by
28 over 82%); *Carrington*, 30 Cal.App.5th at 529 (affirming PAGA civil penalty of just \$5 per pay

1 period).

2 The proposed \$180,000 GSA thus represents approximately 87.4% of Plaintiff's
3 reasonably forecasted total recovery, while avoiding the risks of proceeding through trial. Haines
4 Decl., ¶ 22. "The fact that a proposed settlement may only amount to a fraction of the potential
5 recovery does not, in and of itself, mean that the proposed settlement is grossly inadequate and
6 should be disapproved." *Linney v. Cellular Alaska P'ship*, 151 F.3d 1234, 1242 (9th Cir. 1998).
7 Plaintiff acknowledges there was substantial uncertainty and risk as to her PAGA claim.
8 Approval of the Settlement is appropriate, as the Settlement will provide tangible monetary relief
9 to Aggrieved Employees and the State of California while avoiding the risks and costs of
10 continued litigation and trial.

11 **d. Discovery Completed and the Status of Proceedings**

12 As noted, the Parties engaged in substantial informal discovery to evaluate the PAGA
13 claim. Haines Decl., ¶ 14. DoorKing provided Plaintiff with, *inter alia*, timekeeping and payroll
14 records for all non-exempt employees during the PAGA Period, a list of Aggrieved Employees
15 during the PAGA Period containing hire and termination dates (where applicable), additional
16 relevant data points and information and its relevant written policies. *Id.* Only after engaging in
17 mediation and in adversarial discussions about the likelihood of prevailing on the merits, did the
18 Parties reach the proposed Settlement. Thus, this factor supports settlement approval. *Id.*

19 **e. The Experience and Views of Counsel**

20 "Parties represented by competent counsel are better positioned than courts to produce a
21 settlement that fairly reflects each party's expected outcome in litigation." *In re Pac. Enter. Sec.*
22 *Litig.*, 47 F.3d 373, 378 (9th Cir. 1995). Plaintiff is represented by experienced counsel with
23 decades of combined experience, who believe this Settlement to be fair and adequate for all
24 involved. Haines Decl., ¶¶ 3-9; Declaration of Sean M. Blakely ("Blakely Decl."), ¶¶ 2-6;
25 Declaration of Neil M. Larsen, ¶¶ 2-6 ("Larsen Decl."). This factor strongly supports settlement
26 approval. *Kullar*, 168 Cal.App.4th at 130 ("The court undoubtedly should give considerable
27 weight to the competency and integrity of counsel and the involvement of a neutral mediator in
28 assuring itself that a settlement agreement represents an arm's length transaction entered without

self-dealing or other potential misconduct.”).

B. The Requested Award of Attorneys’ Fees is Reasonable as a Percentage of the Settlement Fund as Confirmed by a Lodestar Cross-Check

As the prevailing party in settlement, Plaintiff is entitled to recover attorneys’ fees and costs for her claims. *See* Labor Code § 2699(g) (providing for attorney fees and costs in PAGA actions); Cal. Code Civ. Proc. § 1021.5. A fee award is justified where the legal action has produced its benefits by way of settlement. *See, e.g., Maria P. v. Riles*, 43 Cal.3d 1281, 1290-91 (1987); *Westside Comty. for Independent Living, Inc. v. Obledo*, 33 Cal.3d 348, 352-53 (1983); *Serrano v. Priest*, 20 Cal.3d 25, 34 (1977) (“when a number of persons are entitled in common to a specific fund, and an action brought by a plaintiff...for the benefit of all results in the creation or preservation of that fund, such plaintiff...may be awarded attorney’s fees out of the fund.”); *Serrano v. Unruh*, 32 Cal.3d 621, 627 (1982) (in awarding a fee from the common fund obtained for the benefit of all parties, the trial court acts within its equitable power to prevent the other parties’ unjust enrichment); *Rawlings v. Prudential-Bache Properties, Inc.*, 9 F.3d 513, 516 (6th Cir. 1993 (the percentage of the fund method for calculating attorneys’ fees more accurately reflects the results achieved for the putative class than the lodestar method and “establishes reasonable expectations on the part of plaintiffs’ attorneys as to their expected recovery; and it encourages early settlement, which avoids protracted litigation.”); *In re Rite Aid Corp. Sec. Litig.*, 396 F.3d 294, 300 (3d Cir. 2005) (“The percentage-of-recovery method is generally favored in common fund cases because it allows courts to award fees from the fund ‘in a manner that rewards counsel for success and penalizes it for failure.’”).

Fee awards of one-third of the settlement fund are routinely awarded in California courts in class and representative PAGA actions. The California Supreme Court recently confirmed its approval of the use of the “percentage of fund” method. *See Laffitte v. Robert Half Int’l, Inc.*, 1 Cal.5th 480, 506 (2016) (“the percentage of fund method survives in California class action cases...”)

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Specifically, the *Laffitte* Court held:

The recognized advantages of the percentage method—including relative ease of calculation, alignment of incentives between counsel and the class, a better approximation of market conditions in a contingency case, and the encouragement it provides counsel to seek an early settlement and avoid unnecessarily prolonging the litigation—convince us the percentage method is a valuable tool that should not be denied our trial courts.

Id., at 503 (internal citation omitted). Indeed, “[F]ee awards in class actions average around one-third of the recovery.” *Chavez v. Netflix, Inc.*, 162 Cal.App.4th 43, 66, fn. 11 (2008); *see also Chavez v. Saticoy Lemon Ass’n*, 2015 WL 5561118 (Ventura Cty. Super. Ct., Aug. 29, 2015) (approving attorneys’ fees of one-third of settlement fund in PAGA settlement); *Clavel v. Lupe’s Thousand Oaks Mexican Restaurant, Inc.*, 2016 WL 1601223 (Ventura Cty. Super. Ct., Mar. 25, 2016) (same).

Laffitte also held that trial courts have discretion to assess reasonableness of fee awards with tools such as the “lodestar cross-check,” whereby the trial court calculates class counsel’s lodestar (hours worked multiplied by hourly rate) and determines whether the “lodestar multiplier” needed to bring the lodestar on par with the percentage of recovery is reasonable. *Laffitte* at 503-06. While a trial court may utilize the lodestar cross-check, it need not do so. *Id.* at 506 (“[w]e hold further that trial courts have discretion to conduct a lodestar cross-check on a percentage fee, as the court did here; they also retain the discretion to forgo a lodestar cross-check and use other means to evaluate the reasonableness of a requested percentage fee.”).

Here, Class Counsel’s fee request of \$60,000.00 (one-third of the Gross Settlement Amount) is fair and reasonable based on a percentage of the recovery confirmed with a lodestar cross-check. First, “regardless whether the percentage method or the lodestar method is used, fee awards in class actions average around one-third of the recovery.” *Chavez v. Netflix, Inc.*, 162 Cal.App.4th 43, 66, fn. 11 (2008). This is also consistent with Plaintiff’s counsel’s experience in similar wage and hour and PAGA matters. *See Haines Decl.*, ¶ 23. Thus, the percentage sought by Class Counsel here (the same percentage sought by class counsel in *Laffitte*) is reasonable.

Next, as stated, under the lodestar method the court computes the “lodestar” amount by multiplying the number of hours reasonably expended by each attorney or legal staff member by their reasonable hourly rates. *See, e.g., Serrano*, 20 Cal.3d at 48. The court then enhances this

lodestar figure by a “multiplier” to account for a range of factors, such as the novelty and difficulty of the case, its contingent nature, and the degree of success achieved. *Id.* at 49; *Ketchum v. Moses*, 24 Cal.4th 1122, 1132-36 (2001); *Thayer v. Wells Fargo Bank*, 92 Cal.App.4th 819, 834 (2001) (“There is no hard-and-fast rule limiting the factors that may justify an exercise of judicial discretion to increase or decrease a lodestar calculation”).

Under California law, lodestar multipliers can range from 2 to 4 or even higher. *See, e.g., Chavez*, supra, 162 Cal.App.4th at 49-50 (approving multiplier of approximately 2.5); *City of Oakland v. Oakland Raiders*, 203 Cal.App.3d 78 (1988) (approving multiplier of ~2.34); *Coalition for L.A. County Planning etc. Interest v. Bd. of Supervisors*, 76 Cal.App.3d 241,251 (1977) (approving multiplier of ~2.04). In actions such as this one, where the value of the benefit conferred to the class “can be monetized with a reasonable degree of certainty,” a court may “adjust the lodestar in comparison to a percentage of the common fund to ensure that the fee awarded is reasonable and within the range of fees freely negotiated in the legal marketplace in comparable litigation.” *Consumer Privacy Cases*, 175 Cal.App.4th 545, 557 (2009). In doing so, “the court determines, retrospectively, whether the litigation involved a contingent risk or required extraordinary legal skill justifying augmentation of the unadorned lodestar in order to approximate the fair market for such services.” *Id.* at 556; *see also Laffitte*, supra, 1 Cal.5th at 503-05.

In this case, Plaintiff’s counsel has a lodestar of approximately \$95,645.00 without the use of any multiplier, resulting in a *negative* multiplier of approximately .62 compared to the \$60,000.00 fee request. Haines Decl., ¶¶ 24-25. The billing rates used are reasonable in view of the evidence submitted herewith. *Id.*, Exh. 3 (2021-2022 Laffey Matrix).

Name	Rate	Hours	Pre-Multiplier Lodestar
Paul K. Haines (16th Year Attorney)	\$675	22.4	\$15,120.00
Sean M. Blakely (13th Year Attorney)	\$650	55.9	\$36,335.00
Neil M. Larsen (10th Year Attorney)	\$550	78.5	\$43,175.00
Firm Paralegals	\$175	5.8	\$1,015.00
Total Lodestar			\$95,645.00

1 The requested fee award is also justified because Plaintiff's counsel achieved a significant
2 monetary recovery in an uncertain and risky case, while bearing the substantial burden of
3 representation on a contingency basis, and the fees requested are in line with the market rate.
4 *Vizcaino v. Microsoft Corp.*, 290 F.3d 1043, 1048-51 (9th Cir. 2002) (finding that exceptional
5 results in a contingency case, significant risk and the absence of supporting precedents, are proper
6 considerations in awarding attorneys' fees). Here, Plaintiff's counsel expended significant time
7 and resources in litigating this case, which resulted in an excellent result for Plaintiff, the State of
8 California, and Aggrieved Employees in the face of significant defenses. Counsel also bore the
9 contingency risk of this litigation for the benefit of the Aggrieved Employees, as well as the State
10 of California (which elected not to take the case after receiving Plaintiff's PAGA notice).

11 Critically, Plaintiff's recovery in this case significantly exceeds other PAGA awards
12 approved by California courts. *See, e.g., Aguirre v. DSW, Inc.*, 2012 WL 11875296, *3 (C.D. Cal.
13 Nov. 29, 2012) (approving \$10,000 PAGA payment); *Garcia v. Gordon Trucking, Inc.*, 2012 WL
14 5364575, *7 (E.D. Cal. Oct. 31, 2012) (approving \$10,000 PAGA payment, finding it "comports
15 with settlement approval of PAGA awards in other cases. [Citations.]"); *Boyd v. Bank of Am.*
16 *Corp.*, 2014 WL 6473804, *8 (C.D. Cal. Nov. 18, 2014) (approving \$18,750 PAGA payment);
17 *Franco v. Ruiz Food Prods.*, 2012 WL 5941801, *14 (E.D. Cal. Nov. 27, 2012) (\$10,000 PAGA
18 payment); *Chu v. Wells Fargo Inv., LLC*, 2011 WL 672645, *1 (N.D. Cal. Feb. 16, 2011) (\$10,000
19 PAGA payment). That counsel achieved these results without engaging in a protracted legal
20 battle, in the face of serious defense challenges, confirms the strength of the results achieved.

21 Plaintiff's counsel conducted extensive research regarding the merits of Plaintiff's claims,
22 her ability to recover PAGA civil penalties, and DoorKing's potential defenses. Haines Decl., ¶¶
23 14, 26. Counsel also conducted significant analysis of data and information produced by
24 DoorKing, and used this data and analysis to draft a comprehensive mediation brief and exposure
25 analysis. *Id.* Counsel attended a full-day mediation, and expended significant effort in preparing
26 subsequent settlement documents, this Motion and supporting documents, and will oversee the
27 settlement administration process. *Id.* Given the considerable potential for adverse outcomes in
28 this case, the contingent risk borne by Plaintiff's counsel was great. *Id.* The quality of Plaintiff's

counsel's work, and the efficacy and dedication with which it was performed, should be compensated.

Plaintiff's counsel have over two decades of combined wage-and-hour class and representative action experience and have been certified as class counsel in numerous wage and hour class actions. Haines Decl., ¶¶ 3-9; Blakely Decl., ¶¶ 2-6; Larsen Decl., ¶¶ 2-6. Because it is reasonable to compensate counsel commensurate with their skill, reputation, and experience, a fee award of one-third of the Gross Settlement Amount is reasonable. Other factors show the requested fee is reasonable. This case involved nuanced legal issues, including the legality of DoorKing's timekeeping practices and obligations to "provide" meal and rest periods, as well as the availability and amount of PAGA civil penalties for the alleged Labor Code violations. Haines Decl., ¶ 23. DoorKing was also represented by experienced wage-and-hour litigation counsel. *Id.* Thus, Plaintiff submits the requested fee award is fair, reasonable and adequate and should be approved.

C. The Requested Litigation Costs and Settlement Administration Costs Are Fair, Reasonable, and Adequate

Plaintiff's request for reimbursement of litigation costs of \$10,456.77 is also fair and reasonable. All of Plaintiff's litigation costs are reasonably incurred. *See* Haines Decl., ¶ 27 & Exh. 4. Moreover, the costs Plaintiff seeks are the types of costs routinely approved by courts. *See, e.g., Harris v. Marhoefer*, 24 F.3d 16, 19 (9th Cir. 1994) (counsel should recover "those out-of-pocket expenses that would normally be charged to a fee paying client"); *Ashker v. Sayre*, 2011 WL 825713 at * 3 (N.D. Cal. Mar. 7, 2011) ("costs of reproducing pleadings, motions and exhibits are typically billed by attorneys to their fee-paying clients" and are reimbursable); *Trustees of Const. Industry & Laborers Health and Welfare Trust v. Redland Ins. Co.*, 460 F.3d 1253, 1258-59 (9th Cir. 2006) (legal research costs reimbursable); *In re Immune Response Sec. Litig.*, 497 F.Supp.2d 1166, 1177-78 (S.D. Cal. 2007) (mediation expenses, consultant and expert fees, legal research, copies, postage, filing fees, messenger and overnight delivery costs are reimbursable).

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1 Likewise, the request for administration costs of up to \$3,750.00 is also fair and
2 reasonable. Phoenix was selected because it is an experienced settlement administrator and
3 returned a reasonable bid. *See* Declaration of Jodey Lawrence & Exhibits. Moreover, Phoenix
4 will perform several important functions that are integral to the implementation of the Settlement.
5 *Id.* Its modest requested fee is therefore reasonable.

6 **D. The Court Should Approve Plaintiff's Requested Enhancement Payment**
7 **Because It Is Fair, Adequate, and Reasonable in View of Plaintiff's Efforts**
8 **and the Risks He Assumed in This Litigation**

9 Courts routinely approve enhancement awards to compensate named plaintiffs for the
10 services they provide and the risks they incur during representative litigation. *See, e.g., Bell v.*
11 *Farmers Ins. Exch.*, 115 Cal.App.4th 715, 726 (2004) (upholding "service payments" to named
12 plaintiffs); *Van Vranken v. Atlantic Richfield Co.*, 901 F. Supp. 294 (N.D. Cal. 1995) (approving
13 \$50,000 incentive payment); *see also* Plaintiff's Request for Judicial Notice, Exhs. 1-7 (PAGA
14 settlement approval orders awarding incentive payments to representative PAGA plaintiffs
15 ranging from \$5,000 to \$20,000). Here, Plaintiff seeks an enhancement payment of \$5,000.00.
16 *See* Settlement, § III.4.b. This request is reasonable given Plaintiff's efforts in this case and the
17 risks she undertook on behalf of Aggrieved Employees. Martinez Decl., ¶¶ 3-5. Plaintiff provided
18 substantial factual information and documents to counsel, assisted in identifying potential
19 witnesses, and participated in numerous discussions with Plaintiff's counsel regarding the case.
20 *Id.*; *see also* Haines Decl., ¶ 28. Accordingly, Plaintiff's requested enhancement payment is
21 appropriate and justified as part of the Settlement.

22 **V. CONCLUSION**

23 For the reasons stated herein, Plaintiff respectfully requests that this Court grant
24 Plaintiff's Motion and adopt the [Proposed] Judgment and Order Granting Settlement Approval
25 submitted concurrently herewith.

26 Dated: July 21, 2022

Respectfully submitted,
HAINES LAW GROUP, APC

27 By: 

28 Paul K. Haines
Attorneys for Plaintiff

SETTLEMENT AGREEMENT

This Settlement Agreement ("Settlement Agreement" or "Settlement") is made and entered into between Plaintiff Teresa Martinez ("Plaintiff"), acting in a private attorney general capacity and in an individual capacity, and Defendant DoorKing, Inc. ("Defendant") (collectively, the "Parties").

I. DEFINITIONS

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

1. "Action" means the matter titled *Teresa Martinez v. DoorKing, Inc.*, Los Angeles Superior Court, Case No. 20STCV48063, and as set forth in Plaintiff's correspondence to the California Labor and Workforce Development Agency ("LWDA Letter") dated December 16, 2020.
2. "Aggrieved Employees" consist of all current and former non-exempt employees who worked for Defendant in California at any time during the PAGA Period.
3. "Defendant" means DoorKing, Inc.
4. "Settlement Administrator" means Phoenix Settlement Administrators.
5. "Complaint" means the operative complaint in the Action, which the Parties intend will be the Second Amended Complaint, as described below.
6. "Court" means the Superior Court of California for the County of Los Angeles.
7. "Individual PAGA Payment" means the amount to be paid to each Aggrieved Employee based on the formula described herein.
8. "LWDA" means the California Labor and Workforce Development Agency.
9. "Gross Settlement Amount" is the non-reversionary sum of One Hundred Eighty Thousand Dollars and Zero Cents (\$180,000.00), which represents the total amount payable under this Settlement Agreement by Defendant (subject to the Escalator Clause described below), including, without limitation, payments to all Aggrieved Employees, payment to the LWDA, payment of Plaintiff's attorneys' fees and costs, payment of Plaintiff's enhancement payment, and payment to the Settlement Administrator for administration costs.
10. "Net Settlement Amount" is the amount remaining to distribute to the LWDA and Aggrieved Employees after the following amounts, if approved by the Court, are subtracted from the Gross Settlement Amount: (a) Plaintiff's attorneys' fees up to one-third of the Gross Settlement Amount (currently estimated to be \$60,000.00); (b) Plaintiff's costs up to \$20,000.00; (c) Plaintiff's enhancement payment up to \$5,000.00; and (d) administration costs up to \$10,000.00.

11. "PAGA" means the California Labor Code Private Attorneys General Act, California Labor Code § 2698, *et seq.*

12. "PAGA Period" means the time period from December 16, 2019 through February 18, 2022.

13. "PAGA Released Claims" mean all claims, rights, demands, liabilities and causes of action that arose during the PAGA Period for civil penalties under the PAGA, that were alleged in the Action or that could have been alleged based on the facts alleged in the Action. The PAGA Released Claims include, but are not limited to, claims under the PAGA for civil penalties for alleged violations of Labor Code §§ 201-204, 226, 226.7, 510, 512, 516, 558, 1174, 1182.12, 1194, 1194.2, 1197, 1198; and claims for attorneys' fees, costs, or interest resulting therefrom. The release of the PAGA Released Claims shall extend for the duration of the PAGA Period.

14. "Parties" means, collectively, Plaintiff and Defendant.

15. "Plaintiff's Counsel" means Paul K. Haines, Sean M. Blakely, and Neil Larsen of Haines Law Group, APC.

16. "Released Parties" means Defendant and its former, present and future owners, parents, and subsidiaries, and all of their current, former and future officers, directors, members, managers, partners, shareholders, joint venturers, successors, assigns, accountants, insurers, or legal representatives.

II. RECITALS

1. Plaintiff performed work for Defendant as a non-exempt employee in California during the PAGA Period and alleges she is an Aggrieved Employee.

2. On December 16, 2020, Plaintiff provided written notice to the LWDA and Defendant DoorKing, Inc., asserting claims for civil penalties pursuant to PAGA stemming from alleged violations of various Labor Code sections and her intent to file a civil lawsuit under the PAGA. On that same day, Plaintiff filed a Class Action Complaint alleging the following causes of action: (i) failure to pay overtime wages; (ii) minimum wage violations; (iii) meal period violations; (iv) rest period violations; (v) wage statement penalties; (vi) waiting time penalties; and (vii) unfair competition as a result of the aforementioned violations (Bus. & Prof. Code § 17200 *et seq.*).

3. On February 22, 2021, after exhausting her administrative requirements for bringing a claim under the PAGA, Plaintiff filed a First Amended Class and Representative Action Complaint ("FAC"), adding a cause of action for civil penalties pursuant to the Private Attorneys General Act of 2004 ("PAGA"), California Labor Code § 2698, *et seq.*

4. During the Parties' initial meet and confer efforts, Defendant provided Plaintiff's counsel with a copy of an Arbitration Agreement and class action waiver executed by Plaintiff during her employment with Defendant. Following Plaintiff's counsel's review of the Arbitration Agreement, Plaintiff's counsel concluded that the Arbitration Agreement would likely be found enforceable by the Court as to Plaintiff's individual and class claims, and that the Court would

likely require Plaintiff to dismiss her class claims as a result of the class action waiver. Accordingly, on August 2, 2021, Plaintiff filed a Second Amended Representative Action Complaint ("SAC") in the Action, which dismissed Plaintiff's individual and class claims without prejudice, and alleged a single cause of action for civil penalties under the PAGA.

6. On February 17, 2022, the Parties participated in a private mediation with Lisa Klerman, Esq. With the assistance of Ms. Klerman, the Parties agreed to fully and finally resolve the PAGA Released Claims as to Plaintiff and Aggrieved Employees.

III. OPERATIVE TERMS OF SETTLEMENT AGREEMENT

The Parties agree as follows:

1. **Non-Admission.** Nothing in this Settlement Agreement shall be construed to be an admission by Plaintiff that her claims do not have merit or by Defendant of any liability or wrongdoing as to Plaintiff, Aggrieved Employees or any other person, and Defendant specifically disclaims any such liability or wrongdoing. The Parties have entered into this Settlement Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses and risks. This Settlement Agreement and any related court documents or orders are not and may not be cited or admitted as evidence of liability.

2. **Gross Settlement Amount.** Defendant shall pay One Hundred Eighty Thousand Dollars and Zero Cents (\$180,000.00) as the non-reversionary Gross Settlement Amount. Defendant will not pay more than the Gross Settlement Amount (subject to the Escalator Clause below). Defendant shall deposit the Gross Settlement Amount into a Qualified Settlement Account and agrees to fund the settlement within fifteen (15) calendar days of the Court's Order approving the PAGA settlement.

The Gross Settlement Amount shall be used to pay: (1) Amounts distributable to the LWDA and Aggrieved Employees; (2) Plaintiff's attorneys fees and costs; (3) Plaintiff's enhancement payment; and (4) Settlement administration costs.

3. **Escalator Clause.** Defendant represents that there are approximately 9,150 pay periods worked by Aggrieved Employees in California during the PAGA Period ("Affected Pay Periods"). If the actual number of Affected Pay Periods is more than 10% greater than this number (i.e., if there are more than 10,066 Affected Pay Periods), Defendant shall increase the Gross Settlement Amount in proportion to the increase in Affected Pay Periods (e.g., if the number of Affected Pay Periods is 12% greater than 9,150, Defendant will increase the Gross Settlement Amount by 12%).

4. **Net Settlement Amount.** The Parties agree that the following amounts should be subtracted from the Gross Settlement Amount, if approved by the Court, resulting in a Net Settlement Amount to distribute to the LWDA and Aggrieved Employees:

a. **Plaintiff's Attorneys' Fees and Costs.** Defendant will not oppose Plaintiff's request for attorneys' fees in the amount up to one third of the Gross Settlement Amount (currently estimated to be \$60,000.00) and costs up to \$20,000.00 incurred in prosecuting this Action. In the event the Court approves less than these amounts, the difference

will be added to the Net Settlement Amount (although Plaintiff may appeal an order granting less than the full amount sought for attorneys' fees and costs). Defendant, via the Settlement Administrator, will report these payments on IRS Form 1099 issued to Plaintiff's Counsel.

b. Plaintiff's Enhancement Payment. Defendant will not oppose Plaintiff's request for an enhancement payment of up to \$5,000.00 for serving as the representative plaintiff in this Action. In the event the Court approves a payment of less than the requested amount, the difference will be added to the Net Settlement Amount (although Plaintiff may appeal an order granting less than the full amount sought for Plaintiff's enhancement payment). Defendant, via the Settlement Administrator, will report this payment on IRS Form 1099 issued to Plaintiff.

c. Administration Costs. Defendant will not oppose the Settlement Administrator's costs in the amount up to \$10,000.00 for administering the settlement. In the event the Court approves a payment of less than this amount, the difference will be added to the Net Settlement Amount. Defendants, via the Settlement Administrator, will report this payment on IRS Form 1099 issued to the Settlement Administrator.

5. Allocation of Net Settlement Amount. One hundred percent (100%) of the Net Settlement Amount shall be designated as "civil penalties" and shall be distributed 75% to the LWDA and 25% to Aggrieved Employees, pursuant to Labor Code § 2699(i). The 25% portion to be paid to Aggrieved Employees shall be paid to all Aggrieved Employees pro rata based on the number of pay periods worked by each Aggrieved Employee during the PAGA Period.

a. The Parties agree that should the Court deny approval of the Settlement based on the allocation of the Gross Settlement Amount or the Net Settlement Amount, the Parties agree to re-negotiate in good faith in an effort to obtain approval of the Settlement.

6. PAGA Released Claims. Plaintiff agrees that upon entry of an Order approving the Settlement, and upon the Settlement being fully funded, Plaintiff and all Aggrieved Employees will release the PAGA Released Claims against the Released Parties that arose during the PAGA Period. Upon entry of the Order approving the settlement and judgment entered thereon and the Settlement being fully funded, Plaintiff and all Aggrieved Employees will be forever barred from pursuing any and all of the PAGA Released Claims that arose during the PAGA Period against the Released Parties.

7. Plaintiff's Release of Claims. The named Plaintiff will release Released Parties from any and all claims she has or may have against Released Parties at this time and will waive any and all rights she have or may have under California Civil Code § 1542.

Plaintiff expressly waives and relinquish all rights and benefits afforded by Section 1542 of the Civil Code of the State of California and does so understanding and acknowledging the significance of such specific waiver of Section 1542. Section 1542 of the Civil Code of the State of California states as follows:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by HIM or her must have materially affected his or her settlement with the debtor or released party.

Plaintiff, being aware of this section, hereby expressly waives and relinquishes all rights and benefits she may have under it, as well as under any other statutes or common law practices of similar effect.

However, excluded from Plaintiff's general release are any claims for workers compensation, unemployment insurance, or any other claims that cannot be waived by law.

This waiver does not apply to any actions or claims which may arise after execution of this agreement.

8. **Covenants and Representations by Plaintiff and Plaintiff's Counsel.**

a. Plaintiff represents and warrants that she has not assigned or transferred or purported to assign or transfer to any person or entity, any claim or portion thereof, or interest therein, which is or may be subject to this Settlement Agreement.

b. Plaintiff acknowledges that she has read this Settlement Agreement, that she fully understands her rights, privileges and duties under the Settlement Agreement, and enters into this Settlement Agreement freely and voluntarily. Plaintiff further acknowledges that she has had the opportunity to consult with her attorneys to explain the terms of this Settlement Agreement and the consequences of signing this Settlement Agreement.

9. **Confidentiality.** Except as provided below to the extent necessary to effectuate the settlement or as required by court or legal process, Plaintiff and Plaintiff's Counsel will keep the terms of this Settlement Agreement confidential. Neither Plaintiff nor Plaintiff's Counsel shall issue a press release, hold a press conference, publish information about the settlement on any website or through any social media or otherwise publicize the settlement or communicate its terms in public or in private, unless ordered by the Court. However, for the limited purpose of establishing adequacy of counsel in future actions, Plaintiff's counsel may reference the Action by name and case number in a declaration establishing adequacy as class or representative counsel.

To permit judicial review and approval of the Settlement, as required by Labor Code section 2698, *et seq.*, Plaintiff's Counsel will file the Settlement Agreement with the Court and submit the Settlement to the LWDA as part of the Parties' seeking Court approval of the Settlement, per Labor Code § 2699(1)(2).

10. **Motion for Approval of PAGA Settlement by Plaintiff's Counsel.** Plaintiff's Counsel shall be responsible for preparing and filing the Motion for Approval of the PAGA Settlement.

11. **Termination of Settlement Agreement.** If the Court does not approve the settlement, if the Court does not enter judgment as provided for in this Settlement Agreement, or if appellate review is sought and, on such review, the Court's decision is materially modified or reversed, or if one or more of the material terms of the Settlement Agreement is not approved or is materially modified or reversed or found to be invalid, then either of the Parties shall have the right within 10 days of written notice thereof to elect to terminate the Settlement Agreement, in which case the Settlement Agreement shall have no force or effect, and the Parties shall be

deemed to have reverted to their respective status as of the date and time immediately prior to the execution of this Settlement Agreement.

12. **Judgment.** As part of the Motion to approve the Settlement, Plaintiff shall submit a proposed judgment which enters judgment in the Action in accordance with the terms of the Settlement, retains jurisdiction over the Action under Cal. Code Civ. Proc. § 664.6 for the purpose of enforcing the terms of the Settlement following approval of the Settlement, and enjoins the prosecution of any of the PAGA Released Claims against any of the Released Parties upon the judgment being entered and the Settlement being fully funded. This Settlement Agreement is expressly conditioned upon the Court entering judgment as set forth herein. The judgment will not release or bar any claims other than the PAGA Released Claims as to Plaintiff and Aggrieved Employees.

IV. ADMINISTRATION OF SETTLEMENT

1. **Settlement Administrator.** The Parties agree to engage Phoenix Settlement Administrators to handle the administration of this settlement.

2. **Provision of Information for Aggrieved Employees.** Within five (5) business days after entry of an order approving the settlement, Defendant shall provide the Settlement Administrator with information for Aggrieved Employees. Defendant will in good faith compile from its records a list of Aggrieved Employees that will be in a computer-readable format, such as a Microsoft Excel spreadsheet, and shall include each Aggrieved Employee's full name, last known mailing address, last known telephone number, number of Affected Pay Periods worked during the PAGA Period, and Social Security numbers to the extent available from Defendant's records. Because Social Security numbers are included in the list, the Settlement Administrator will maintain the list in confidence, and access shall be limited to those with a need to use the list as part of the administration of the Settlement. Within the same 5 business-day period, Defendant shall also send Plaintiff's Counsel a redacted list of Aggrieved Employees with Affected Pay Period information, so that Plaintiff's Counsel can determine whether the Escalator Clause has been triggered. Within 7 calendar days of receiving the Aggrieved Employees' information from Defendant, the Settlement Administrator will circulate to counsel for both Parties an anonymized spreadsheet containing the Individual PAGA Payments to each Aggrieved Employee and the data used to calculate said payments. The Settlement Administrator shall obtain approval from all counsel of the calculations before mailing Individual PAGA Payments.

3. **Explanatory Letter and Individual PAGA Payments.** Upon receipt of the information for Aggrieved Employees, the Settlement Administrator will perform a search on the National Change of Address database to update the Aggrieved Employees' addresses. Within twenty-one (21) calendar days after the Settlement has been fully funded and after receiving approval from Plaintiff's Counsel and Defendant's counsel of the payment calculations as provided above, the Settlement Administrator shall mail copies of the explanatory letter, which has been mutually approved by the Parties and is attached hereto as **Exhibit A**, in English and Spanish, along with Individual PAGA Payments to all Aggrieved Employees via regular First Class U.S. Mail.

The Settlement Administrator will calculate the amount to be received by each Aggrieved Employee, which will be based on the formula set forth in Section III.5., *supra*. The

Settlement Administrator will send each Aggrieved Employee a check for his or her Individual PAGA Payment along with the explanatory letter. Checks will remain negotiable for 180 days. Each Individual PAGA Payment shall be deemed penalties and reported using IRS Form 1099, with no withholdings taken.

4. **Undeliverable Notices.** The Settlement Administrator shall exercise its best judgment to determine the current mailing address for each Aggrieved Employee. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Aggrieved Employee.

Any checks returned as non-deliverable on or before the check cashing deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace or other reputable search method using the name, address or Social Security number of the Aggrieved Employee involved, and will perform up to a single re-mailing if a new address is located.

Funds represented by checks returned as undeliverable after a re-mailing, checks for whom the Settlement Administrator could not locate an updated address after performing a skip trace, and funds represented by checks remaining un-cashed more than 180 days after issuance (collectively, "Uncashed Checks"), shall escheat to the California State Controller's Office for deposit in the Unclaimed Property Fund, in the name of the Aggrieved Employee.

5. **Distribution of Payments.** Within twenty-one (21) calendar days of the Settlement being fully funded, the Settlement Administrator shall issue payments to: (1) Aggrieved Employees; (2) the LWDA; (3) Plaintiff's Counsel for Plaintiff's Counsel's Court-approved attorneys' fees and litigation costs and expenses; (4) Plaintiff for the Court-approved enhancement payment and (5) the Settlement Administrator for Court-approved Settlement administration costs incurred in connection with the Settlement. Payments made by Defendant pursuant to this Settlement shall be held by the Settlement Administrator in an interest-bearing account until they are disbursed, with any accrued interest inuring to the benefit of the Aggrieved Employees in the form of pro rata increases to Aggrieved Employees' Individual PAGA Payments.

6. **Accounting.** Within forty-five (45) days after all payments have been made under the Settlement, the Settlement Administrator will provide an accounting under oath to the Parties of the amounts paid from the settlement.

7. **Tax Consequences.** Neither Plaintiff nor Defendant, nor counsel for either of the Parties, makes any representations or warranties with respect to tax consequences of any payment under this Settlement Agreement.

V. MISCELLANEOUS PROVISIONS

1. **Drafting.** The Parties agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive, arm's-length negotiations between the Parties and that neither Party shall be considered the "drafter" of this Settlement Agreement for purposes of having terms construed against that Party.

2. **Successors.** This Settlement Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators and successors.

3. **Costs and Fees.** The Parties shall each bear their own costs and attorneys' fees incurred in connection with this Settlement Agreement, the Action and Plaintiff's claims, except as otherwise set forth specifically herein.

4. **Governing Law.** This Settlement Agreement shall be construed under and governed by the laws of the State of California. This Settlement Agreement shall be deemed to have been entered into in Los Angeles, California, and all questions of validity, interpretation or performance of any of its terms or of any rights or obligations of the Parties to this Settlement Agreement shall be governed by California law. If any legal or equitable action is necessary to enforce the terms of this Settlement Agreement, it shall be brought in the State of California, County of Los Angeles.

5. **Complete Agreement.** The Parties each acknowledge and represent that no promise or representation not contained in this Settlement Agreement has been made to them with respect to the subject matter of this Settlement Agreement, and acknowledge and represent that this Settlement Agreement contains the entire understanding between them and contains all terms and conditions pertaining to the compromise and settlement of the PAGA claim in the Action.

6. **Nullification of Settlement Agreement.** In the event that: (i) the Court does not approve the settlement as provided herein; or (ii) the settlement does not become final for any other reason, then this Settlement Agreement and any documents generated to bring it into effect, will be null and void, and the Parties will be returned to their respective positions before the Settlement was executed.

7. **Judgment and Continued Jurisdiction.** As noted above, after approval of this settlement, the Court will have continuing jurisdiction under Cal. Code Civ. Proc. § 664.6 for purposes of addressing: (i) the interpretation and enforcement of the terms of the settlement, (ii) settlement administration matters, and (iii) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement Agreement.

8. **Amendment or Modification.** This Settlement Agreement may be amended or modified only by a written instrument, signed by either the Parties or their successors-in-interest, or by counsel for all Parties.

9. **Authorization to Enter into Settlement Agreement.** Counsel for all Parties warrant and represent that they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this settlement, the Parties may seek the

assistance of the mediator (Lisa Klerman, Esq.) or the Court to resolve such disagreement.

10. **Execution and Counterparts.** This Settlement Agreement is subject only to the execution of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All executed counterparts, and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange among themselves original signed counterparts.

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

12. **Invalidity of Any Provision.** Before declaring any provision of this Settlement Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent with applicable precedents, so as to define all provisions of this Settlement Agreement valid and enforceable.

13. **Severability.** If any term or provision of this Settlement Agreement is held to be invalid or unenforceable, the remaining portions of this Settlement Agreement will continue to be valid and will be performed, construed and enforced to the fullest extent permitted by law, and the invalid or unenforceable term will be deemed amended and limited in accordance with the intent of the Parties, as determined from the face of the Agreement, to the extent necessary to permit the maximum enforceability or validation of the term or provision.

14. **Waiver.** No waiver of any condition or covenant contained in this Settlement Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such Party of the same or any other condition, covenant, right or remedy.

15. **Enforcement Action.** In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement Agreement or to declare rights and/or obligations under this settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

16. **Mutual Preparation.** The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one Party merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

17. **Representation by Counsel.** The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement

Agreement, and this Settlement Agreement has been executed with the consent and advice of counsel, and reviewed in full.

18. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement.

19. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this settlement, and further intend that this Settlement Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

IN WITNESS THEREOF, the Parties each acknowledge that he/it has read the foregoing Settlement Agreement, accepts and agrees to the provisions contained in this Settlement Agreement and hereby executes it voluntarily and with full understanding of its consequences.

Dated: 6-7, 2022

Teresa Martinez
Teresa Martinez, Plaintiff

DOORKING, INC.

Dated: 6/10, 2022

Suzanne Richmond
By: SUZANNE RICHMOND
Its: SECRETARY

APPROVED AS TO FORM:

Dated: June 7, 2022

HAINES LAW GROUP, APC

By: P. H.
Paul K. Haines
Attorneys for Plaintiff

Dated: , 2022

LAW OFFICE OF SUSAN A. RODRIGUEZ

By:
Susan A. Rodriguez
Attorneys for Defendant

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Dated: 6.7, 2022

TERESA MARTINEZ
Teresa Martinez, Plaintiff

Dated: 6/10, 2022

DOORKING, INC.

Suzanne Richmond
By: SUZANNE RICHMOND
Its: SECRETARY

APPROVED AS TO FORM:

Dated: June 7, 2022

HAINES LAW GROUP, APC

By: P. H.
Paul K. Haines
Attorneys for Plaintiff

Dated: 6/10, 2022

LAW OFFICE OF SUSAN A. RODRIGUEZ

By: Susan A. Rodriguez
Susan A. Rodriguez
Attorneys for Defendant

EXHIBIT A

Re: Payment from Teresa Martinez v. DoorKing, Inc.
Superior Court of California Los Angeles County; Case No. 20STCV48063

Date: [REDACTED]/[REDACTED]/2022

SIMID
Name
Address

Dear Name:

Enclosed, please find a check made payable to you. This is your payment from the settlement of a lawsuit titled *Teresa Martinez v. DoorKing, Inc.*, Los Angeles Superior Court, Case No. 20STCV48063, pending in the Superior Court of the State of California for the County of Los Angeles (the “Action”).

The Action was filed against Defendant DoorKing, Inc. (“Defendant”) and includes a claim pursuant to the California Labor Code Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq.* (“PAGA”). The Action was brought by Plaintiff Teresa Martinez (“Plaintiff”) on behalf of the State of California and other alleged aggrieved employees. You have been identified as one of the employees on whose behalf the case was brought.

In the lawsuit, Plaintiff claimed that Defendants violated the California Labor Code by failing to pay minimum wages, failing to pay overtime wages, failing to provide meal periods, failing to authorize and permit rest periods, failing to provide employees with itemized wage statements, and failing to timely pay final wages. Defendant vehemently disputes all of Plaintiff’s allegations and denies that it engaged in any of the alleged misconduct. The Parties have reached a settlement of Plaintiff’s representative PAGA claims, and on [DATE], the Court approved the settlement, including the amount of civil penalties to be paid under the settlement. A portion of the civil penalty settlement amount goes to the State of California’s Labor and Workforce Development Agency. Another portion of the civil penalty settlement amount goes to employees of Defendant who were allegedly affected by the alleged violations of the Labor Code. In agreeing to enter into this settlement, Defendant does not admit that it is liable in any way to current or former employees for any violations of the California Labor Code, or any penalties, and has denied and disputed all of Plaintiff’s contentions. The Court has not decided the merits of Plaintiff’s claims or Defendant’s defenses.

Pursuant to the settlement, enclosed is a check for your share of a portion of the civil penalties. This check will remain valid for 180 days from the date of issuance. Please note that no deductions/withholdings have been made from your settlement payment, and you will be responsible for any tax consequences arising from your receipt of the same (for which an IRS Form 1099 will issue). If you do not cash your check within 180 days of issuance, the funds will be deposited by the Settlement Administrator with the California State Controller to be deposited in the Unclaimed Property Fund in your name. If you are still employed by Defendants, your decision to cash the check will not affect your employment in any way.

While you were not a party to the Action, you and the State of California have been bound by the settlement entered in this matter and approved by the Court, including the release contained in the settlement. The release pertains to civil penalties under PAGA only. The release includes all claims under the PAGA that were alleged in, or could have been alleged based on the facts alleged in, Plaintiff’s complaint in the Action, including claims for civil penalties, attorneys’ fees, costs, or interest under the PAGA based on Defendants’ alleged failure to pay overtime, alleged failure to pay all minimum wages, alleged failure to provide proper meal periods, alleged failure to authorize and permit rest periods, alleged failure to furnish accurate wage statements, and alleged failure to timely pay final wages, during the time period December 16, 2019 through February 18, 2022 (the “PAGA Period”).

If you have any questions, you can contact , the Settlement Administrator, at 1- - .