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Attorneys for Plaintiffs, CARLOS FIGUEROA, and FELIPE
SANDOVAL, individually, and on behalf of similarly
situated employees

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

CARLOS FIGUEROA, and FELIPE
SANDOVAL, individually, and on behalf of
similarly situated employees,

Plaintiffs,

v.

GLORIA LANCE, INC., and DOES 1 -100,
inclusive,

Defendants.

) Case No. 21STCV14431 [UNLIMITED
) CASE, CLASS ACTION]
)
) [Assigned to Honorable Carolyn B. Kuhl
) Department: 12]
)
) **DECLARATION OF STEPHEN M.
) HARRIS SUPPORTING APPLICATION
) FOR ORDER DISMISSING, WITHOUT
) PREJUDICE, THE REPRESENTATIVE
) CLAIMS UNDER PAGA, AND
) DISMISSING WITH PREJUDICE
) PLAINTIFFS REMAINING
) INDIVIDUAL CLAIMS, AND
) APPLICATION FOR ORDER
) PERMITTING FILING OF
) CONFIDENTIAL SETTLEMENT
) AGREEMENT UNDER SEAL**

Date Filed: April 15, 2021
Trial Date: NONE

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1 employees in April of 2020, but ultimately Defendant announced via a letter that it had made a
2 General Assignment for the Benefit of Creditors (“ABC”) on October 19, 2021. The Parties
3 vacated the scheduled mediation on November 10, 2021. An involuntary petition was filed against
4 Defendant for Chapter 7 bankruptcy on January 12, 2022, but this petition was later dismissed due
5 to the ABC proceeding.

6 7. In March of 2022, Plaintiffs made a demand to submit to arbitration all individual claims
7 which were covered by insurance, excluding the PAGA claim, and excluding the wage and hour
8 claims. It was Plaintiffs’ position that their individual wage and hour claims were embraced by the
9 ABC proceeding. On March 8, 2022, Plaintiff raised their individual wage and hour claims in the
10 ABC proceeding. Defendant asserted that the ABC was not a proper venue for the individual wage
11 and hour claims as Plaintiffs are not creditors because they had no judgment and could not obtain a
12 judgment for such claims outside of arbitration, given the arbitration agreements. However,
13 Plaintiffs disagreed with this position.

14 8. On November 18, 2022, Defendant filed a Motion To Compel Arbitration Of Claimant
15 Carlos Figueroa’s Ninth Cause Of Action For PAGA Violations And To Dismiss Or, In The
16 Alternative, Stay The Proceedings Pending Arbitration. On January 11, 2023, the court granted the
17 motion to compel arbitration of Figueroa’s individual PAGA claim, and stayed Figueroa’s non-
18 individual PAGA claims pending a decision by the California Supreme Court in *Adolph v. Uber*
19 *Technologies*, California Supreme Court Case No. S274671.

20 9. The individual FEHA, PAGA, and wrongful termination claims proceeded to arbitration
21 before Judge Russell Hom (Ret.) with Judicate West. The Parties completed their first Case
22 Management Conference on October 10, 2022. The Parties attended a private mediation on
23 November 3, 2023, and resolved Plaintiffs individual claims.

24 10. Gloria Lance did have a policy of insurance providing coverage for the wrongful
25 termination allegations, and thus Plaintiffs were able to achieve a confidential settlement of the
26 claims they brought in arbitration due to the existence of these available insurance proceeds.
27 However, the resolution involved a compromise of highly disputed claims. (Plaintiffs have filed the
28 settlement agreement conditionally under seal, as exhibit 1, and request an order authorizing filing
the agreement under seal.)

11. Claims worth \$2,400,000.00 were made in the ABC proceeding, while the assets available
for creditors totaled \$300,000.00. Thus, Plaintiffs were compelled to accept a modest settlement of
their individual wage and hour claims which were brought in the ABC proceeding, with the

1 resolution involving an agreement to accept 12.26% of what was agreed to be a \$100,000 claim. A
2 true and correct copy of this Agreement is attached as exhibit 2. Since Plaintiffs' claims had not
3 been reduced to a judgment, and due to the existence of numerous claims by other creditors, this
4 was the best result which could be achieved regarding Plaintiffs individual wage and hour claims.

5 12. Plaintiffs were unable to obtain any recovery for the PAGA claims asserted on behalf of the
6 aggrieved employees, since Gloria Lance is no longer in business, the ABC proceeding did not
7 provide an available avenue of recovery, and since there was no policy of insurance providing
8 coverage for such claims. Moreover, the resolution of Plaintiffs claims pending in arbitration is
9 contingent on a dismissal of this proceeding.

10 13. The PAGA period (during February of 2020 to October of 2021) covered a total of 35
11 employees with an average of 17 employees per pay period. Moreover, the PAGA allegations were
12 disputed, with Defendant asserting (correctly) that its meal and rest period policies were compliant,
13 and denying that Plaintiffs or other employees had worked off the clock. Further, Defendant was
14 able to demonstrate from Plaintiffs' personnel files that sick time was not denied, and that Plaintiffs
15 were reimbursed for using their personal vehicles during work hours. (The remaining PAGA claims
16 were derivative.)

17 14. Prevailing on the PAGA claims thus would have posed serious hurdles.

18 15. Gloria Lance employees have not been relying on this action to advance their interests,
19 since they have not been notified of its existence, and counsel for Plaintiffs has not communicated
20 with them directly. Moreover, since the dismissal of the PAGA claims is to be without prejudice,
21 aggrieved employees will not be prejudiced.

22 16. Plaintiffs request dismissal with prejudice of their remaining individual claims in the
23 lawsuit.

24 17. Here, the parties have entered into a confidential settlement, the details of which are set
25 forth in the attached exhibit 1, filed conditionally under seal. Ultimately, the parties were able to
26 resolve the claims of the named Plaintiffs based on the terms set forth in the Agreement, and the
27 separate agreement in the ABC proceeding, attached as exhibit 2. The claims of the individual
28 Plaintiffs are to be dismissed with prejudice, while the PAGA claims are to be dismissed without
prejudice.

18. The resolution is a fair means of concluding this matter. The aggrieved employees are not

1 prejudiced by this resolution since they have not been notified of this case and thus are not relying
2 upon it for resolution of their claims. Moreover, Gloria Lance went out of business, and initiated
3 the ABC proceeding, and there is no source of funds available for resolution of the PAGA claims
4 on behalf of the aggrieved employees.

5 I declare under penalty of perjury, under the laws of the State of California, that the
6 foregoing is true and correct, and that I executed this declaration on February 12, 2024, in
7 Woodland Hills, California.

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9 /s/ Stephen M. Harris
10 STEPHEN HARRIS
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PROOF OF SERVICE
Figueroa v. Gloria Lance
Case No. 21STCV14431

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES:

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and am not a party to the within action. My business address is 6320 Canoga Avenue, Suite 1500, Woodland Hills, California 91367. On February 12, 2024, I caused the foregoing document(s) described as APPLICATION FOR APPROVAL AND REQUEST TO PERMIT SETTLEMENT AGREEMENT TO BE FILED UNDER SEAL to be served on the interested parties in this action as follows:

By placing a true copy thereof enclosed in a sealed envelope(s) addressed as stated on the attached mailing list.

☒ **BY ELECTRONIC SUBMISSION:** I served the above listed document(s) described via CASE ANYWHERE on the designated recipients via electronic transmission through the CASE ANYWHERE web site. CASE ANYWHERE will generate a Notice of Electronic Service (NES) to the serving party and any registered users in the case. The NES will constitute service of the document(s). Registration as a CASE ANYWHERE user constitutes consent to electronic service through the CASE ANYWHERE'S transmission facility.

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

Executed on February 12, 2024, at Woodland Hills, California.

Stephen M. Harris
(Type or print name)

/s/ Stephen M. Harris

(Signature)

SERVICE LIST
Figueroa v. Gloria Lance
Case No. 21STCV14431

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Attorneys for Plaintiffs Carlos Figueroa and
Felipe Sandoval, individually, and on behalf of
all other aggrieved employees

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Department of Industrial Relations
Accounting Unit
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) Case No. 21STCV14431 [UNLIMITED
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)
) [Assigned to Honorable Carolyn B. Kuhl
) Department: 12]
)
) **EXHIBIT 1 TO DECLARATION OF**
) **STEPHEN M. HARRIS**
) **(CONFIDENTIAL SETTLEMENT**
) **AGREEMENT OF THE PARTIES)**
) **LODGED WITH THE COURT**
) **(THAT IS, FILED CONDITIONALLY**
) **UNDER SEAL) IN SUPPORT OF**
) **PLAINTIFFS APPLICATION FOR**
) **APPROVAL OF THEIR RESOLUTION**
) **OF THIS CASE AND IN SUPPORT OF**
) **PLAINTIFFS APPLICATION FOR**
) **FILING OF THE SETTLEMENT**
) **AGREEMENT UNDER SEAL**

Date Filed: April 15, 2021
Trial Date: NONE

PROOF OF SERVICE
Figueroa v. Gloria Lance
Case No. 21STCV14431

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES:

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By placing a true copy thereof enclosed in a sealed envelope(s) addressed as stated on the attached mailing list.



BY ELECTRONIC SUBMISSION: I served the above listed document(s) described via CASE ANYWHERE on the designated recipients via electronic transmission through the CASE ANYWHERE web site. CASE ANYWHERE will generate a Notice of Electronic Service (NES) to the serving party and any registered users in the case. The NES will constitute service of the document(s). Registration as a CASE ANYWHERE user constitutes consent to electronic service through the CASE ANYWHERE'S transmission facility.

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Executed on February 12, 2024, at Woodland Hills, California.

Stephen M. Harris
(Type or print name)

/s/ Stephen M. Harris

(Signature)

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EXHIBIT 2

**SETTLEMENT AGREEMENT RELATING TO ASSIGNMENT FOR
BENEFIT OF CREDITORS PROCEEDING**

This Settlement and Release Agreement (the “Agreement”) is entered into between Counsel for Carlos Figueroa, and Felipe Sandoval (“Claimants”), on the one hand, and David S. Hagen of the Law Offices of David S. Hagen, the Assignee for the Benefit of Creditors of Gloria Lance, Inc.

BACKGROUND OF THIS AGREEMENT AND RECITALS

A. On October 18, 2021, Gloria Lance, Inc. made a General Assignment for the Benefit of Creditors (“ABC”) to David S. Hagen as Assignee.

B. Claimants submitted a Claim Form in January of 2022, without prejudice to the legal remedies they were pursuing in court and arbitration.

C. Claimants have pending an arbitration proceeding against Gloria Lance, as well as a superior court lawsuit.

D. Without admission of fault or liability on the part of any Party, and to avoid the cost and time of further ABC proceedings, the Parties now desire to settle the claims raised in the ABC, without prejudice to the claims in the superior court lawsuit or arbitration proceedings, and in accordance with the terms and conditions set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and other benefits hereinafter set forth, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Claimants agree to accept the sum of \$12,260.00 which has been calculated as 12.26% of the value of their ABC claim, that is, 12.26% of \$100,000.

2. The payment of this resolution, \$12,260.00, shall be made payable to the Law Offices of Stephen M. Harris, P.C., Attorney-Client Trust Account, and shall be disbursed in accordance with the legal services Agreement between Claimants and the Law Offices of Stephen M. Harris, P.C.

3. Counsel for Claimants and Claimants agree that the payment of \$12,260.00 shall be a full and final satisfaction of any claim they have in the ABC proceeding, without prejudice to any claim they have in the arbitration proceeding they have initiated against Gloria Lance, or the superior court lawsuit, and without prejudice to any claim that they have against the proceeds of Gloria Lance's insurance policy.

4. The settlement payment shall be mailed to Stephen M. Harris of the Law Offices of Stephen M. Harris, P.C., 6320 Canoga Avenue, Suite 1500, Woodland Hills, California, 91367.

5. This Agreement represents the complete and exclusive statement of the entire Agreement between the Parties and supersedes all prior and

contemporaneous promises and agreements of any kind, as well as all negotiations and discussions between the Parties hereto and/or their respective legal counsel with respect to the subject matters covered hereby. No other agreements, covenants, representations or warranties, express or implied, oral or written, have been made by any of the Parties hereto concerning the subject matter hereof. This is an integrated agreement.

6. This Agreement shall be governed and construed in accordance with the laws of the State of California, excluding its choice of law rules, and shall be binding upon the Parties hereto and their respective successors and assigns.

7. In the event that any clause, provision or paragraph of this Agreement is found to be void, invalid or unenforceable, such finding shall have no effect on the remainder of this Agreement, which shall continue to be in full force and effect. Each provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

8. This Agreement is intended to be binding and enforceable pursuant to Code of Civil Procedure section 664.6. Moreover, this Agreement shall be admissible in any proceeding to enforce the terms thereof, if necessary, and the prevailing party in any such proceeding shall be entitled to recover costs, including reasonable attorneys' fees, incurred thereby. By virtue of the foregoing language and pursuant to Evidence Code section 1123(b), this written Agreement is intended to be binding and enforceable.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement.

DATED:

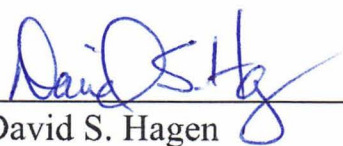
11-9-23



Stephen M. Harris
Law Offices of Stephen M. Harris, P.C.,
counsel for Claimants

DATED:

11-3-2023

By: 

David S. Hagen
Law Offices of David S. Hagen
Assignee