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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN BERNARDINO

ROBERTO NAVARRO, as an individual and
on behalf of all others similarly situated,

Plaintiff,

vs.

PRIME CONVERTING CORPORATION, a
California Corporation; and DOES 1 through
100,

Defendants.

Case No.: CIVSB2106868

*[Assigned for all purposes to the Hon. David
Cohn; Dept. S-26]*

**DECLARATION OF PAUL K. HAINES
IN SUPPORT OF PLAINTIFF'S
MOTION FOR PRELIMINARY
APPROVAL OF CLASS ACTION
SETTLEMENT**

Date: October 21, 2022
Time: 10:00 a.m.
Dept.: S-26

Action filed: February 26, 2021
Trial date: None set

DECLARATION OF PAUL K. HAINES

I, PAUL K. HAINES, declare as follows:

1. I am the principal of Haines Law Group, APC, and counsel for the named Plaintiff Roberto Navarro (“Plaintiff”) and the proposed Settlement Class in the above-captioned matter. I am a member in good standing of the bar of the State of California and am admitted to practice in this Court. I have personal knowledge of the facts stated in this declaration and could testify competently to them if called upon to do so.

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

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

4. During my employment at Littler Mendelson, I played a significant role in the class actions that I was staffed on, as I was often the only associate staffed on such cases. In particular, I received a wide array of wage and hour class action experience performing the following types of tasks: drafting demurrers, motions to strike, and motions to dismiss; removing actions from state court to federal court; drafting and responding to written discovery; drafting and opposing discovery related motions; arguing discovery related motions; drafting motions to consolidate related matters; interviewing putative class members and obtaining declarations in connection with class certification; drafting oppositions to motions for class certification; drafting motions for decertification following class certification; conducting exposure analyses

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

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

18 6. In July 2012, I transitioned into litigating wage and hour class actions from the
19 Plaintiff’s side, first as a Partner with the law firm of Boren, Osher & Luftman, LLP, and since
20 February 2016, as a Shareholder of the Haines Law Group, APC. Currently, over ninety percent
21 (90%) of my practice is dedicated exclusively to the prosecution of wage and hour class actions,
22 and I am currently responsible for prosecuting over thirty (30) wage and hour class actions filed
23 in both State and Federal courts throughout California. Below are some of the matters in which
24 I have been appointed as Class Counsel, all of which have been granted final approval: *Hilberger*
25 *v. Eisenhower Medical Center*, Case No. INC1204915, California Superior Court, County of
26 Riverside, Honorable Judge John G. Evans, presiding, (in which I was approved for an hourly
27 rate of \$500 for work performed in 2012 and 2013); *Lopez v. Cornucopia Tools and Plastics,*
28 *Inc.*, Case No. CV138049, California Superior Court, County of San Luis Obispo, Honorable

Judge Martin J. Tangeman, presiding, (in which I was approved for an hourly rate of \$425 for work performed in 2013 and 2014); *Tacker v. Compass Health, Inc.*, Case No. CV13-02261 BRO (JCG), United States District Court, Central District of California, Honorable Judge Beverly Reid O'Connell, presiding, (in which I was approved for an hourly rate of \$500 for work performed in 2013 and 2014); *Noell v. American Professional Ambulance Corporation, Inc.*, Case No. BC499345, California Superior Court, County of Los Angeles, Honorable Judge Kenneth R. Freeman, presiding, (in which I was approved for an hourly rate of \$500 for work performed in 2013 and 2014); *Bautista v. Harvest Management Sub LLC*, Case No. CV12-10004 FMO (CWx), United States District Court, Central District of California, Honorable Judge Fernando M. Olguin, presiding (in which I was approved for an hourly rate of \$500 for work performed in 2012, 2013 and 2014); *Davila v. OCB Restaurant Co.*, Case No. CV13-5403 PA (JCG), United States District Court, Central District of California, Honorable Judge Percy Anderson, presiding (in which I was approved for an hourly rate of \$500 for work performed in 2013 and 2014); *Abad v. Waste Connections, Inc.*, Case No. CV12-06708 DDP (PJWx), United States District Court, Central District of California, Honorable Judge Dean D. Pregerson, presiding (in which I was approved for an hourly rate of \$500 for work performed in 2013 and 2014); *Plantillas v. Snap-On Incorporated*, Case No. CV13-05153 DDP (VBKx), United States District Court, Central District of California, Honorable Judge Dean D. Pregerson, presiding (in which I was approved for an hourly rate of \$500 for work performed in 2013 and 2014); *Theodore v. Keyes European, LLC*, Case No. BC521395, California Superior Court, County of Los Angeles, Honorable Judge Elihu Berle, presiding (in which I was approved for an hourly rate of \$500 for work performed in 2013 and 2014); *Morales v. Sunset Tower Hotel LLC*, Case No. BC511924, California Superior Court, County of Los Angeles, Honorable Judge John Shepard Wiley Jr., presiding (in which I was approved for an hourly rate of \$500 for work performed in 2013 and 2014); *Gonzalez v. Universal Alloy Corp.*, Case No. SACV13-00807 JVS (MRWx), United States District Court, Central District of California, Honorable Judge James V. Selna, presiding (in which I was approved for an hourly rate of \$500 for work performed in 2013 and 2014); *Morawski v. Milt Guggia Enterprises, Inc.*, Case No. CV13-2349 ABC (RZx), United States District Court, Central

1 District of California, Honorable Judge Andre Birotte, Jr., presiding (in which I was approved
2 for an hourly rate of \$500 for work performed in 2013 and 2014); *Thorp v. Alcal Industries, Inc.,*
3 *et al.*, Case No. CV13-02289 YGR, United States District Court, Northern District of California,
4 Honorable Judge Yvonne Gonzalez Rogers, presiding (in which I was approved for an hourly
5 rate of \$500 for work performed in 2013 and 2014); *Myles v. College Hospital*, Case No.
6 BC487206, California Superior Court, County of Los Angeles, Honorable Judge John Shepard
7 Wiley, Jr., presiding (in which I was approved for an hourly rate of \$500 for work performed in
8 2013, 2014 and 2015); *Sarinana v. DS Waters of America, Inc.*, Case No. C13-0905 EMC, United
9 States District Court, Northern District of California, Honorable Edward M. Chen, presiding (in
10 which I was approved for an hourly rate of \$550 for work performed in 2014 and 2015); *Julio v.*
11 *Anthony, Inc.*, Case No. CV14-03172 AB (SHx), United States District Court, Central District of
12 California, Honorable Judge Andre Birotte Jr., presiding (in which I was approved for an hourly
13 rate of \$550 for work performed in 2014 and 2015); *Litt v. Western Stone & Metal Corp.*, Case
14 No. 3:14-cv-02804-PJH, United States District Court, Northern District of California, Honorable
15 Judge Phyllis J. Hamilton, presiding (in which I was approved for an hourly rate of \$550 for work
16 performed in 2014 and 2015); *Rubalcava v. United Towing and Transport Burbank, et al.*, Case
17 No. BC518468, California Superior Court, County of Los Angeles, Honorable Judge Kenneth
18 Freeman, presiding (in which I was approved for an hourly rate of \$550 for work performed in
19 2013, 2014 and 2015); *Sanchez v. Res-Care, Inc.*, Case No. BC526175, California Superior
20 Court, County of Los Angeles, Honorable John S. Wiley, presiding (in which I was approved for
21 an hourly rate of \$550for work performed in 2013, 2014 and 2015); *Prado v. Warehouse Demo*
22 *Services, Inc.*, Case No. CV14-3170 JFW (Ex), United States District Court, Central District of
23 California, Honorable Judge John F. Walter, presiding (in which I was approved for an hourly
24 rate of \$550 for work performed in 2014 and 2015); *Rivera Regalado v. Jaguar Farm Labor*
25 *Contracting*, Case No. CV 130569, California Superior Court, County of San Luis Obispo,
26 Honorable Martin J. Tangeman, presiding (in which I was approved for an hourly rate of \$550
27 for work performed in 2014 and 2015); *Rodas v. Gateways Hospital and Mental Health Center*,
28 Case No. BC503179, California Superior Court, County of Los Angeles, Honorable Judge Amy

1 D. Hogue, presiding (in which I was approved for an hourly rate of \$550 for work performed in
2 2014 and 2015); *Escobar v. Century West, LLC*, Case No BC564873, California Superior Court,
3 County of Los Angeles, Honorable Judge Jane L. Johnson, presiding (in which I was approved
4 for an hourly rate of \$550 for work performed in 2014 and 2015 and 2016); *Shaw v. Conant Auto*
5 *Retail, San Diego*, Case No. 37-2014-00044052-CU-OE-CTL, California Superior Court,
6 County of San Diego, Honorable Judge Joan M. Lewis, presiding (approving an hourly rate of
7 \$575 for work performed in 2014, 2015, and 2016); *Tirado v. Ricon Corp.*, Case No. BC537042,
8 California Superior Court, County of Los Angeles, Honorable John S. Wiley, presiding
9 (approving an hourly rate of \$575 for work performed in 2014, 2015, and 2016); and *Horta v.*
10 *Searles Valley Minerals, Inc.*, Case No. CIVDS 1507615, California Superior Court, County of
11 San Bernardino, Honorable Donald Alvarez presiding (approving an hourly rate of \$575 for work
12 performed in 2015 and 2016); *Cristobal v. Koos Manufacturing, Inc.*, Case No. BC591484,
13 California Superior Court, County of Los Angeles, Hon. William F. Highberger presiding
14 (approving an hourly rate of \$575 for work performed in 2015 and 2016); *Rodriguez v. Spartan,*
15 *Inc.*, Case No. BCV-15-100007-DRL, California Superior Court, County of Kern, Honorable
16 David R. Lampe presiding (approving hourly rate of \$575 for work performed in 2015, 2016,
17 and 2017); *Kostyuk, et al. v. Golden State Overnight Delivery Service, Inc.*, Case No.
18 RG14727191, California Superior Court, Alameda County, Honorable Winifred Y. Smith
19 presiding (approving an hourly rate of \$575 for work performed in 2015, 2016, and 2017); *Nunez*
20 *v. CompuCom Systems, Inc.*, Case No. BC618385, California Superior Court, County of Los
21 Angeles, Honorable Judge John Shepard Wiley, Jr., presiding (approved at an hourly rate of \$600
22 for work performed in 2016 and 2017); *Mansilla v. Haeco Americas Line Services, LLC, et al*,
23 Case No. BC615310, Superior Court of California, County of Los Angeles, Honorable Judge
24 Elihu M. Berle presiding (approved at an hourly rate of \$600 for work performed in 2016 and
25 2017); and *Morales v. Caremeridian, LLC, et al.*, Case No. BC593191, California Superior
26 Court, County of Los Angeles, Judge William F. Highberger presiding (granting final approval
27 of settlement on behalf of direct support professionals involving claims for unpaid wages, meal
28 and rest period violations, wage statement violations, and other claims).

1 7. I have also moved to certify and have received an order certifying a class action
2 and/or conditionally certifying a collective action in the following cases:

- 3 • *Medeiros v. Vortex Financial Management Inc.*, Case No. 30-2013-00644741-CU-OE-
4 CXC, California Superior Court, County of Orange, Honorable Judge Gail A. Andler,
5 presiding (certifying a class of employees who were misclassified as independent
6 contractors);
- 7 • *Javine v. San Luis Ambulance Service, Inc.*, Case No. CV13-07480 BRO (SSx), United
8 States District Court, Central District of California, Honorable Judge Beverly Reid
9 O'Connell, presiding (conditionally certifying an unpaid FLSA overtime wage class);
- 10 • *Prado v. Warehouse Demo Services, Inc.*, Case No. CV14-3170 JFW (Ex), United States
11 District Court, Central District of California, Honorable Judge John F. Walter, presiding
12 (certifying rest period class and conditionally certifying FLSA unpaid overtime class);
- 13 • *Bower v. Cycle Gear, Inc.*, Case No. CV14-2712 HSG, United States District Court,
14 Northern District of California, Honorable Judge Haywood S. Gilliam, Jr., presiding
15 (conditionally certifying an unpaid FLSA overtime wage class);
- 16 • *Vega v. Weatherford U.S., Limited Partnership*, Case No. CV14-1790-JLT, United States
17 District Court, Eastern District of California, Honorable Jennifer L. Thurston, presiding
18 (conditionally certifying an unpaid FLSA overtime wage class);
- 19 • *Galvan v. AMVAC Chemical Corporation*, Case No. 30-2014-00716103-CU-OE-CXC,
20 California Superior Court, County of Orange, Honorable Judge William Claster, presiding
21 (certifying unpaid overtime wage class and waiting time penalty class);
- 22 • *Camacho v. Residential Fire Systems, Inc.*, Case No. 30-2015-775372-CU-OE-CXC,
23 California Superior Court, County of Orange, Honorable Glenda Sanders, presiding
24 (certifying piece rate pay plan classes, expense reimbursement class, wage statement
25 class, and waiting time penalties class);
- 26 • *Ontiveros v. Safelite Fulfillment, Inc., et al*, Case No. CV 15-7118-DMG (RAOx), United
27 States District Court, Central District of California, Honorable Dolly M. Gee presiding
28

(certifying six classes of employees for rest period violations, wage statement violations, meal period violations, and overtime and double-time violations);

- *Vazquez, et al v. Kraft Heinz Foods Company*, Case No. 16-cv-2749-WQH-BLM, United States District Court, Southern District of California, Honorable William Q. Hayes presiding (certifying six classes of employees for unpaid wages, meal period violations, wage statement violations, and waiting time penalties);
- *Caudle, et al. v. Sprint/United Management Company, et al.* Case No. C 17-06874-WHA, United States District Court, Northern District of California, Honorable William H. Alsup presiding (certifying three classes of employees for unlawful wage deduction violations, wage statement violations, and waiting time violations);
- *Staublein v. Wells Fargo Bank, N.A.*, Case No. CIVDS1712267, California Superior Court, County of San Bernardino, Honorable David Cohn presiding (certifying a wage statement class);
- *Perez v Sunbelt Rentals, Inc.*, Case No. Case No. 37-2018-00026405-CU-OE-CTL, California Superior Court, County of San Diego, Honorable Eddie C. Sturgeon, presiding (certifying wage statement class); and
- *Bowlin-Burdick et al v. Life Care Centers of America*, Case No. BC657139, Los Angeles County Superior Court, Hon. Maren E. Nelson (certifying four classes for meal period violations, rest period violations, wage statement violations, and waiting time penalties).

8. In 2015, 2016, and 2017, Thomson Reuters recognized me as a top young attorney in Southern California in the annual Rising Stars Edition of Super Lawyer. This is an honor awarded to no more than two-and-a-half percent of attorneys under the age of forty in Southern California each year. In 2018, 2019, 2020, and 2021, Thomson Reuters recognized me as a “Super Lawyer” in the annual Super Lawyer magazine, an honor awarded to no more than five percent of all attorneys in Southern California each year.

9. As counsel for Plaintiff and the proposed Settlement Class, I have been intimately involved in all aspects of this litigation, and I believe that the proposed Settlement is an excellent result for the Settlement Class. Attached hereto as **Exhibit A** is a true and correct copy of the

1 fully-executed Stipulation of Settlement (“Settlement Agreement”). The proposed Class Notice
2 and Notice of Estimated Settlement Award are attached to the Settlement as **Exhibits 1, and 2**,
3 respectively.

4 10. Founded in 2004, Defendant Prime Converting Corporation (“Prime Converting”)
5 is a paper converting business that offers paper converting services as well as warehouse and
6 distribution services to businesses located within and outside of the United States and has operated
7 its plant located in Rancho Cucamonga, California, during the Class Period. Plaintiff and
8 Settlement Class members worked for Prime Converting in California as non-exempt employees
9 during the Class Period.

10 11. On February 26, 2021, Plaintiff filed his Class Action Complaint in San
11 Bernardino County Superior Court, alleging causes of actions for: (i) minimum wage violations;
12 (ii) failure to pay all overtime wages; (iii) meal period violations; (iv) rest period violations; (v)
13 unlawful deductions from wages; (vi) wage statement violations; (vii) waiting time penalties; and
14 (viii) unfair competition in violation of California Business & Professions Code § 17200 *et seq.*
15 On that same day (February 26, 2021), Plaintiff submitted his PAGA notice to Prime Converting
16 and the Labor & Workforce Development Agency (“LWDA”). Attached hereto as **Exhibit B** is a
17 true and correct copy of the PAGA notice and proof of submission to the LWDA and Prime
18 Converting. On May 3, 2021, Plaintiff filed the operative First Amended Class and Representative
19 Action Complaint (“FAC”), adding a cause of action for civil penalties under the PAGA.

20 12. In connection with mediation, the Parties engaged in extensive informal discovery.
21 Prime Converting produced timekeeping and payroll data for **all** employees during the relevant
22 Class Period, as well as its written wage and hour policies in effect during the Class Period.
23 Plaintiff conducted a comprehensive analysis of the payroll and timekeeping data produced by
24 Prime Converting to create a detailed exposure analysis for all claims at issue. This discovery
25 allowed the Parties to assess the merits and value of Plaintiff’s claims, the chances of certification
26 of Plaintiff’s claims, and Prime Converting’s potential defenses.

27 13. On March 9, 2022, the Parties attended a full-day mediation with Louis Marlin,
28 Esq., a well-respected wage and hour class action mediator. During mediation, the Parties

1 vigorously debated their opposing legal positions, the likelihood of certification of Plaintiff's
2 claims, and the legal bases for Plaintiff's claims and Prime Converting's defenses. At the
3 conclusion of mediation, Mr. Marlin issued a mediator's proposal for a class-wide settlement,
4 which was ultimately accepted by all Parties. During the months that followed, the Parties
5 negotiated and finalized the long-form Settlement Agreement now before this Court.

6 14. The monetary terms of the Settlement are summarized below:

7	• Maximum Settlement Amount ("MSA"):	\$325,000.00
8	• Minus Court-approved attorneys' fees:	\$108,333.33
9	• Minus Court-approved verified costs (up to):	\$25,000.00
10	• Minus Court-approved Enhancement Payment:	\$7,500.00
11	• Minus Amount Set Aside as PAGA penalties:	\$20,000.00
12	• <u>Minus estimated settlement administration costs:</u>	<u>\$10,000.00</u>
	Net Settlement Amount ("NSA"):	\$154,166.67
	• PLUS 25% "PAGA Amount" to Settlement Class:	\$5,000.00
	• Total Amount Paid to Settlement Class Members:	\$159,166.67

13 15. According to Prime Converting's records, there are approximately 100 total
14 Settlement Class members during the Class Period. Therefore, the average Individual Settlement
15 Payment is projected to be approximately \$1,591.67.

16 16. Plaintiff alleges that Prime Converting utilized a timekeeping policy/practice that
17 systematically underpaid wages through a process of unlawful rounding. Plaintiff also alleges that
18 Prime Converting required Plaintiff and putative class members to clock in and out using a system
19 that records hours worked to the minute; however, Prime Converting thereafter rounded the hours
20 worked to the nearest quarter hour, which resulted in a systematic under-payment of wages. Based
21 on Plaintiff's analysis of Prime Converting's time and payroll records, Plaintiff contends Prime
22 Converting's rounding practices resulted in approximately 5,456 hours of unpaid wages.
23 Therefore, Plaintiff estimates Prime Converting's maximum exposure for this claim at
24 approximately \$150,913 (5,456 hours * \$13.83 min. wage * 2 [liquidated damages per Labor
25 Code § 1194.2]). However, Prime Converting counters that it utilizes a neutral time-rounding
26 mechanism that results, over time, in employees being paid for all hours worked. Prime
27 Converting also argues that any unpaid time could have only amounted to a few minutes per day,
28 at most, and was thus *de minimis*. Finally, Prime Converting asserts that Plaintiff would be unable

1 to certify this claim since its rounding policy is facially neutral and some employees were
2 overpaid due to rounding, and individualized inquiries would be necessary as to whether
3 employees were, in fact, underpaid or overpaid for each workday in question (including whether
4 they were actually working when they were clocked in), resulting in an unmanageable series of
5 mini-trials. Based on these defenses, Plaintiff discounted the estimated maximum amount by 30%
6 for the risk of non-certification and by an additional 35% to account for the risk of losing on the
7 merits or failure to recover the maximal amount sought to arrive at an estimated exposure of
8 approximately \$68,665.

9 17. Plaintiff alleges that Prime Converting failed to provide legally-compliant meal
10 periods such that Settlement Class members were not provided with second meal periods when
11 they worked shifts in excess of 10.0 hours in a workday. Plaintiff further alleges that for most of
12 the Class Period, Prime Converting did not record meal periods and automatically deducted 30-
13 minutes each workday for a purported meal period, irrespective of whether Settlement Class
14 members took a compliant, timely 30-minute meal period. Plaintiff's analysis showed there were
15 approximately 15,060 shifts of over 10.0 hours worked during the Class Period, with 100% of
16 those shifts having a second meal period violation. In addition, data provided by Prime Converting
17 reveals that putative class members' average rate of pay during the Class Period was
18 approximately \$13.83. Plaintiff therefore calculates Prime Converting's exposure for second meal
19 period violations at approximately \$208,280 (15,060 shifts * \$13.83 average premium). However,
20 Prime Converting counters it has maintained compliant written meal period policies throughout
21 the Class Period and has always provided compliant meal periods in line with those policies.
22 Prime Converting asserts that many employees choose to waive their second meal periods on
23 shifts over 10.0 hours and under 12.0 hours, as they may do under Labor Code § 512(a), so they
24 do not need to stay at work for an extra unpaid 30 minutes. Prime Converting further contends
25 that it always *provides* employees the opportunity to take meal periods and is not required to
26 *ensure* they are taken. Thus, Prime Converting argues that any missed or short second meal
27 periods resulted from lawful employee choice rather than any policy and/or practice of Prime
28 Converting. Prime Converting also argues Plaintiff's meal period claim is not suited for class

certification since individual inquiries would be needed to assess which employees if any, took non-compliant or missed meal periods, how many meal periods were non-compliant or missed, the reasons why a particular employee did not take a meal period on a particular shift, and whether they waived the meal period. In light of these risks, Plaintiff discounted the maximum amount that the class could potentially recover by 35% for the risk of non-certification and an additional 40% for the risk of losing on the merits, or having exposure reduced due to Prime Converting's waiver arguments, to arrive at estimated exposure of approximately \$81,229.

18. Plaintiff further alleges that Prime Converting failed to authorize and permit all legally-compliant off-duty rest periods. Specifically, Plaintiff alleges that Prime Converting improperly requires employees to combine their first rest period with their meal period for a single 40-minute break, and Prime Converting fails to authorize third rest periods for shifts over 10.0 hours. Moreover, Plaintiff alleges that Prime Converting maintains an unlawful written rest period policy which requires its employees to remain on premises during rest periods, expressly stating that "employees are not to leave the employer's premises during the rest period." Within these parameters, Plaintiff's analysis of Prime Converting's timekeeping records revealed that there were approximately 65,475 shifts with potential non-compliant rest periods. Therefore, Plaintiff calculated Prime Converting's maximum potential exposure for rest period violations at approximately \$905,519 (65,475 rest period violations * \$13.83 premium). However, Prime Converting counters that it has maintained lawful rest period practices/policies throughout the Class Period. Prime Converting further argues that any failure of employees to take rest periods is the result of employee choice. Prime Converting further argues that Plaintiff's rest period claim is not amenable to class treatment since individual inquiries would be required to determine which employees failed to take rest periods, how many rest periods they failed to take, and the reasons why each employee failed to take rest period(s) on a particular shift. These manageability concerns are especially present regarding rest periods, Prime Converting contends, since rest periods are not recorded. Given these defenses, Plaintiff discounted this maximum amount by 60% for the risk of non-certification and an additional 65% for the risk of being unsuccessful on the merits or failing to recover the full amount sought to arrive at an estimated realistic exposure

1 of approximately \$126,773.

2 19. As a result of the unpaid wages and meal and rest period violations described
3 above, Plaintiff alleges that Prime Converting failed to comply with their final pay obligations set
4 forth in Labor Code §§ 201-203. Prime Converting's records reflect approximately 46 former
5 Settlement Class members who separated from their employment with Prime Converting within
6 the three-year statute of limitations period applicable to Labor Code § 203. Plaintiff estimates an
7 average waiting time penalty of \$3,319 ($\$13.83 \times 8 \text{ hours} \times 30 \text{ days}$), and therefore, calculated
8 Prime Converting's maximum waiting time penalty exposure at approximately \$152,674 (46
9 $\text{former employees} \times \$3,319 \text{ avg. waiting time penalty}$). Prime Converting presented several
10 defenses to this claim, most notably their assertion that because they possessed good-faith
11 defenses to the underlying claims, any failure to pay wages was not "willful" as a matter of law.
12 Prime Converting further asserts that Plaintiff's waiting time penalty exposure was grossly
13 inflated as not every former employee experienced the alleged Labor Code violations. Moreover,
14 because the waiting time claim is derivative of Plaintiff's underlying wage claims, Plaintiff would
15 need to overcome Prime Converting's defenses, both as to class certification and on the merits,
16 as to his underlying claims. To account for Prime Converting's defenses, Plaintiff discounted the
17 maximum exposure by 50% for the risk of non-certification and an additional 65% for the risk of
18 losing on the merits and/or not receiving the maximum penalties sought, to arrive at an estimated
19 exposure of approximately \$26,718.

20 20. As a further result of the unpaid wages and unpaid meal and rest period premium
21 wages described above, Plaintiff alleges that Prime Converting is liable for wage statement
22 penalties. Those penalties are calculated as \$50 for each "initial" violation and \$100 for each
23 "subsequent" violation, with a maximum of \$4,000 per employee. Based on data produced by
24 Prime Converting, Plaintiff estimates that there were 63 unique employees, and 3,038 pay periods,
25 within the one-year liability window under Section 226. Plaintiff therefore calculated Prime
26 Converting's potential wage statement exposure under Lab. Code § 226(e), using the maximum
27 of \$4,000 per employee, as \$252,000 ($63 \text{ employees} \times \$4,000 \text{ max. penalty}$). But Prime
28 Converting argues any alleged wage statement violations were not "knowing and intentional,"

1 and Plaintiff cannot show he or other employees “suffer[ed] injury” due to the alleged wage
2 statement violations, as required by Labor Code § 226(e) for the imposition of penalties. Further,
3 Prime Converting contends its wage statements always accurately reflected hours worked and
4 amounts paid as well as all other required information, precluding liability for wage statement
5 penalties. In light of these defenses, Plaintiff discounted the maximum exposure by 50% for risk
6 of non-certification, and by an additional 70% for risk of being unsuccessful on the merits, for an
7 estimated realistic exposure of approximately \$37,800.

8 21. As a further result of the unpaid wages and meal and rest period violations,
9 Plaintiff alleges that Prime Converting is liable for PAGA civil penalties. The success of
10 Plaintiff’s PAGA claim is wholly dependent upon the success of their underlying claims occurring
11 within the one-year statute of limitations applicable to the PAGA, which is February 26, 2020
12 through May 31, 2022 (“PAGA Period”). Plaintiff’s analysis reflected there were approximately
13 3,038 pay periods worked in the PAGA Period. Therefore, Plaintiff estimated a maximum PAGA
14 exposure of \$303,800 (3,038 pay periods * \$100 “initial” violation rate). However, these penalties
15 derived from the underlying wage and hour violations discussed above, which Prime Converting
16 vigorously disputes. Since Plaintiff’s PAGA claim is derivative of his underlying claims, Prime
17 Converting asserts the PAGA claim would fail with those claims. Prime Converting also
18 maintains that given its good faith defenses, this Court would exercise its discretion to
19 substantially reduce any PAGA penalties as “confiscatory” if it were to find Prime Converting
20 liable for any of Plaintiff’s claims. Therefore, Plaintiff discounted the maximum figure by 60%
21 for the risk of losing on the merits and/or not recovering a PAGA penalty for every pay period,
22 and an additional 70% to account for the possibility of this Court reducing penalties, to arrive at
23 an estimated exposure of approximately \$36,456.

24 22. Using these estimated figures for each of the claims described above, Plaintiff
25 predicted the potential recovery for the Settlement Class would be approximately \$377,641. The
26 proposed settlement of \$325,000 therefore represents approximately 86% of the reasonably
27 forecasted recovery for the Settlement Class. Preliminary approval is appropriate since the
28 Settlement will provide significant monetary relief to the Settlement Class, which is consistent

1 with what Plaintiff's counsel believes could have been recovered had the case proceeded through
2 trial, while avoiding the further expense and serious risk of proceeding towards class certification
3 and trial.

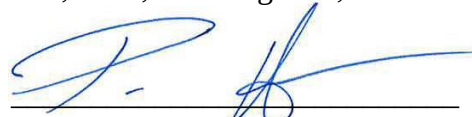
4 23. Class Counsel will apply for an attorneys' fees award of one-third of the Maximum
5 Settlement Amount, which is currently estimated to be \$108,333.33, and up to \$25,000.00 in
6 verified costs reimbursement. Plaintiff submits the requested fee is fair compensation for
7 undertaking complex, risky, expensive, and time-consuming litigation on a purely contingent fee
8 basis. Class Counsel has incurred substantial attorneys' fees conducting pre-filing investigation,
9 analyzing Plaintiff's claims, conducting legal research, engaging in informal discovery, reviewing
10 Prime Converting's documents and policies, analyzing Settlement Class members' timekeeping
11 and payroll records, creating a comprehensive damages model, preparing for and attending
12 mediation, negotiating and preparing the long-form Settlement Agreement, preparing this Motion,
13 and otherwise litigating the case. Class Counsel expect to expend additional attorney time in
14 attending the hearing on this Motion, overseeing the Notice process and fielding questions from
15 Settlement Class members, preparing the final approval papers, and attending the Final Approval
16 hearing.

17 24. Plaintiff will separately apply for an enhancement payment at the time of seeking
18 final approval of the proposed class action settlement in the amount of \$7,500.00 for his service
19 to the Settlement Class. I believe this is reasonable given Plaintiff's effort in this case as well as
20 the significant risks Plaintiff undertook by agreeing to serve as the named Plaintiff in this case.
21 Plaintiff was integral in the prosecution of this action, by, among other things, providing
22 substantial factual information and documents to Class Counsel, attending multiple meetings with
23 Class Counsel to discuss the claims and theories at issue in the litigation, and otherwise actively
24 participating in the prosecution of his claims.

25 25. Although the parties engaged in significant informal discovery in advance of
26 mediation, the parties still had significant formal discovery to complete in litigation had the matter
27 not settled. This would have required expenditure of substantial time and resources by both parties
28 that would have very likely spanned several years. Even if Plaintiff was to certify the classes, the

1 parties would incur considerably more attorneys' fees and costs through a possible decertification
2 motion, trial, and possible appeal. This Settlement avoids those risks and the accompanying
3 expense.

4 I declare under penalty of perjury under the laws of the State of California that the
5 foregoing is true and correct. Executed on September 29, 2022, at El Segundo, California.

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8 Paul K. Haines
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EXHIBIT *A*

STIPULATION OF SETTLEMENT

This Stipulation of Settlement (“Settlement Agreement”) is reached by and between Plaintiff Roberto Navarro (“Plaintiff” or “Class Representative”), individually and on behalf of all members of the Settlement Class (defined below), on one hand, and Prime Converting Corporation (“Defendant”), on the other hand. Plaintiff and Defendant are referred to herein collectively as the “Parties.” Plaintiff and the Settlement Class are represented by Paul K. Haines, Sean M. Blakely and Alexandra R. McIntosh of Haines Law Group, APC (collectively, “Class Counsel”). Defendant is represented by Robert Prata of Prata & Daley LLP.

On February 26, 2021, Plaintiff filed a class action complaint against Defendant in San Bernardino County Superior Court titled *Roberto Navarro v. Prime Converting Corporation*, San Bernardino Superior Court Case No. CIVSB2106868 (the “Action”). On May 3, 2021, Plaintiff filed the operative First Amended Class and Representative Action Complaint in the Action, alleging that Defendant: (i) failed to pay all minimum wages; (ii) failed to pay all overtime wages; (iii) failed to provide all lawful meal periods; (iv) failed to provide all lawful rest periods; (v) took unlawful deductions from wages; (vi) failed to issue accurate, itemized wage statements; (vii) failed to pay all final wages due upon separation of employment; (viii) failed to comply with unfair competition laws; and (ix) is liable for civil penalties under the Private Attorneys General Act (Labor Code § 2698, *et seq.*) (“PAGA”).

Given the uncertainty of litigation, Plaintiff and Defendant wish to settle both individually and on behalf of the Settlement Class. Accordingly, Plaintiff and Defendant agree as follows:

1. **Settlement Class and PAGA Aggrieved Employees Defined.** For the purposes of this Settlement Agreement only, Plaintiff and Defendant stipulate to the certification of the following Settlement Class:

All current and former non-exempt employees who worked for Defendant Prime Converting Corporation in California from September 1, 2016 until May 31, 2022 (the “Class Period”).

The Parties agree that certification for purposes of settlement is not an admission that class certification is proper under Section 382 of the Code of Civil Procedure. If for any reason this Settlement Agreement is not approved or is terminated, in whole or in part, this conditional agreement to class certification will be inadmissible and will have no effect in this matter or in any claims brought on the same or similar allegations, and the Parties shall revert to the respective positions they held prior to entering into the Settlement Agreement.

Additionally, the “PAGA Aggrieved Employees” shall be defined as:

All current and former non-exempt employees who worked for Defendant Prime Converting Corporation in California from February 26, 2020 until May 31, 2022 (the “PAGA Period”).

2. **Release by Settlement Class Members, PAGA Aggrieved Employees, and Plaintiff.** Plaintiff and every member of the Settlement Class (except those who opt out) will release and

discharge Defendant and all of its past and present parent companies, affiliates, controlling persons, subsidiaries, directors, officers, shareholders and investors, agents, attorneys, employees, and benefit plans sponsored by any such entities (collectively the “Released Parties”), as follows:

- A. Release by Settlement Class Members. All Settlement Class members who do not opt-out will release and discharge the Released Parties from all claims and causes of action alleged or which could have reasonably been alleged based on the allegations in the operative complaint in the Action, including: (i) minimum wage violations; (ii) overtime violations; (iii) meal period violations; (iv) rest period violations; (v) unlawful deductions from wages; (vi) wage statement violations; (vii) waiting time penalties; (viii) unfair competition; and (ix) all damages, penalties, interest, costs (including attorney fees) and other amounts recoverable under said claims or causes of action as to the facts and/or legal theories alleged in the Action (“Released Claims”). This release shall run from September 1, 2016 until May 31, 2022.
- B. Released PAGA Claims. Plaintiff and all PAGA Aggrieved Employees will release and discharge the Released Parties from any and all claims under the PAGA premised on the facts and/or allegations in Plaintiff’s letter to the LWDA dated February 26, 2021 that arose during the PAGA Period (the “PAGA Release”). It is understood and acknowledged that PAGA Aggrieved Employees receiving a share of the PAGA Amount as set forth in Paragraph 4.B.1. will be issued a check for their share of the PAGA Amount and will not have the opportunity to opt out of, or object to, the PAGA Release as set forth in this Paragraph. The PAGA Release is binding upon Plaintiff and all PAGA Aggrieved Employees upon Court approval and payment of the PAGA Amount as set forth in Paragraph 4.B.1. Further, the PAGA Aggrieved Employees are bound by the PAGA Release regardless of whether they cash their PAGA check.
- C. In light of Plaintiff’s Class Representative Enhancement Payment, Plaintiff has agreed to release, as an individual and in addition to the Released Claims described above, all claims, whether known or unknown, under federal law or state law against Defendant. Plaintiff understands that this release includes unknown claims and that Plaintiff is, as a result, waiving all rights and benefits afforded by Section 1542 of the California Civil Code, which provides:

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, would have materially affected his or her settlement with the debtor or released party.

Nothing contained herein shall constitute a release of any rights or claims that cannot be waived as a matter of law (including but not limited to claims arising under workers’ compensation laws). Nor shall anything contained herein be construed to exclude the filing of an administrative charge or complaint with the

Equal Employment Opportunity Commission or National Labor Relations Board, or participation in an administrative investigation or proceeding.

The Settlement shall become effective upon the Court's signing of an Order granting final approval of the Settlement (the "Effective Date").

3. **Maximum Settlement Amount.** As consideration, Defendant agrees to pay a non-reversionary "Maximum Settlement Amount" of Three Hundred Twenty-Five Thousand Dollars and Zero Cents (\$325,000.00) in full and complete settlement of the Action, as follows:

- A. The Parties have agreed to engage Phoenix Settlement Administrators as the "Settlement Administrator" to administer this Settlement.
- B. The Maximum Settlement Amount shall be paid by Defendant as follows: Defendant shall deposit a first installment of \$162,500.00 with the Settlement Administrator within (30) days of final approval of the settlement. Defendant shall deposit a second installment of \$162,500.00 with the Settlement Administrator within six months of final approval of the settlement.
- C. This is a non-reversionary settlement. The Maximum Settlement Amount includes:
 - (1) All payments (including interest) to the Settlement Class members;
 - (2) All costs of the Settlement Administrator which are anticipated to be no greater than Ten Thousand Dollars and Zero Cents (\$10,000.00);
 - (3) Up to Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) for Plaintiff's Class Representative Enhancement Payment in recognition for Plaintiff's contributions to the Action and Plaintiff's service to the Settlement Class. In the event that the Court reduces or does not approve the requested Class Representative Enhancement Payment, Plaintiff shall not have the right to revoke the Settlement Agreement for that reason, and the Settlement will remain binding;
 - (4) Up to one-third of the Maximum Settlement Amount in Class Counsel's attorneys' fees (currently estimated at \$108,333.33), plus actual costs and expenses incurred by Class Counsel related to the Action as supported by declaration, which are currently estimated to be no greater than Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00). In the event that the Court reduces or does not approve the requested Class Counsel attorneys' fees or costs, Class Counsel shall not have the right to revoke the Settlement Agreement based on that reason, and the Settlement will remain binding; and
 - (5) Twenty Thousand Dollars and Zero Cents (\$20,000.00) of the Maximum Settlement Amount has been set aside by the Parties as PAGA civil penalties. Per Labor Code § 2699(i), 75% of such penalties, or Fifteen Thousand Dollars and Zero Cents (\$15,000.00), will be payable to the

California Labor & Workforce Development Agency (“LWDA”), and the remaining 25%, or Five Thousand Dollars and Zero Cents (\$5,000.00), will be payable to the Settlement Class members as the “PAGA Amount,” as described below.

- D. Any reduction by the Court of these requests will revert to the Net Settlement Amount for distribution to the Settlement Class members who do not opt-out.
 - E. **Escalator Clause.** Defendant represents that there were an estimated 13,900 total workweeks worked by members of the Settlement Class during the period from September 1, 2016 until May 31, 2022. If the number of workweeks worked during this period exceeds this figure by more than fifteen percent (15%) (i.e., if there are more than 15,985 total workweeks), Defendant shall increase the Maximum Settlement Amount on a proportional basis equal to the percentage increase in the number of workweeks above the 15% threshold (i.e., if there was a 16% increase in the number of workweeks worked during the Class Period, Defendant shall increase the Maximum Settlement Amount by 1%).
 - F. **Employer Payroll Taxes.** The Maximum Settlement Amount does not include Employer Payroll Taxes, which shall be paid by Defendant separate and apart, and in addition to, the Maximum Settlement Amount.
4. **Payments to the Settlement Class.** Settlement Class members are not required to submit a claim form to receive a payment (“Individual Settlement Payment”) from the Settlement. Individual Settlement Payments will be determined and paid as follows:
- A. The Settlement Administrator shall first deduct from the Maximum Settlement Amount the amounts approved by the Court for Class Counsel’s attorneys’ fees, Class Counsel’s costs and expenses, the Class Representative Enhancement Payment, the Settlement Administrator’s fees and expenses for administration, and the amount designated as PAGA civil penalties. The remaining amount shall be known as the “Net Settlement Amount.”
 - B. Payments from the Net Settlement Amount. From the Net Settlement Amount, the Settlement Administrator will calculate each Settlement Class member’s Individual Settlement Payment based on the following formula:
 - i. Wage Statement Amount: 5% of the Net Settlement Amount shall be designated as the “Wage Statement Amount.” Each participating Settlement Class member who was employed by Defendant at any time between September 1, 2019 to the end of the Class Period, shall receive a portion of the Wage Statement Amount proportionate to the number of workweeks that he or she worked during the aforementioned time period.
 - ii. Waiting Time Amount: 5% of the Net Settlement Amount shall be designated as the “Waiting Time Amount.” The Waiting Time Amount shall be distributed in equal, pro-rata shares to each participating Settlement Class

member who separated their employment from Defendant at any time from September 1, 2017 through the end of the Class Period.

- iii. The remainder of the Net Settlement Amount will be distributed to each participating Settlement Class member based on their proportionate number of workweeks worked during the Class Period, by multiplying the remaining Net Settlement Amount by a fraction, the numerator of which is the Settlement Class member's total workweeks worked during the Class Period, and the denominator of which is the total number of workweeks worked by all participating Settlement Class members during the Class Period.

B.1. Payments from the PAGA Amount. In addition to the Net Settlement Amount, 25% of the amount set aside as PAGA penalties (i.e., \$5,000.00) has been set aside as the "PAGA Amount," as mentioned above. The PAGA Amount shall be paid to all PAGA Aggrieved Employees (regardless of whether they opt out of the Settlement Class) who worked for Defendant at any time during the PAGA Period, based on their proportional number of workweeks worked for Defendant in California during the PAGA Period. Specifically, each Settlement Class member's payment from the PAGA Amount will be calculated by multiplying the PAGA Amount by a fraction, the numerator of which is the PAGA Aggrieved Employee's number of workweeks worked during the PAGA Period, and the denominator of which is the total workweeks worked by all PAGA Aggrieved Employees during the PAGA Period.

C. Within ten (10) calendar days following the deposit of the second installment with the Settlement Administrator by Defendant, the Settlement Administrator will calculate Individual Settlement Payment amounts, as well as the amount of the employer's share of payroll taxes due on the wage portion of the Individual Settlement Payments, and provide the same to counsel for review and approval. Within seven (7) calendar days of approval by counsel, the Settlement Administrator will prepare and mail Individual Settlement Payments, less applicable taxes and withholdings, to participating Settlement Class members. The Settlement Administrator shall simultaneously pay the withholdings to the applicable authorities with the necessary reports, submitting copies to Defendant's counsel.

D. Each Individual Settlement Payment shall be allocated as 20% wages and 80% penalties and interest. The Settlement Administrator will be responsible for issuing to participating Settlement Class members an IRS Form W-2 (for amounts paid as wages) and an IRS Form 1099 (for amounts paid as penalties and interest). Any payment from the PAGA Amount shall be designated as 100% penalties. The Settlement Administrator shall be responsible for calculating and withholding all employee-share employment taxes and other legally required withholdings from each Individual Settlement Payment.

E. Defendant shall fully discharge its obligations to the Settlement Class members through the mailing of an Individual Settlement Payment, regardless of whether such checks are actually received and/or negotiated by the recipients. Each member

of the Settlement Class who receives an Individual Settlement Payment must cash that check within 180 days from the date the Settlement Administrator mails it. Any check that is not negotiated within 180 days of mailing to a Settlement Class member shall escheat to Mary's Mercy Center, Inc. in San Bernardino, California, which provides services to the indigent. The Parties agree to avoid any potential interest obligation under California Civil Procedure sections 382-384, *et seq.*

- F. Neither Plaintiff nor Defendant shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by its own acts of omission or commission, the same is true for the Settlement Administrator.

5. **Attorneys' Fees and Costs.** Defendant will not object to Class Counsel's request for a total award of attorneys' fees of up to one-third of the Maximum Settlement Amount, which is currently estimated to be One Hundred Eight Thousand Three Hundred Thirty-Three Dollars and Thirty-Three Cents (\$108,333.33). Additionally, Class Counsel will request an award of actual costs and expenses as supported by declaration, in an amount not to exceed Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00) from the Maximum Settlement Amount. These amounts will cover any and all work performed and any and all costs incurred in connection with this litigation, including without limitation: all work performed and all costs incurred to date; and all work to be performed and costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement, including any objections raised and any appeals necessitated by those objections. Class Counsel will be issued an IRS Form 1099 by the Settlement Administrator for the fee award approved by the Court.

6. **Class Representative Enhancement Payment.** Defendant will not object to a request for Class Representative Enhancement Payment of Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) for Plaintiff's time and risk in prosecuting this case and Plaintiff's service to the Settlement Class. This award will be in addition to Plaintiff's Individual Settlement Payment as a Settlement Class member, and shall be reported on an IRS Form 1099 issued by the Settlement Administrator.

7. **Settlement Administrator.** Defendant will not object to the appointment of Phoenix Settlement Administrators as Settlement Administrator. Defendant will not object to Plaintiff seeking approval to pay up to Ten Thousand Dollars and Zero Cents (\$10,000.00) for the administration services from the Maximum Settlement Amount. The Settlement Administrator shall be responsible for depositing into an account and holding the various payments from Defendant comprising the Maximum Settlement Amount, sending Notice Packets in English and Spanish to the Settlement Class members, calculating Individual Settlement Payments and preparing all checks and mailings, and other duties as described in this Settlement Agreement. The Settlement Administrator shall be authorized to pay itself from the Maximum Settlement Amount only after Individual Settlement Payments have been mailed to all participating Settlement Class members. The Settlement Administrator shall also give notice of final judgment by posting the Final Judgment to its website.

8. **Preliminary Approval.** Within a reasonable time after execution of this Settlement Agreement by the Parties, Plaintiff shall apply to the Court for the entry of an Order:

- A. Conditionally certifying the Settlement Class for settlement purposes only;
- B. Appointing Paul K. Haines, Sean M. Blakely, and Alexandra R. McIntosh of Haines Law Group, APC as Class Counsel;
- C. Appointing Plaintiff Roberto Navarro as Class Representative for the Settlement Class;
- D. Approving Phoenix Settlement Administrators as Settlement Administrator;
- E. Preliminarily approving this Settlement Agreement and its terms as fair, reasonable, and adequate;
- F. Approving the form and content of the Notice Packet (which is comprised of the Class Notice and Notice of Individual Settlement Payment, and is attached hereto as Exhibits A and B, respectively), and directing the mailing of the same in English and Spanish; and
- G. Scheduling a Final Approval hearing.

9. **Notice to Settlement Class.** Following preliminary approval, the Settlement Class shall be notified as follows:

- A. Within ten (10) business days of the Court signing an order preliminarily approving this Agreement, Defendant will provide the Settlement Administrator with the names, last known addresses, phone numbers, social security numbers, dates of employment, and workweek data for the Settlement Administrator to use to determine the number of workweeks worked by each Settlement Class member during the Class Period, as well as the number of workweeks worked by each PAGA Aggrieved Employee during the PAGA Period.
- B. Within ten (10) business days from receipt of this information, the Settlement Administrator shall (i) run the names of all Settlement Class members through the National Change of Address (“NCOA”) database to determine any updated addresses for Settlement Class members; (ii) update the address of any Settlement Class member for whom an updated address was found through the NCOA search; (iii) calculate the estimated Individual Settlement Payment for each Settlement Class member; and (iv) mail a Notice Packet to each Settlement Class member at his or her last known address or at the updated address found through the NCOA search, and retain proof of mailing.
- C. Any Notice Packets returned to the Settlement Administrator as non-delivered on or before the Response Deadline shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a “skip trace,” to obtain an updated mailing address within five (5) business days of receiving the returned Notice Packet. If an updated mailing address is identified, the Settlement

Administrator shall resend the Notice Packet to the Settlement Class member immediately, and in any event within five (5) business days of obtaining the updated address. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Settlement Class member. Settlement Class members to whom Notice Packets are re-mailed after having been returned as undeliverable to the Settlement Administrator shall have fourteen (14) calendar days from the date of re-mailing, or until the Respond Deadline has expired, whichever is later, to mail a Request for Exclusion, objection, or dispute. Notice Packets that are re-mailed shall inform the recipient of this adjusted deadline. If a Settlement Class member's Notice Packet is returned to the Settlement Administrator more than once as non-deliverable, then an additional Notice Packet shall not be mailed. Nothing else shall be required of, or done by, the Parties, Class Counsel, or Defendant's Counsel to provide notice of the proposed settlement.

- D. Requests for Exclusion. Any Settlement Class member who wishes to opt-out of the Settlement must complete and mail a Request for Exclusion (defined below) to the Settlement Administrator within sixty (60) calendar days of the date of the initial mailing of the Notice Packets (the "Response Deadline").
- i. The Notice Packet shall state that Settlement Class members who wish to exclude themselves from the Settlement must submit a Request for Exclusion by the Response Deadline. The Request for Exclusion must: (1) contain the name, address, telephone number and the last four digits of the Social Security number of the Settlement Class member; (2) contain a statement that the Settlement Class member wishes to be excluded from the Settlement; (3) be signed by the Settlement Class member; and (4) be postmarked by the Response Deadline and mailed to the Settlement Administrator at the address specified in the Class Notice. If the Request for Exclusion does not contain the information listed in (1)-(3), it will not be deemed valid for exclusion from the Settlement, except a Request for Exclusion not containing a Settlement Class member's telephone number and/or last four digits of the Social Security number will be deemed valid. The date of the postmark on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any Settlement Class member who requests to be excluded from the Settlement Class will not be entitled to any recovery under this Settlement Agreement (except for any amount due to him or her from the PAGA Amount, if applicable) and will not be bound by the terms of the Settlement (except for the PAGA release, if applicable) or have any right to object, appeal or comment thereon.
 - ii. At no time will the Parties or their counsel seek to solicit or otherwise encourage any Settlement Class member to object to the Settlement or opt-out of the Settlement Class, or encourage any Settlement Class member to appeal from the final judgment.

- E. Objections. Members of the Settlement Class who do not request exclusion may object to this Agreement as explained in the Class Notice by filing a written objection with the Settlement Administrator (who shall serve all objections as received on Class Counsel and Defendant's counsel, who shall then promptly file all such objections with the Court). Defendant's counsel and Class Counsel shall file any responses to objections no later than the deadline to file the Motion for Final Approval, unless an objection is filed within ten (10) days of the Motion for Final Approval filing deadline, in which case Defendant's counsel and Class Counsel shall have ten (10) days to respond. To be valid, any objection should: (1) contain the objecting Settlement Class member's full name and current address, as well as contact information for any attorney representing the objecting Settlement Class member for purposes of the objection; (2) include all objections and the factual and legal bases for same; (3) include any and all supporting papers, briefs, written evidence, declarations, and/or other evidence; and (4) be postmarked no later than the Response Deadline. Any Settlement Class member who wishes to may also appear in person or through their own counsel and raise an objection at the Final Approval Hearing.
- F. Notice of Individual Settlement Payment / Disputes. Each Notice Packet mailed to a Settlement Class member shall disclose the amount of the Settlement Class member's estimated Individual Settlement Payment as well as all of the information that was used to calculate the Individual Settlement Payment. Settlement Class members will have the opportunity, should they disagree with Defendant's records regarding the information stated in the Notice of Individual Settlement Payment, to provide documentation and/or an explanation to show contrary information. Any such dispute, including any supporting documentation, must be mailed to the Settlement Administrator and postmarked by the Response Deadline. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Individual Settlement Payments under the terms of this Settlement Agreement. However, if the Settlement Administrator and the Parties cannot agree on a resolution, the Parties will submit the dispute to the Court for a final determination.
- G. Defendant understands its legal obligation not to retaliate against the Settlement Class members for their participation and/or election to participate in the benefits to be afforded any of them by the Settlement and/or the Action.

10. **Final Approval.** Following preliminary approval and the close of the period for filing requests for exclusion, objections, or disputes under this Settlement Agreement, Plaintiff shall apply to the Court for entry of an Order:

- A. Granting final approval to the Settlement Agreement and adjudging its terms to be fair, reasonable, and adequate;

- B. Approving Plaintiff's and Class Counsel's application for attorneys' fees and costs, Class Representative Enhancement Payment, settlement administration costs, and payment to the LWDA for its share of civil penalties under PAGA; and
- C. Entering judgment pursuant to California Rule of Court 3.769. Said judgment shall be posted on the Settlement Administrator's website.

11. **Non-Admission of Liability.** Nothing in this Settlement Agreement shall operate or be construed as an admission of any liability or that class certification is appropriate in any context other than this Settlement. Each of the Parties has entered into this Settlement Agreement to avoid the burden and expense of further litigation. Pursuant to California Evidence Code Section 1152, this Settlement Agreement is inadmissible in any proceeding, except a proceeding to approve, interpret, or enforce this Settlement Agreement. If Final Approval does not occur, the Parties agree that this Settlement Agreement is void, but remains protected by California Evidence Code Section 1152.

12. **Waiver and Amendment.** The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by a written agreement signed by all of the Parties, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

13. **Cooperation.** The Parties agree to work cooperatively, diligently and in good faith to ensure that all necessary documents are timely filed.

14. **Nondisclosure and Nonpublication.** Plaintiff and Class Counsel agree not to disclose or publicize the Settlement Agreement among the parties contemplated herein, the fact of the Settlement Agreement, its terms or contents, and the negotiations underlying the Settlement Agreement, in any manner or form, directly or indirectly, to any person or entity, except Settlement Class members and as shall be contractually required to effectuate the terms of the Settlement Agreement as set forth herein. However, for the limited purpose of allowing Class Counsel to prove adequacy as class counsel in other actions, Class Counsel may disclose the names of the Parties in this action and the venue/case number of this action for such purposes.

15. **Notices.** All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery and by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

if to Plaintiff: Paul K. Haines of Haines Law Group, APC
2155 Campus Drive, Suite 180, El Segundo, CA 90245
phaines@haineslawgroup.com

if to Defendant: Robert Prata of Prata & Daley LLP
515 South Figueroa Street, Suite 1515, Los Angeles, CA 90071
rprata@pratadaley.com

16. **Entire Agreement.** This Settlement Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof.

17. **Counterparts.** This Settlement Agreement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

18. **Enforcement and Continuing Jurisdiction of the Court.** To the extent consistent with class action procedure, this Settlement Agreement shall be enforceable by the Court pursuant to California Code of Civil Procedure section 664.6. The Court shall retain continuing jurisdiction over this Action and over all Parties and Settlement Class members, to the fullest extent to enforce and effectuate the terms and intent of this Settlement Agreement, and to adjudicate any claimed breaches of this Settlement Agreement. The Court may award reasonable attorneys' fees and costs to the prevailing party in any motion or action taken based on an alleged violation of any material term of this Settlement Agreement.

DATED:

DEFENDANT PRIME CONVERTING
CORPORATION

By: _____
Name: _____
Title: _____

DATED: 7/28/2022

PLAINTIFF ROBERTO NAVARRO

By:  _____
Roberto Navarro (Jul 29, 2022 13:20 PDT)
Plaintiff and Settlement Class Representative

16. **Entire Agreement.** This Settlement Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof.

17. **Counterparts.** This Settlement Agreement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

18. **Enforcement and Continuing Jurisdiction of the Court.** To the extent consistent with class action procedure, this Settlement Agreement shall be enforceable by the Court pursuant to California Code of Civil Procedure section 664.6. The Court shall retain continuing jurisdiction over this Action and over all Parties and Settlement Class members, to the fullest extent to enforce and effectuate the terms and intent of this Settlement Agreement, and to adjudicate any claimed breaches of this Settlement Agreement. The Court may award reasonable attorneys' fees and costs to the prevailing party in any motion or action taken based on an alleged violation of any material term of this Settlement Agreement.

DATED: 7/29/22

DEFENDANT PRIME CONVERTING
CORPORATION

By: 
Name: ROBERT J. Nielsen
Title: President

DATED:

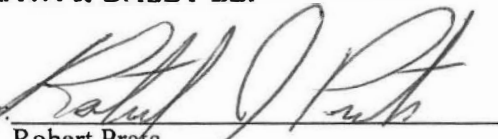
PLAINTIFF ROBERTO NAVARRO

By: _____
Plaintiff and Settlement Class Representative

APPROVED AS TO FORM:

DATED:

PRATA & DALEY LLP

By: 
Robert Prata
Attorneys for Defendant

DATED: September 27, 2022

HAINES LAW GROUP, APC

By: 
Paul K. Haines
Sean M. Blakely
Attorneys for Plaintiff

EXHIBIT 1

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN BERNARDINO

ROBERTO NAVARRO, as an individual and on
behalf of all others similarly situated,

Plaintiff,

vs.

PRIME CONVERTING CORPORATION, a
California Corporation; and DOES 1 through 100,

Defendants.

Case No. CIVSB2106868

**NOTICE OF PENDENCY OF CLASS
ACTION AND PROPOSED SETTLEMENT**

To: All current and former non-exempt employees who worked for Defendant Prime Converting Corporation in California from September 1, 2016 until May 31, 2022. Collectively, these employees will be referred to as “Settlement Class members.”

**PLEASE READ THIS NOTICE CAREFULLY
THIS NOTICE IS BEING SENT IN ENGLISH AND SPANISH
YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR NOT**

Why should you read this notice?

The San Bernardino County Superior Court has granted preliminary approval of a proposed class action settlement (the “Settlement”) in the case of *Roberto Navarro v. Prime Converting Corporation*, San Bernardino Superior Court Case No. CIVSB2106868 (the “Action”). Because your rights may be affected by the Settlement, it is important that you read this notice carefully.

You may be entitled to money from this Settlement. Defendant Prime Converting Corporation’s (“Prime Converting”) records show that you were employed at Prime Converting in California as a non-exempt employee in California between September 1, 2016 and May 31, 2022 (the “Class Period”). The Court ordered that this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

The purpose of this notice is to provide you with a brief description of the Action, to inform you of the terms of the Settlement, to describe your rights in connection with the Settlement, and to explain what steps you may take to participate in, object to, or exclude yourself from the Settlement. If you do not exclude yourself from the Settlement and the Court finally approves the Settlement, you will be bound by the terms of the Settlement and any final judgment.

What is this case about?

Plaintiff Roberto Navarro (“Plaintiff”) brought this Action against Prime Converting, seeking to assert claims on behalf of a class of current and former non-exempt employees who worked for Prime Converting in California at any time from September 1, 2016 to May 31, 2022. Plaintiff is known as the “Class Representative,” and his attorneys, who also represent the interests of all Settlement Class members, are known as “Class Counsel.”

Plaintiff alleges that Prime Converting failed to pay Settlement Class members for all earned minimum and overtime wages, and failed to provide all required meal and rest periods to Settlement Class members. The Action also alleges that Prime Converting took unlawful deductions from wages, failed to provide Settlement Class members with accurate and complete wage statements, and failed to timely pay all final wages at the time of separation of employment, and as a result of the foregoing alleged violations, engaged in unfair

business practices and is liable for civil penalties under the Labor Code Private Attorneys General Act (“PAGA”).

Prime Converting denies that it has done anything wrong. Prime Converting denies that it owes Settlement Class members any wages, restitution, penalties, or other damages. Accordingly, the Settlement constitutes a compromise of disputed claims and should not be construed as an admission of liability on the part of Prime Converting, which expressly denies all liability.

The Court has not ruled on the merits of Plaintiff’s claims. However, to avoid additional expense, inconvenience, and interference with its business operations, Prime Converting has concluded that it is in its best interests and the interests of Settlement Class members to settle the Action on the terms summarized in this Notice. After Prime Converting provided relevant information to Class Counsel, the Settlement was reached after mediation and arm’s-length negotiations between the parties.

The Class Representative and Class Counsel support the Settlement. Among the reasons for support are the defenses to liability potentially available to Prime Converting, the risk of denial of class certification, the inherent risks of trial on the merits, and the delays and uncertainties associated with litigation.

If you are still employed by Prime Converting, your decision about whether to participate in the Settlement will not affect your employment. California law and Prime Converting’s policy strictly prohibit unlawful retaliation. Prime Converting will not take any adverse employment action against or otherwise retaliate, or discriminate, against any Settlement Class member because of the Settlement Class member’s decision to either participate or not participate in the Settlement.

Who are the Attorneys?

Attorneys for the Plaintiff/Settlement Class members: HAINES LAW GROUP, APC Paul K. Haines phaines@haineslawgroup.com Sean M. Blakely sblakely@haineslawgroup.com Alexandra R. McIntosh amcintosh@haineslawgroup.com 2155 Campus Drive, Suite 180 El Segundo, California 90245 Tel: (424) 292-2350 Fax: (424) 292-2355 haineslawgroup.com	Attorneys for Defendant Prime Converting: PRATA & DALEY LLP Robert Prata rprata@pratadaley.com 515 South Figueroa Street, Suite 1515 Los Angeles, California 90071 Tel: (213) 622-5600 Fax: (213) 622-5623 pratadaley.com
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What are the terms of the Settlement?

On <<PRELIM APPROVAL DATE>>, the Court preliminarily certified a class, for settlement purposes only, of all current and former non-exempt employees who worked for Prime Converting in California between September 1, 2016 and May 31, 2022. Settlement Class members who do not opt out of the Settlement pursuant to the procedures set forth in this Notice will be bound by the Settlement and will release their claims against Prime Converting as described below.

Prime Converting has agreed to pay \$325,000.00 (the “Maximum Settlement Amount”) to fully resolve all claims in the Action, including payments to Settlement Class members, requested attorneys’ fees and expenses, settlement administration costs, PAGA civil penalties, and the Class Representative’s Enhancement Payment.

The following deductions from the Maximum Settlement Amount will be requested by the parties:

Settlement Administration Costs. The Court has approved Phoenix Settlement Administrators to act as the “Settlement Administrator,” who is sending this Notice to you and will perform many other duties relating to the Settlement. The Court has approved setting aside up to \$10,000.00 from the Maximum Settlement Amount to pay the settlement administration costs.

Attorneys’ Fees and Expenses. Class Counsel have been prosecuting the Action on behalf of the Settlement Class members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses. The Court will determine the actual amount awarded to Class Counsel as attorneys’ fees, which will be paid from the Maximum Settlement Amount. Settlement Class members are not personally responsible for any of Class Counsel’s attorneys’ fees or expenses. Class Counsel will ask for fees of up to one-third of the Maximum Settlement Amount, which is estimated to be \$108,333.33, as reasonable compensation for the work Class Counsel performed and will continue to perform in this Action through Settlement finalization. Class Counsel also will ask for reimbursement of up to \$25,000.00 for verified costs Class Counsel incurred in connection with the Action.

Enhancement Payment to Class Representative. Class Counsel will ask the Court to award the Class Representative an enhancement payment in the amount of \$7,500.00 to compensate him for his service and extra work provided on behalf of the Settlement Class members.

PAGA Payment to State of California. \$15,000.00 will be paid to the California Labor & Workforce Development Agency (“LWDA”), representing 75% of the \$20,000.00 the parties have agreed to allocate to the settlement of Plaintiff’s claim on behalf of the Settlement Class members under the PAGA. The remaining \$5,000.00 will be payable to certain Settlement Class members as the “PAGA Amount,” as described below.

Calculation of Settlement Class Members’ Individual Settlement Payments. After deducting the Court-approved amounts above, the balance of the Maximum Settlement Amount will form the Net Settlement Amount (“NSA”), which will be distributed to all Settlement Class members who do not submit a valid and timely Request for Exclusion (described below). The NSA is estimated at approximately \$154,166.67 and will be divided as follows:

- (i) Wage Statement Amount: Five percent (5%) of the NSA has been designated as the “Wage Statement Amount” and will be allocated to all Settlement Class members who were employed by Prime Converting at any time between September 1, 2019 and May 31, 2022 in proportion to the number of workweeks that he or she worked between September 1, 2019 and May 31, 2022.
- (ii) Waiting Time Amount: Five percent (5%) of the NSA shall be designated as the “Waiting Time Amount,” and shall be distributed equally to each participating Settlement Class member who separated their employment with Prime Converting between September 1, 2017 and May 31, 2022.
- (iii) The remainder of the Net Settlement Amount (i.e., 90%) will be distributed to each participating Settlement Class member based on their proportionate number of workweeks worked during the Class Period, and which will be calculated by multiplying the remaining Net Settlement Amount by a fraction, the numerator of which is the Settlement Class member’s total workweeks worked during the Class Period, and the denominator of which is the total number of workweeks worked by all participating Settlement Class members during the Class Period.
- (iv) PAGA Amount: \$5,000 has been designated as the “PAGA Amount” and will be allocated to Settlement Class members who were employed by Prime Converting at any time from February 26, 2020 and May 31, 2022 (the “PAGA Period”) (regardless of whether they opt out of the Settlement Class) in proportion to the number of workweeks that he or she worked between February 26, 2020 and May 31, 2022.

Payments to Settlement Class Members. If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to all Settlement Class members who did not submit a valid and timely Request for Exclusion. Settlement checks will be valid for 180 days from the date the Settlement Administrator mails it. Any funds payable to Settlement Class members whose checks were not cashed within 180 days after mailing shall escheat to Mary's Mercy Center, Inc., which is an organization dedicated to providing services to the indigent.

Allocation and Taxes. For tax purposes, each Individual Settlement Payment will be treated as follows: 20% as "wages," for which an IRS form W-2 will be issued; and 80% as penalties and interest, for which an IRS form 1099 will be issued. Any payment from the PAGA Amount shall be designated as 100% penalties. Settlement Class members are responsible for the proper income tax treatment of the Individual Settlement Payments. The Settlement Administrator, Prime Converting and its counsel, and Class Counsel cannot provide tax advice. Accordingly, Settlement Class members should consult with their tax advisors concerning the tax consequences and treatment of payments they receive under the Settlement.

Release. If the Court approves the Settlement, the Settlement Class, and each Settlement Class member who has not submitted a timely and valid Request for Exclusion, will release Prime Converting, and all of its past and present parent companies, affiliates, controlling persons, subsidiaries, directors, officers, shareholders and investors, agents, attorneys, employees, and benefit plans sponsored by any such entities (collectively, the "Released Parties") from all claims and causes of action alleged or which could have reasonably been alleged based on the allegations in the operative complaint in the Action, including: (i) minimum wage violations; (ii) overtime violations; (iii) meal period violations; (iv) rest period violations; (v) unlawful deductions from wages; (vi) wage statement violations; (vii) waiting time penalties; (viii) unfair competition; and (ix) all damages, penalties, interest, costs (including attorney fees) and other amounts recoverable under said claims or causes of action as to the facts and/or legal theories alleged in the Action (collectively, the "Released Claims"). This release shall run from September 1, 2016 to May 31, 2022. In addition, all Settlement Class members (whether or not they opt out) who worked for Prime Converting in California at any point during the PAGA Period will release the Released Parties from any and all claims under the PAGA premised on the facts and/or allegations in Plaintiff's letter to the LWDA dated February 26, 2021 that arose during the PAGA Period (the "PAGA Release").

Conditions of Settlement. The Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing finally approving the Settlement as fair, reasonable, adequate and in the best interests of the Settlement Class, and the entry of Judgment.

How can I claim money from the Settlement?

Do Nothing. If you do nothing, you will be entitled to your share of the Settlement based on the number of workweeks you worked during the Class Period, the proportionate number of workweeks you worked between September 1, 2019 through May 31, 2022, the proportionate number of workweeks you worked during the PAGA Period, and whether you ended your employment between September 1, 2017 and May 31, 2022, as stated in the accompanying Notice of Estimated Settlement Award. You also will be bound by the Settlement, including the release of claims stated above.

What other options do I have?

Dispute Information in Notice of Settlement Award. Your award is based on the number of workweeks you worked during the Class Period, the proportionate number of workweeks you worked between September 1, 2019 through May 31, 2022, the proportionate number of workweeks you worked during the PAGA Period, and whether you ended your employment between September 1, 2017 and May 31, 2022. The information contained in Prime Converting's records regarding each of these factors, along with your estimated Individual Settlement Payment, is listed on the accompanying Notice of Estimated Settlement Award. If you disagree with the information in your Notice of Estimated Settlement Award, you may submit a dispute, along with any supporting documentation, in accordance with the procedures stated in the Notice of Estimated Settlement Award. Any disputes, along with supporting documentation, must be postmarked no later than **<<RESPONSE DEADLINE>>**. **DO NOT SEND ORIGINALS; DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.**

The Parties and the Settlement Administrator will evaluate the evidence submitted and discuss in good faith how to resolve any disputes submitted by Settlement Class members. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Individual Settlement Payments under the terms of this Settlement Agreement. However, if the Settlement Administrator and the Parties cannot agree on a resolution, the Parties will submit the dispute to the Court for a final determination.

Exclude Yourself from the Settlement. If you **do not** wish to take part in the Settlement, you may exclude yourself by sending to the Settlement Administrator a written “Request for Exclusion” letter or card postmarked no later than <<RESPONSE DEADLINE>>, with your name, address, telephone number, last four digits of your social security number, and your signature.

Send the Request for Exclusion directly to the Settlement Administrator at <<INSERT ADMINISTRATOR CONTACT INFO>>. Any person who submits a timely Request for Exclusion from the Settlement shall, upon receipt by the Settlement Administrator, no longer be a Settlement Class member, shall be barred from participating in any portion of the class action Settlement, and shall receive no benefits from the class action Settlement. However, all Settlement Class members who worked for Prime Converting during the PAGA Period, including those who opt out, will be bound by the PAGA portion of the Settlement and will receive a portion from the PAGA Amount. **Do not submit both a Dispute and a Request for Exclusion.** If you do, the Request for Exclusion will be invalid, you will be included in the Settlement Class, and you will be bound by the terms of the Settlement.

Objecting to the Settlement. You also have the right to object to the terms of the Settlement. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. If you wish to object to the Settlement, or any portion of it, you should mail a written objection to the Settlement Administrator. Your written objection should include your name, address, as well as contact information for any attorney representing you regarding your objection, the case name and number, each specific reason in support of your objection, and any legal or factual support for each objection together with any evidence in support of your objection. Objections should be in writing and must be postmarked on or before <<RESPONSE DEADLINE>>.

You may also appear at the Final Approval Hearing scheduled for <<FINAL APPROVAL HEARING DATE/TIME>> in Department S-26 of the San Bernardino County Superior Court, located at 247 W. Third Street, San Bernardino, CA. 92415. You have the right to appear either in person or through your own attorney at this hearing. Any attorney who intends to represent an individual objecting to the Settlement must file a notice of appearance with the Court and serve counsel for all parties on or before <<RESPONSE DEADLINE>>. All objections or other correspondence must state the name and number of the case, which is *Roberto Navarro v. Prime Converting Corporation*, San Bernardino Superior Court Case No. CIVSB2106868. You do not need to object in writing to be heard at the Final Approval Hearing.

If you object to the Settlement, you will remain a member of the Settlement Class, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Settlement Class members who do not object.

What is the next step?

The Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement on <<FINAL APPROVAL HEARING DATE/TIME>>, in Department S-26 of the San Bernardino County Superior Court, located at 247 W. Third Street, San Bernardino, CA. 92415. The Court also will be asked to rule on Class Counsel’s request for attorneys’ fees and reimbursement of documented costs and expenses and the Enhancement Payment to the Class Representative. The Final Approval Hearing may be postponed without further notice to the Settlement Class. You may contact Class Counsel using the contact information provided above to confirm the address and time of the hearing. **You are not required to attend the Final Approval Hearing, although any Settlement Class member is welcome to attend the hearing.**

How can I get additional information?

This Notice is only a summary of the Action and the Settlement. For more information, you may inspect the Court's files and the Settlement Agreement at the Office of the Clerk of the San Bernardino County Superior Court, located at 247 W. Third Street, San Bernardino, CA. 92415, during regular court hours. You may also contact Class Counsel using the contact information listed above for more information.

PLEASE DO NOT CALL OR WRITE THE COURT, PRIME CONVERTING, OR ITS ATTORNEYS FOR INFORMATION ABOUT THIS SETTLEMENT OR THE SETTLEMENT PROCESS

REMINDER AS TO TIME LIMITS

The deadline for submitting any Disputes, Requests for Exclusion, or Objections is <<RESPONSE DEADLINE>>. These deadlines will be strictly enforced.

BY ORDER OF THE COURT ENTERED ON <<PRELIM APPROVAL DATE>>.

EXHIBIT 2

NOTICE OF ESTIMATED SETTLEMENT AWARD

ROBERTO NAVARRO v. PRIME CONVERTING CORPORATION
SAN BERNARDINO COUNTY SUPERIOR COURT CASE NO. CIVSB2106868

Please complete, sign, date and return this Form to **<<ADMINISTRATOR CONTACT INFO>>** **ONLY IF** (1) your personal contact information has changed, and/or (2) you wish to dispute any of the items listed in Section (III), below. It is your responsibility to keep a current address on file with the Settlement Administrator.

(I) Please type or print your name:

(First, Middle, Last)

(II) Please type or print the following identifying information if your contact information has changed:

Former Names (if any)

New Street Address

City

State

Zip Code

(III) Information Used to Calculate Your Settlement Payment:

According to Prime Converting Corporation's ("Prime Converting") records:

- (a) you worked [redacted] workweeks for Prime Converting in California between September 1, 2016 and May 31, 2022;
- (b) you worked [redacted] workweeks for Prime Converting in California between September 1, 2019 and May 31, 2022;
- (c) you worked [redacted] workweeks for Prime Converting in California between February 26, 2020 and May 31, 2022; and
- (d) your employment with Prime Converting **<<DID/DID NOT>>** end between September 1, 2017 and May 31, 2022.

Based on the above, your Settlement Payment is estimated at \$ [redacted].

(IV) If you disagree with items (a), (b), (c), and/or (d) in Section (III) above, please explain why in the space provided below and include copies of any supporting evidence or documentation with this Form:

If you dispute the above information from Prime Converting's records, Prime Converting's records will control unless you are able to provide documentation that establishes otherwise and that Prime Converting's records are mistaken. If there is a dispute about whether Prime Converting's information or yours is accurate, and the dispute cannot be resolved informally, the dispute will be resolved by the Parties and the Settlement Administrator as described in the "Notice of Pendency of Class Action and Proposed Settlement" that accompanies this Form. If the Settlement

Administrator and the Parties cannot agree on a resolution, the Parties will submit the dispute to the Court for a final determination.

**ANY DISPUTES, ALONG WITH ANY SUPPORTING DOCUMENTATION, MUST BE POSTMARKED
NO LATER THAN <<RESPONSE DEADLINE>>.**

EXHIBIT B

HAINES LAW GROUP
EMPLOYMENT ATTORNEYS

February 26, 2021

VIA LWDA WEBSITE

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

Re: *Roberto Navarro v. Prime Converting Corporation*

To Whom It May Concern:

Please be advised that this law firm represents Roberto Navarro (“Mr. Navarro”) in claims arising from his employment with Prime Converting Corporation; and Does 1 through 100 (collectively “Prime”). Mr. Navarro is an “aggrieved employee” as defined by Labor Code Section 2698 *et seq.*, due to Prime’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 Prime’s non-exempt employees who worked for Prime in California during the one year immediately preceding the date of this letter through the present.

Mr. Navarro was employed by Prime as a non-exempt employee in the position of machine operator from approximately 2019 until approximately August 2020, when his employment was terminated.

During Mr. Navarro’s and other aggrieved employees’ employment with Prime, Prime utilized a timekeeping system which failed to compensate Mr. Navarro and other aggrieved employees for all hours actually worked, whether by rounding, time-shaving, or otherwise. Although Prime recorded Mr. Navarro’s and other aggrieved employees’ hours worked to the minute, Prime only paid Mr. Navarro and other aggrieved employees in quarter-hour increments. Additionally, upon information and belief, in the event Mr. Navarro and other aggrieved employees clocked in one minute after their scheduled start of shift, Prime unlawfully deducted up to 15-minutes from Mr. Navarro’s and other aggrieved employees’ hours worked. Prime’s one-way timekeeping policies/practices are not even handed and have resulted in Mr. Navarro and other aggrieved employees not being compensated for all hours worked. Further, on occasions when Mr. Navarro worked over eight hours in a workday and/or forty hours in a workweek, Prime’s timekeeping policies/practices deprived him of additional overtime wages earned. Due to Prime’s timekeeping policies/practices that fail to compensate for all hours worked, Mr. Navarro and other aggrieved employees were not compensated for all required minimum and

overtime wages.

Mr. Navarro and other aggrieved employees worked shifts in excess of 10.0 hours but were not provided a second meal period due to Prime's meal period policies/practices which do not provide a second meal period for shifts in excess of 10.0 hours. In the event that a required meal period was not provided, Prime did not pay Mr. Navarro and other aggrieved employees the meal period premium wages required by Labor Code § 226.7. Upon information and belief, during at least a portion of the relevant time period, Prime did not maintain a payroll code or other mechanism for the payment of meal period premiums under Labor Code § 226.7 in the event they failed to provide a legally compliant meal period to their non-exempt employees. Additionally, Prime did not require its non-exempt employees to clock out and in for meal periods and thus failed to keep records of the beginning and ending times of all meal periods in violation of Wage Order 1, § 7(A)(3). Rather, Prime simply deducted 30 minutes from non-exempt employees' recorded hours on the assumption that a valid 30-minute meal period was taken, regardless of whether one was actually taken.

Mr. Navarro and other aggrieved employees were not authorized and permitted to take a rest period for every four hours worked (or major fraction thereof) due to Prime's rest period policies/practices. Specifically, Mr. Navarro and other aggrieved employees were not authorized and permitted to take separate rest periods throughout the workday and were only authorized and permitted a single 10-minute rest period as well as a combined 40-minute meal and rest period during their 8-hour shift, in violation of California law. *See Rodriguez v. E.M.E., Inc.* (2016) 246 Cal.App.4th 1027 (holding that in the context of an 8-hour shift with a single meal period, the preferred schedule requires the provision of a rest period in the middle of each "work period" before and after the meal break, and that "a departure from the preferred schedule is permissible only when the departure (1) will not unduly affect employee welfare and (2) is tailored to alleviate a material burden that would be imposed on the employer by implementing the preferred schedule."). Additionally, when Mr. Navarro and other aggrieved employees worked shifts in excess of 10.0 hours, Mr. Navarro and other aggrieved employees were not authorized and permitted to take a third rest period. In the event that a required rest period was not authorized and permitted, Prime did not pay Mr. Navarro the rest period premium wages required by Labor Code § 226.7. Upon information and belief, during at least a portion of the relevant time period, Prime did not maintain a payroll code or other mechanism for the payment of rest period premiums under Labor Code § 226.7 in the event they failed to provide a legally compliant rest period to their non-exempt employees.

As a result of Prime's failure to pay all minimum and overtime wages as well as all meal and rest period premium wages, Prime maintained inaccurate payroll records, issued inaccurate wage statements to Mr. Navarro and other aggrieved employees, and failed to pay Mr. Navarro and other aggrieved employees all wages due at their separation of employment.

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

Minimum Wage Violations

Prime was required to pay Mr. Navarro 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, Prime failed to conform its pay practices to the requirements of the law by failing to pay Mr. Navarro and other aggrieved employees for all hours worked, including, but not limited to, all hours they were subject to the control of Prime and/or suffered or permitted to work. As a result of these policies/practices, which fail to compensate for all hours worked, Mr. Navarro and other aggrieved employees were deprived of all required minimum wages.

Overtime Wage Violations

Prime was required to pay Mr. Navarro 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, Prime caused Mr. Navarro and other aggrieved employees to work overtime hours, but did not compensate Mr. Navarro and other aggrieved employees at one- and one-half times their regular rate of pay for such hours. As a result of these policies/practices, Mr. Navarro and other aggrieved employees were not compensated for all overtime and double-time wages.

Meal Period Violations

As alleged above, Prime failed to provide Mr. Navarro 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, Mr. Navarro 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.”).

Rest Period Violations

As alleged above, Prime also failed to authorize and permit Mr. Navarro and other aggrieved employees to take all required rest periods. *See* Labor Code §§ 226.7 and 516; Wage Order 1, § 12. As a result, Mr. Navarro 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.”)

Unlawful Deductions from Earned Wages

As alleged above, Prime made unlawful deductions from Mr. Navarro’s and other aggrieved employees’ earned wages in violation of Labor Code §§ 221-223. Prime’s failure to pay all earned wages is unlawful and creates an entitlement to recovery by Mr. Navarro and other aggrieved employees for unpaid wages, interest on said wages, and attorneys’ fees.

Wage Statement Violations

Prime was required to furnish Mr. Navarro 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 Prime’s failure to pay all overtime, minimum, and earned wages, and failure to pay all required meal and rest period premium wages, Prime maintained inaccurate payroll records and issued inaccurate wage statements to Mr. Navarro and other aggrieved employees in violation of Labor Code § 226. Prime’s failure to comply with its wage statement obligations was knowing and intentional, and Mr. Navarro 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. Prime failed to timely pay Mr. Navarro and other aggrieved employees all of their final wages at the time of separation, which included all overtime, double-time, minimum, and earned wages as well as all meal and rest period premium wages. Pursuant to Labor Code § 203, Prime’s failure to pay all final wages due to Mr. Navarro and other aggrieved employees was willful and, consequently, entitles Mr. Navarro and other aggrieved employees to waiting time penalties equal to one day of wages at their standard hourly rate for each day Prime failed to pay their final wages after their separation, up to a maximum of thirty days.

As an “aggrieved employee,” Mr. Navarro will initiate a civil action on behalf of himself and other aggrieved employees to recover civil penalties resulting from the wage and hour violations alleged herein. Based on Mr. Navarro’s own investigation, and on information and belief, Prime committed and continues to commit the following Labor Code violations:

- a. Prime violated Labor Code §§ 1182.12, 1194, 1194.2, 1197, and 1198 by failing to pay Mr. Navarro and other aggrieved employees the statutory minimum wage for all hours worked;
- b. Prime violated Labor Code §§ 204, 510, 558, 1194, and 1198 by failing to pay Mr. Navarro and other aggrieved employees all overtime compensation earned;
- c. Prime 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 Mr. Navarro and other aggrieved employees at these employees’ respective regular rates of compensation for meal period violations;
- d. Prime violated Labor Code §§ 226.7, 516, 558, and 1198 by failing to authorize and permit Mr. Navarro and other aggrieved employees all required rest periods and failing to pay rest period premiums to Mr. Navarro and other aggrieved employees at these employees’ respective regular rates of compensation for rest period violations;
- e. Prime violated Labor Code §§ 221, 222, and 223 by unlawfully deducting earned wages from Mr. Navarro and other aggrieved employees;
- f. Prime violated Labor Code § 226 by failing to furnish Mr. Navarro and other aggrieved employees with accurate and compliant itemized wage statements;
- g. Prime violated Labor Code §§ 201, 202, and 203 by failing to timely pay all final wages due to Mr. Navarro and other aggrieved employees;
- h. Prime violated Labor Code § 204 by failing to pay Mr. Navarro and other aggrieved employees all wages earned at least twice during each calendar month; and
- i. Prime violated Labor Code §§ 1174 and 1198 by failing to maintain accurate records on behalf of Mr. Navarro and other aggrieved employees.

LWDA
February 26, 2021
Page 6 of 6

Pursuant to Labor Code Section § 2699.3(a)(2)(A), please notify us and Prime 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

A handwritten signature in blue ink, appearing to be 'P. H.', with a long horizontal flourish extending to the right.

Paul K. Haines

cc: Prime Converting Corporation (via certified mail)

PROOF OF ACCEPTANCE (ELECTRONIC)

PRODUCED DATE: 02/27/2021

HAINES LAW GROUP:

The following is information for Certified Mail™/RRE item number:

9214 8901 9403 8333 2165 52

Our records indicate that this item was accepted by the USPS at:

SHIPMENT RECEIVED ACCEPTANCE PENDING EL SEGUNDO,CA 90245 02/26/2021

ORIGINAL INTENDED RECIPIENT:

PRIME CONVERTING CORPORATION

C/O: ROBERT J NIELSEN

420 W 26TH ST

UPLAND CA 91784-1125



Mailer: Haines Law Group

Date Produced: 03/08/2021

ConnectSuite Inc.:

The following is the delivery information for Certified Mail™/RRE item number 9214 8901 9403 8333 2165 52. Our records indicate that this item was delivered on 03/01/2021 at 05:36 p.m. in UPLAND, CA 91786. The scanned image of the recipient information is provided below.

Signature of Recipient :

W.M.
C-19

Address of Recipient :

420 W. 26TH ST

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PRIME CONVERTING CORPORATION
C/O: ROBERT J NIELSEN
420 W 26TH ST
UPLAND CA 91784-1125

Customer Reference Number: C2545826.14635536

From: noreply@salesforce.com on behalf of [LWDA DO NOT REPLY](#)
To: [Aaron Clark](#)
Subject: Thank you for submission of your PAGA Case.
Date: Friday, February 26, 2021 4:22:01 PM

2/26/2021

LWDA Case No. LWDA-CM-823002-21
Law Firm : Haines Law Group, APC
Plaintiff Name : Roberto Navarro
Employer: Prime Converting Corporation
Filing Fee : \$75.00
IFP Claimed : No

Item submitted: Initial PAGA Notice

Thank you for your submission to the Labor and Workforce Development Agency. Please make a note of the LWDA Case No. above as you may need this number for future reference when filing any subsequent documents for this Case.

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

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

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