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Attorneys for Plaintiffs

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

JOSE CUELLAR, as an individual and on behalf
of all others similarly situated,

Plaintiff,

vs.

BEE IMAGINE LLC, a Delaware Limited
Liability Company; and DOES 1 through 100,

Defendants.

Case No.: 21STCV07867

*[Assigned for all purposes to Hon. Stuart
M. Rice; Dept. SSC-1]*

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

Date: May 17, 2023
Time: 10:30 a.m.
Dept.: SSC-1

Action Filed: February 26, 2021
Trial Date: None Set

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I, Paul K. Haines, declare as follows:

1. I am the principal of Haines Law Group, APC and counsel for the named Plaintiffs Hellar and Manuel Miranda (“Plaintiffs”) 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 qualified 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 *ude*. During law school, I worked as a law clerk for the appellate firm of Horvitz & Levy, 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 national 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 all aspects 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 individual and multi-plaintiff wage and hour matters as well.

4. During my employment at Littler Mendelson, I played a significant role in the class that I was staffed on, as I was often the only associate staffed on such cases. In particular, I gained 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 summary judgment motions; arguing discovery related motions; drafting motions to consolidate matters; interviewing putative class members and obtaining declarations in connection with class certification; drafting oppositions to motions for class certification; drafting motions for class certification following class certification; conducting exposure analyses to assess the

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

17 6. In July 2012, I transitioned into litigating wage and hour class actions from the
18 Plaintiff’s side, first as a Partner with the law firm of Boren, Osher & Luftman, LLP, and since
19 February 2016 as a Shareholder of Haines Law Group, APC. Currently, over ninety percent (90%)
20 of my practice is dedicated exclusively to the prosecution of wage and hour class actions, and my
21 law firm is currently responsible for prosecuting over fifty (50) wage and hour class actions filed
22 in both State and Federal courts throughout California. I have been appointed as Class Counsel in
23 over one hundred (100) wage and hour class action settlements in state and federal courts within
24 California. Some examples of the matters in which I have been appointed as Class Counsel, all of
25 which have been granted final approval, include the following: *Shaw v. Conant Auto Retail, San*
26 *Diego*, Case No. 37-2014-00044052-CU-OE-CTL, California Superior Court, County of San
27 Diego, Hon. Judge Joan M. Lewis, presiding; *Tirado v. Ricon Corp.*, Case No. BC537042,
28 California Superior Court, County of Los Angeles, Hon. John S. Wiley, presiding; *Horta v.*

1 *Searles Valley Minerals, Inc.*, Case No. CIVDS 1507615, California Superior Court, County of
2 San Bernardino, Hon. Donald Alvarez presiding; *Rodriguez v. Spartan, Inc.*, Case No. BCV-15-
3 100007-DRL, California Superior Court, County of Kern, Hon. David R. Lampe presiding;
4 *Kostyuk, et al. v. Golden State Overnight Delivery Service, Inc.*, Case No. RG14727191,
5 California Superior Court, Alameda County, Hon. Winifred Y. Smith presiding; *Leverage, et al*
6 *v. Traeger Pellet Grills, LLC, et al*, Case No. 16-cv-00784-KAW, United States District Court for
7 the Northern district of California, Hon. Kandis A. Westmore presiding; *Nunez v. CompuCom*
8 *Systems, Inc.*, Case No. BC618385, California Superior Court, County of Los Angeles, Hon. John
9 Shepard Wiley, Jr., presiding; *Morales v. Caremeridian, LLC, et al.*, Case No. BC593191,
10 California Superior Court, County of Los Angeles, Hon. William F. Highberger presiding;
11 *Rodrigues v. CP Kelco U.S., Inc.*, Case No. 37-2017-00004339-CU-OE-CTL, California Superior
12 Court, County of San Diego, Hon. Joel R. Wohlfeil, presiding; *Beach-Barrow, et al v. The Hertz*
13 *Corp.*, Case No. RG17848833, California Superior Court, County of Alameda, Hon. Ioana Petrou
14 presiding; *Gooding v. Vita-Mix Corp., et al*, Case No. 2:16-cv-03898-ODW (JEMx), United States
15 District Court for the Central District of California, Hon. Otis D. Wright II presiding; *Afa, et al v.*
16 *Alliance Ground Int'l, LLC*, Case No. BC661449, California Superior Court, County of Los
17 Angeles, Hon. William F. Highberger presiding.

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

- 20 • *Medeiros v. Vortex Financial Management Inc.*, Case No. 30-2013-00644741-CU-OE-
21 CXC, California Superior Court, County of Orange, Honorable Judge Gail A. Andler,
22 presiding (certifying a class of employees who were misclassified as independent
23 contractors);
- 24 • *Javine v. San Luis Ambulance Service, Inc.*, Case No. CV13-07480 BRO (SSx), United
25 States District Court, Central District of California, Honorable Judge Beverly Reid
26 O'Connell, presiding (conditionally certifying an unpaid FLSA overtime wage class);
- 27 • *Prado v. Warehouse Demo Services, Inc.*, Case No. CV14-3170 JFW (Ex), United States
28 District Court, Central District of California, Honorable Judge John F. Walter, presiding

- (certifying rest period class and conditionally certifying FLSA unpaid overtime class);
- *Bower v. Cycle Gear, Inc.*, Case No. CV14-2712 HSG, United States District Court, Northern District of California, Honorable Judge Haywood S. Gilliam, Jr., presiding (conditionally certifying an unpaid FLSA overtime wage class);
 - *Vega v. Weatherford U.S., Limited Partnership*, Case No. CV14-1790-JLT, United States District Court, Eastern District of California, Honorable Jennifer L. Thurston, presiding (conditionally certifying an unpaid FLSA overtime wage class);
 - *Galvan v. AMVAC Chemical Corporation*, Case No. 30-2014-00716103-CU-OE-CXC, California Superior Court, County of Orange, Honorable Judge William Claster, presiding (certifying unpaid overtime wage class and waiting time penalty class);
 - *Camacho v. Residential Fire Systems, Inc.*, Case No. 30-2015-775372-CU-OE-CXC, California Superior Court, County of Orange, Honorable Glenda Sanders, presiding (certifying piece rate pay plan classes, expense reimbursement class, wage statement class, and waiting time penalties class);
 - *Ontiveros v. Safelite Fulfillment, Inc., et al*, Case No. CV 15-7118-DMG (RAOx), United States District Court, Central District of California, Honorable Dolly M. Gee presiding (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);

- 1 • *Staublein v. Wells Fargo Bank, N.A.*, Case No. CIVDS1712267, California Superior
2 Court, County of San Bernardino, Honorable David Cohn presiding (certifying a wage
3 statement class);
- 4 • *Perez v Sunbelt Rentals, Inc.*, Case No. Case No. 37-2018-00026405-CU-OE-CTL,
5 California Superior Court, County of San Diego, Honorable Eddie C. Sturgeon, presiding
6 (certifying wage statement class);
- 7 • *Bowlin-Burdick et al v. Life Care Centers of America*, Case No. BC657139, Los Angeles
8 County Superior Court, Hon. Maren E. Nelson (certifying four classes for meal period
9 violations, rest period violations, wage statement violations, and waiting time penalties);
10 and
- 11 • *McDonald, et al. v. Sierra Pacific Industries*, Case No. 191133, Shasta County Superior
12 Court, Hon. Tamara L. Wood (certifying eight classes for meal period violations, rest
13 period violations, unpaid wages, unreimbursed business expenses, wage statement
14 violations, and waiting time penalties).

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

21 9. As counsel for Plaintiffs and the proposed Settlement Class, I have been intimately
22 involved in every aspect of this case from its inception through the present, and I believe that the
23 proposed Settlement is a favorable result for the Settlement Class. I do not have any conflicts of
24 interest with the proposed Settlement Class. I have also made a reasonable inquiry of other
25 members of my firm, and no one has any conflicts of interest with the proposed Settlement Class.
26 My office also does not have any relationship, financial or otherwise, with the proposed
27 Settlement Administrator, Phoenix Settlement Administrators (“PSA”).

28 10. Defendant Bee Imagine LLC (“Bee Imagine”) is a third-party logistics provider

1 that distributes cargo to local, national, and international destinations for both domestic and
2 international companies.

3 11. On February 26, 2021, Plaintiff Jose Cuellar filed a Class Action Complaint
4 against Bee Imagine in Los Angeles Superior Court, in the matter entitled *Jose Cuellar v. Bee*
5 *Imagine LLC*, Case No. 21STCV07867 (the “Action”). On May 3, 2021, Plaintiff Jose Cuellar
6 filed a First Amended Class and Representative Action Complaint (“FAC”) to add a cause of
7 action for civil penalties under the Private Attorneys General Act (“PAGA”). On January 14,
8 2022, Plaintiffs filed the operative Second Amended Class and Representative Action Complaint
9 (“SAC”). The SAC alleges the following causes of action: (i) meal period violations; (ii) rest
10 period violations; (iii) minimum wage violations; (iv) failure to pay all overtime wages; (v) wage
11 statement violations; (vi) failure to pay all wages owed upon termination; (vii) unfair competition;
12 and (viii) civil penalties under the PAGA. A true and correct copy of Plaintiff Cuellar’s February
13 26, 2021 PAGA letter to the Labor & Workforce Development Agency (“LWDA”) is attached
14 hereto as **Exhibit B**.

15 12. In connection with mediation, Bee Imagine provided Plaintiffs with a 15%
16 sampling of timekeeping and payroll records, as well as several classwide data points. Bee
17 Imagine also provided all relevant wage and hour policy documents applicable during the Class
18 Period. On December 9, 2021, the parties participated in a full-day mediation with Todd A. Smith,
19 Esq., a well-respected wage and hour class action mediator, however, the parties did not reach a
20 settlement. Following the December 9, 2021 mediation, Plaintiffs propounded their first set of
21 Special Interrogatories and Requests for Production of Documents. While meeting and conferring
22 regarding Plaintiffs’ first set of discovery, the parties agreed to attend a second mediation. In
23 connection with the second mediation, Plaintiffs hired a labor economist with a Ph.D. in
24 economics to assist Plaintiffs in conducting a comprehensive analysis and extrapolation of the
25 data produced by Bee Imagine to calculate Bee Imagine’s potential exposure for each of
26 Plaintiffs’ claims. This discovery allowed the parties to assess the merits and value of Plaintiffs’
27 claims, the chances of certification of Plaintiffs’ claims, and Bee Imagine’s potential defenses.
28 My office drew on our collective extensive experience in similar cases to assess the strengths and

1 weaknesses of Plaintiffs' case.

2 13. On October 19, 2022, the parties participated in a second mediation with Francis
3 J. Ortman, III, a well-respected wage and hour class action mediator. During mediation, the
4 parties vigorously debated their opposing legal positions, the likelihood of certification of
5 Plaintiffs' claims, and the legal basis for the claims and defenses. At the conclusion of mediation,
6 Mr. Ortman issued a mediator's proposal for a classwide settlement, which was ultimately
7 accepted by all parties and documented in a Memorandum of Understanding ("MOU"). During
8 the months that followed, the parties negotiated and finalized the long-form Settlement
9 Agreement now before this Court. A true and correct copy of the Stipulation of Settlement
10 ("Settlement Agreement") is attached hereto as **Exhibit A**. The proposed Class Notice and Notice
11 of Estimated Settlement Payment are attached as **Exhibits 1 and 2**, respectively, to the Settlement
12 Agreement.

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

- | | |
|---|----------------------------|
| • Gross Settlement Amount ("GSA"): | \$950,000.00 |
| • Minus Court-approved attorneys' fees (up to 1/3): | \$316,666.66 |
| • Minus Court-approved verified costs (up to): | \$45,000.00 |
| • Minus Court-approved Service Enhancements: | \$15,000.00 |
| • Minus Amount Set Aside as PAGA Penalties: | \$50,000.00 |
| • <u>Minus estimated settlement administration costs (up to):</u> | <u>\$15,000.00</u> |
| Net Settlement Amount ("NSA"): | \$508,333.34 |
| • PLUS 25% "PAGA Amount" to Settlement Class: | \$12,500.00 |
| • <u>Total Amount Paid to Settlement Class members:</u> | <u>\$520,833.34</u> |

14 15. According to Bee Imagine, there are approximately 964 total Settlement Class
15 members. Therefore, the average Settlement Award from the NSA is projected to be
16 approximately \$527.32. There are also approximately 411 "PAGA Aggrieved Employees" who
17 worked during the PAGA Period, and therefore, the average payment from the PAGA Amount is
18 estimated to be approximately \$30.41.

19 16. As detailed in Plaintiff's Motion for Preliminary Approval, Plaintiffs allege that
20 Bee Imagine failed to provide legally compliant first meal periods. Specifically, Plaintiffs allege
21 that Settlement Class members in the position of "driver" and "helper" were required to take on-
22 duty meal periods. Plaintiffs allege that Bee Imagines' on-duty meal period agreements for its
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1 “drivers” and “helpers” were unlawful as the nature of their work did not necessitate on-duty meal
2 periods. Plaintiffs further allege that other Settlement Class members who clocked out/in for their
3 meal periods were often provided with first meal periods after the completion of five hours of
4 work and were less than a full 30-minutes. Based on Plaintiffs’ expert’s analysis and extrapolation
5 of the timekeeping data produced by Bee Imagine, there were approximately 41,656 meal period
6 eligible shifts worked by “drivers” and “helpers” that were taken “on-duty.” Plaintiffs contend
7 that Bee Imagine’s on-duty meal period agreements for its “drivers” and “helpers” were unlawful,
8 and therefore, Plaintiffs assumed a meal period violation for each of these 41,656 shifts.
9 Furthermore, for employees who recorded their meal periods, Plaintiffs’ analysis and
10 extrapolation of the timekeeping records revealed approximately 16,260 non-compliant first meal
11 periods. In addition, based on data provided by Bee Imagine, Settlement Class members’ average
12 hourly rate of pay during the Class Period was \$17.16 per hour. Bee Imagine also paid
13 approximately \$25,078 in meal period premiums during the Class Period. Therefore, Plaintiffs
14 calculated Bee Imagine’s maximum exposure on this claim at approximately \$968,761 ([41,656
15 non-compliant meal periods * \$17.16 average premium] + [16,260 first meal period violations *
16 \$17.16 average premium] - \$25,078 in meal period premiums). However, Bee Imagine contends
17 that it maintained compliant written meal period policies throughout the Class Period and
18 provided meal periods in line with those compliant policies. Bee Imagine also argues that under
19 *Brinker*, it is only required to “provide” the opportunity to take meal periods, not “ensure” meal
20 periods are taken. With respect to its “drivers” and “helpers,” Bee Imagine contends that it utilized
21 lawful on-duty meal period agreements which meet the requirements of the Wage Order. Bee
22 Imagine also maintains that any short, missed, or late first meal periods were the result of lawful
23 employee waiver or choice, thereby precluding liability. Lastly, Bee Imagine argues that
24 individualized inquiries will be required to determine why each meal period was taken late or
25 short or missed by each employee, and whether there was a valid waiver, thereby making
26 certification of this claim unlikely. In light of these defenses and arguments, as well as the risk
27 that the estimated exposure could be reduced due to the existence of arbitration agreements,
28 Plaintiffs discounted Bee Imagine’s maximum exposure by 60% for the risk of non-certification,

1 and an additional 60% to account for Bee Imagine's defenses on the merits and/or failure to
2 recover the full amount sought, to arrive at an estimated total of approximately \$155,002.

3 17. Plaintiff further alleges that Settlement Class members were not provided with
4 second meal periods when they worked shifts in excess of 10.0 hours in a workday. Plaintiffs'
5 expert's analysis and extrapolation of the timekeeping data revealed that there were
6 approximately 15,649 shifts in excess of 10.0 hours without a compliant second meal period
7 during the Class Period. Therefore, Plaintiffs calculated Bee Imagine's maximum exposure for
8 this claim at approximately \$268,537 (15,649 second meal period violations * \$17.16 average
9 premium). However, Bee Imagine argues that second meal periods may lawfully be waived on
10 shifts of more than 10.0 hours but less than 12.0 hours per Labor Code § 512. In addition, as with
11 first meal periods, Bee Imagine argued this claim would not be certified as requiring
12 individualized inquiries into both the merits and damages, and whether there was a valid waiver.
13 In light of these arguments and defenses, as well as the risk that Plaintiffs' estimated exposure
14 could be reduced by the existence of arbitration agreements, Plaintiffs discounted Bee Imagine's
15 maximum exposure by 60% for the risk of non-certification, and an additional 60% for a risk of
16 losing on the merits, or having exposure reduced due to Bee Imagine's waiver arguments, to arrive
17 at an estimated exposure amount of approximately \$42,966.

18 18. Plaintiffs allege that Bee Imagine's uniform written rest period policy in effect
19 from the beginning of the Class period until approximately March 2021, failed to authorize and
20 permit non-exempt employees to take a ten-minute off-duty rest period for every four hours
21 worked, or major fraction thereof. Specifically, Bee Imagine's written rest period policy during
22 this time stated that, "all non-exempt employees are entitled to one 10-minute paid break for every
23 four (4) hours of scheduled work." Plaintiffs allege this language is inconsistent with rest period
24 requirements under California law in that: (1) it failed to authorize and permit rest periods on
25 shifts of 3.5-3.99 hours, (2) failed to authorize and permit a second rest period for shifts between
26 6.01 and 7.99 hours, and (3) failed to authorize and permit third rest periods on shifts over 10.0
27 hours. Within these parameters, Plaintiffs' expert's analysis revealed that there were
28 approximately 41,597 shifts with potential non-compliant rest periods. Therefore, Plaintiffs

1 calculated Bee Imagine's maximum exposure on this claim at approximately \$713,804 (41,597
2 rest period violations * \$17.16 average premium). Bee Imagine argues that it has always
3 maintained and enforced lawful rest period practices during the Class Period, and has, in fact,
4 authorized and permitted all required rest periods to Settlement Class members. Additionally, Bee
5 Imagine maintains that any failure to take a rest period was the result of employee choice, rather
6 than any policy or practice of Bee Imagine. Bee Imagine also asserts this claim is not amenable
7 to class treatment as individualized inquiries would be required to determine which employees
8 failed to take a rest period, and the reasons why. Bee Imagine also contends that manageability
9 concerns are especially present with respect to rest period claims, since rest periods are not
10 recorded. In light of these defenses, as well as the risk that Plaintiffs' estimated exposure could
11 be reduced by the existence of arbitration agreements, Plaintiffs discounted Bee Imagine's
12 maximum exposure by 40% to account for the risk of non-certification, and an additional 45% to
13 account for Bee Imagine's defenses on the merits, to arrive at an estimated exposure of
14 approximately \$235,555.

15 19. Plaintiffs contend that Bee Imagine underpaid certain Settlement Class members
16 due to its failure to pay daily overtime wages. Based on Plaintiffs' expert's review of employee
17 timekeeping and payroll records, Plaintiffs estimate that Bee Imagine underpaid overtime wages
18 by approximately \$205,196. Bee Imagine counters that it has always paid Settlement Class
19 members for all hours worked, including all overtime hours for work performed in excess of 8.0
20 hours per workday. Bee Imagine also argues that any unpaid time could have only amounted to a
21 few minutes per day, at most, and was thus *de minimis*. While Plaintiffs point to *Troester v.*
22 *Starbucks Corp.*, 5 Cal.5th 829 (2018), where the California Supreme Court held California's
23 labor laws generally do not recognize a *de minimis* defense, Bee Imagine argues *Troester* should
24 be limited to its facts. Based on these defenses, as well as the risk that Plaintiffs' class claims
25 could be reduced due to the existence of the arbitration agreements, Plaintiffs discounted the
26 maximum exposure by 25% to account for the risk of non-certification, and an additional 25% to
27 account for Bee Imagine's defenses on the merits, to arrive at an estimated exposure of
28 approximately \$115,423.

1 20. As a result of Bee Imagine’s alleged failure to pay all wages and all meal and rest
2 period premiums, Plaintiffs asserts Bee Imagine failed to comply with its final payment
3 obligations set forth in Labor Code § 203. Bee Imagine’s records reflected approximately 606
4 former Settlement Class members who separated their employment with Bee Imagine since
5 February 26, 2018. Moreover, Plaintiffs estimate an average waiting time penalty of \$4,118
6 (\$17.16/hr. * 8 hours per day * 30 days). Therefore, Plaintiffs estimated Bee Imagine’s maximum
7 waiting time penalty exposure at approximately \$2,495,508 (606 former employees * \$4,118
8 average penalty). Bee Imagine asserts it has strong, good-faith defenses to Plaintiffs’ underlying
9 claims, precluding the imposition of waiting time penalties. Moreover, because the waiting time
10 claim is derivative of Plaintiffs’ underlying wage claims, Plaintiffs would need to overcome Bee
11 Imagine’s defenses, both as to class certification and on the merits, as to their underlying claims.
12 Bee Imagine further asserts Plaintiffs’ waiting time penalty exposure was grossly inflated as not
13 every former employee experienced the alleged Labor Code violations. Based on these defenses,
14 as well as the risk that Plaintiffs’ exposure could be reduced by the presence of arbitration
15 agreements, Plaintiffs discounted Bee Imagine’s maximum exposure by 60% for risk of non-
16 certification, and an additional 65% for risk of being unsuccessful on the merits or failure to
17 recover the full amount sought, to arrive at an estimated total of approximately \$349,371.

18 21. As a further result of Bee Imagine’s alleged failure to pay all wages and all meal
19 and rest period premiums, Plaintiffs alleges that Bee Imagine failed to issue accurate and
20 compliant wage statements in violation of Labor § 226. Plaintiffs’ analysis reflected that there
21 were approximately 8,893 pay periods worked by Settlement Class members within the liability
22 period applicable to Plaintiffs’ wage statement claim. Plaintiffs’ calculated Bee Imagine’s
23 maximum exposure at a total of approximately \$868,750 ([411 “initial” violations * \$50] + [8,482
24 “subsequent” violations * \$100]) in potential penalties. Bee Imagine contends any alleged wage
25 statement violations could not be shown to be “knowing and intentional” given its good-faith
26 defenses, and that Plaintiffs cannot show they or other employees “suffer[ed] injury,” as required
27 by Labor Code § 226(e) for the imposition of penalties. Bee Imagine further argues that wage
28 statements always accurately reflected hours worked and amounts paid to employees. Bee

Imagine further argues the same defenses as to Plaintiffs' underlying claims apply equally to Plaintiffs' derivative wage statement claims. Thus, in light of these arguments, as well as the risk that Plaintiffs' exposure could be reduced due to the existence of arbitration agreements, Plaintiffs discounted the maximal exposure by 60% for risk of non-certification, and by an additional 65% for risk of being unsuccessful on the merits, to arrive at an estimated realistic total of approximately \$121,625.

22. As a result of the foregoing Labor Code violations, Plaintiffs alleges that Bee Imagine is liable for civil penalties under the PAGA. Plaintiffs' analysis reflected there were approximately 8,893 pay periods worked in the PAGA Period (i.e., February 26, 2020, through December 19, 2022). Therefore, Plaintiffs estimated a maximum total PAGA exposure of approximately \$889,300 (8,893 pay periods * \$100 "initial" penalty). Since Plaintiffs' PAGA claim is derivative of Plaintiffs' underlying wage claims, Bee Imagine asserts the PAGA claim would fail with those claims. Bee Imagine further maintains that, given its good faith defenses, this Court would exercise its discretion to substantially reduce any PAGA penalties if it were to find Bee Imagine liable for any of Plaintiffs' claims. Therefore, based on these risks, Plaintiffs discounted the maximum figure by 65% for risk of losing on the merits and/or not recovering a PAGA penalty for each and every pay period, and an additional 75% to account for the possibility of this Court reducing penalties, to arrive at an estimated exposure of approximately \$77,814.

23. As an initial matter, Bee Imagine asserts that approximately 25% of Settlement Class members signed valid and enforceable arbitration agreements with class action waivers. Setting aside any arguments as to the merits of Plaintiffs' claims, Bee Imagine contends that absent settlement, a class-wide recovery for all Settlement Class members was not possible given that some Settlement Class members signed valid and enforceable arbitration agreements with class action waivers.

24. Using these estimated figures for each of the claims described above, Plaintiffs calculate a maximum potential recovery to be approximately \$1,097,756. The proposed settlement of \$950,000 therefore represents approximately 86.5% of the reasonably forecasted recovery for the Settlement Class.

1 25. Although the parties engaged in significant informal discovery prior to mediation,
2 the parties still had significant formal discovery to complete had the matter not settled. This would
3 have required expenditure of substantial time and resources by both parties that would have very
4 likely spanned several years. Even if Plaintiffs were to certify the classes, the parties would incur
5 considerably more attorneys' fees and costs through a possible decertification motion, trial, and
6 possible appeal. This Settlement avoids those risks and the accompanying expense.

7 26. My office will apply for an attorneys' fees award of one-third of the Gross
8 Settlement Amount, which is currently estimated to be \$316,666.66, and up to \$45,000.00 in
9 verified costs reimbursement. Plaintiffs submit the requested fee is fair compensation for
10 undertaking complex, risky, expensive, and time-consuming litigation on a purely contingent fee
11 basis. My office has incurred substantial attorneys' fees conducting pre-filing investigation,
12 analyzing Plaintiffs' claims, conducting legal research, engaging in informal written discovery,
13 analyzing Settlement Class members' payroll and timekeeping records, working with its expect
14 to conduct a detailed analysis and extrapolation of the timekeeping and payroll records in order
15 to develop a comprehensive damages model, preparing for and attending two mediation sessions,
16 negotiating and preparing the long-form Settlement Agreement, preparing this Motion, and
17 otherwise litigating the case. My office expects to expend additional attorney time in attending
18 the hearing on this Motion, overseeing the Notice process and fielding questions from Settlement
19 Class members, preparing the final approval papers, and attending the Final Approval hearing.

20 27. Plaintiffs will apply for Class Representative Service Enhancements at the time of
21 seeking final approval of the proposed class action settlement in the amount of \$7,500 each, for
22 a total of \$15,000.00, for their service to the Settlement Class. I believe this is reasonable given
23 Plaintiffs' efforts in this case as well as the significant risks Plaintiffs undertook by agreeing to
24 serve as named Plaintiffs in this case and agreeing to a general release of all claims subject to a
25 waiver of California Civil Code section 1542. Plaintiffs were integral in the prosecution of this
26 action, by, among other things, providing substantial factual information and documents to Class
27 Counsel, attending multiple meetings with Class Counsel to discuss the claims and theories at
28 issue in the litigation, and otherwise actively participating in the prosecution of their claims.

1 I declare under penalty of perjury under the laws of the State of California that the
2 foregoing is true and correct. Executed on April 25, 2023, at El Segundo, California.

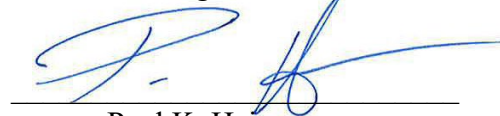
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EXHIBIT A

STIPULATION OF SETTLEMENT

This Stipulation of Settlement (“Settlement Agreement”) is reached by and between Plaintiffs Jose Cuellar and Manuel Miranda (“Plaintiffs”), as individuals and on behalf of all others similarly situated, on one hand, and Defendant Bee Imagine LLC (hereinafter “Defendant”), on the other hand. Plaintiffs and Defendant are referred to herein collectively as the “Parties.” Plaintiffs and the Settlement Class are represented by Paul K. Haines and Sean M. Blakely of Haines Law Group, APC (“Class Counsel”). Defendant is represented by James P. Carter and Eric T. Angel of Jackson Lewis P.C.

On February 26, 2021, Plaintiff Jose Cuellar filed a Class Action Complaint against Defendant in Los Angeles Superior Court, in the matter entitled *Jose Cuellar v. Bee Imagine LLC*, Case No. 21STCV07867 (the “Action”). On May 3, 2021, Plaintiff Jose Cuellar filed the First Amended Class and Representative Action Complaint (“FAC”) adding a cause of action for civil penalties under the Private Attorneys General Act (“PAGA”). On January 14, 2022, Plaintiffs filed the operative Second Amended Class and Representative Action Complaint (“SAC”). The SAC alleges the following causes of action: (i) meal period violations; (ii) rest period violations; (iii) minimum wage violations; (iv) failure to pay all overtime wages; (v) wage statement penalties; (vi) waiting time penalties; (vii) unfair competition; and (viii) civil penalties under the PAGA.

Defendant denies the claims raised in the Action and asserts that its wage and hour practices are proper and legal. Given the uncertainty of litigation, Plaintiffs and Defendant wish to settle both individually and on behalf of the Settlement Class. Accordingly, Plaintiffs and Defendant agree as follows:

1. **Settlement Class.** For the purposes of this Settlement Agreement only, Plaintiffs and Defendant stipulate to the certification of the following Settlement Class:

All current and former non-exempt, hourly employees of Bee Imagine LLC who worked at any of Bee Imagine LLC’s California facilities at any time from February 26, 2017 through December 19, 2022 (“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, does not become Final as defined below, or is terminated or materially modified without agreement of the Parties, 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, hourly employees of Bee Imagine LLC who worked at any of Bee Imagine LLC’s California facilities at any time from February 26, 2020 through December 19, 2022 (the “PAGA Period”).

2. **Release by Settlement Class Members and Plaintiffs.** Upon the Effective Date (as defined below) and upon the complete funding of the Gross Settlement Amount, Plaintiffs and all Settlement Class members (except those who opt out of the non-PAGA claims) will fully release and discharge Defendant, and all of its present and former officers, directors, employees, shareholders, agents, trustees, representatives, attorneys, insurers, reinsurers, parent companies, subsidiaries, divisions, affiliates, predecessors, successors, as well as any individual or entity that could be jointly liable with Defendant (collectively the “Released Parties”), as follows:

- A. Settlement Class members will release all claims, causes of action, and legal theories alleged or which could have been alleged based on the facts in the operative Second Amended Class and Representative Action Complaint (“SAC”), including: (a) failure to provide all meal periods in accordance with California law; (b) failure to authorize and permit all rest periods in accordance with California law; (c) minimum wage violations; (d) failure to pay all overtime wages; (e) failure to furnish accurate and itemized wage statements; (f) failure to pay all wages owed upon separation of employment; (g) all claims for unfair business practices that could have been premised on the facts, claims, causes of action or legal theories of relief pled in the SAC and (h) all damages, penalties, interest, costs (including attorney’s fees), and other amounts recoverable under said claims or causes of action as to the facts and/or legal theories alleged or which could have been alleged in the SAC (collectively, the “Class Released Claims”). The period of the Class Released Claims shall extend to the limits of the Class Period.
- B. Release by PAGA Aggrieved Employees. In addition, Plaintiffs and all PAGA Aggrieved Employees, regardless if they opt-out, will release any right or claim for civil penalties pursuant to the Private Attorney Generals Act of 2004, California Labor Code §2698, et seq. (“PAGA”), based on the alleged failures set forth in Plaintiff’s PAGA notice to the Labor & Workforce Development Agency (“LWDA”) and in the SAC, during the PAGA Period (“Released PAGA Claims”). It is understood and acknowledged that PAGA Aggrieved Employees receiving a share of the PAGA Amount as set forth in Paragraph 4.B.iv. 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 Released PAGA Claims as set forth in this Paragraph.
- C. In light of Plaintiffs’ Class Representative Service Enhancements, Plaintiffs have agreed to release, as individuals and in addition to the Class Released Claims described above, all claims, whether known or unknown, under federal law or state law against the Released Parties. Plaintiffs understand that this release includes unknown claims, and that Plaintiffs are, 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.

3. **Gross Settlement Amount.** As consideration, Defendant agrees to pay a non-reversionary "Gross Settlement Amount" of Nine Hundred Fifty Thousand Dollars and Zero Cents (\$950,000.00) 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 Gross Settlement Amount shall be deposited with the Settlement Administrator within thirty (30) calendar days of the "Effective Date." The Effective date shall mean the date when all of the following events have occurred: (1) this Stipulation of Settlement has been executed by all Parties, Class Counsel and Defendant's Counsel; (2) the Court has granted preliminary approval to this Stipulation of Settlement; (3) the Class Notice has been given to the Settlement Class members, providing them with an opportunity to object to the terms of this Stipulation of Settlement or opt out of the settlement; (4) the Court has held a Final Fairness hearing and entered a final Order and Judgment certifying the Settlement Class and approving this Stipulation of Settlement; (5) 65 calendars days have passed since the Court has entered a final Order and Judgment certifying the Settlement Class, and approving the Stipulation of Settlement; and (6) in the event there are written objections filed prior to the final fairness hearing which are not later withdrawn or denied, the later of the following events: five business days after the period for filing any appeal, writ or other appellate proceeding opposing the Court's final Order approving this Stipulation of Settlement has elapsed without any appeal, writ or other appellate proceeding having been filed; or, if any appeal, writ or other appellate proceeding opposing the Court's final Order approving this Stipulation of Settlement has been filed, five business days after any appeal, writ or other appellate proceedings opposing this Stipulation of Settlement has been finally and conclusively dismissed with no right to pursue further remedies or relief.
- C. This is a non-reversionary settlement. The Gross Settlement Amount includes:
 - (1) All payments (including interest) to the Settlement Class;
 - (2) All costs of the Settlement Administrator and settlement administration, which are anticipated to be no greater than Twenty Thousand Dollars and Zero Cents (\$20,000.00);
 - (3) Up to Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) each, a total of Fifteen Thousand Dollars and Zero Cents (\$15,000.00), for Plaintiffs' Class Representative Service Enhancements in recognition of

their contributions to the Action and their services to the Settlement Class. If Plaintiffs' request for their service enhancements is not approved and/or reduced by the Court, any amount not approved and/or reduced by the Court will revert to the participating Settlement Class members;

- (4) Up to one-third of the Gross Settlement Amount in Class Counsel's attorneys' fees, 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 Forty-Five Thousand Dollars and Zero Cents (\$45,000.00). If Class Counsel's request for attorneys' fees and/or reimbursement of litigation costs is not approved and/or reduced by the Court, any amount not approved and/or reduced by the Court will revert to the participating Settlement Class members; and
- (5) Fifty Thousand Dollars and Zero Cents (\$50,000.00) of the Gross Settlement Amount has been set aside by the Parties as PAGA civil penalties. Per Labor Code § 2699(i), seventy-five percent (75%) of such penalties, or Thirty-Seven Thousand Five Hundred Dollars and Zero Cents (\$37,500.00) will be payable to the Labor & Workforce Development Agency ("LWDA"), and the remaining twenty-five percent (25%), or Twelve Thousand Five Hundred Dollars and Zero Cents (\$12,500.00) will be payable to the Settlement Class as the "PAGA Amount."

- D. Defendant's share of employer payroll taxes on the amounts of the settlement attributable as W-2 wages as provided in Section 4(D), below, shall be paid by Defendant separately from, and in addition to, the Gross Settlement Amount.
- E. **Escalator Clause.** Defendant represents that there were an estimated 34,188 total workweeks worked by the Settlement Class members during the Class Period. If the number of work weeks worked during the Class Period exceeds this figure by more than 10% (i.e., if there are 37,607 or more workweeks), Defendant shall increase the Gross Settlement Amount on a proportional basis (i.e., if there was a 12% increase in the workweeks during the Class Period, Defendant shall increase the Gross Settlement Amount by 12%).

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 Gross Settlement Amount the amounts approved by the Court for Class Counsel's attorneys' fees, Class Counsel's costs and expenses, Plaintiffs' Class Representative Service Enhancements, the total amount set aside as PAGA civil penalties, and the Settlement Administrator's fees and expenses for administration. 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. Payments to all participating Settlement Class members: Eighty percent (80%) of the Net Settlement Amount will be distributed to all participating Settlement Class members based on each participating Settlement Class member's proportionate workweeks worked during the Class Period, and will be calculated by multiplying 80% of the Net Settlement Amount by a fraction, the numerator of which is the participating Settlement Class member's number of workweeks worked during the Class Period, and the denominator of which is the total workweeks worked by all participating Settlement Class members during the Class Period.
 - ii. Waiting Time Amount: Fifteen Percent (15%) of the Net Settlement Amount shall be designated as the "Waiting Time Amount." Each participating Settlement Class member whose employment with Defendant ended at any time from February 26, 2018 through December 19, 2022, shall receive an equal share of the Waiting Time Amount. In other words, the Waiting Time Amount will be divided equally among all participating Settlement Class members whose employment with Defendant ended at any time from February 26, 2018 through December 19, 2022.
 - iii. Wage Statement Amount: Five percent (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 from February 26, 2020 through December 19, 2022 shall receive a portion of the Wage Statement Amount proportionate to the number of workweeks that he or she worked during the period from February 26, 2020 through December 19, 2022, and which will be calculated by multiplying 5% of the Net Settlement Amount by a fraction, the numerator of which is the participating Settlement Class member's number of workweeks worked from February 26, 2020 through December 19, 2022, and the denominator of which is the total number of work weeks worked by all participating Settlement Class members during the time period from February 26, 2020 through December 19, 2022.
 - iv. PAGA Amount: Each Settlement Class member who was employed by Defendant at any time during the PAGA Period (including those who submit a valid and timely Request for Exclusion from the class action settlement) shall receive a portion of the Twelve Thousand Five Hundred Dollars and Zero Cents (\$12,500.00) of the Gross Settlement Amount that has been designated as the "PAGA Amount," proportionate to the number of workweeks that he or she worked during the PAGA Period, and which will be calculated by multiplying the PAGA Amount by a fraction, the numerator of which is the Settlement Class member's number of workweeks worked during the PAGA Period, and the denominator of which

is the total number of work weeks worked by all Settlement Class members during the PAGA Period (including those who submit a valid and timely Request for Exclusion from the class action settlement).

- C. Within ten (10) calendar days following Defendant's deposit of the Gross Settlement Amount and its share of employer payroll taxes with the Settlement Administrator, the Settlement Administrator will calculate 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 the 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. After the Individual Settlement Payments are mailed to Settlement Class members, the Settlement Administrator shall distribute the amounts approved for Class Counsel's attorneys' fees and litigation costs, Plaintiffs' Service Enhancements, payment to the LWDA for its share of PAGA civil penalties, and settlement administration expenses.
 - D. For purposes of calculating applicable taxes and withholdings, each Individual Settlement Payment from the NSA shall be allocated as follows: twenty percent (20%) wages, forty percent (40%) interest, and forty percent (40%) penalties, including waiting time penalties. Any payment from the PAGA Amount shall be classified as 100% penalties. The Settlement Administrator will be responsible for issuing to participating Settlement Class members IRS Forms W-2 for amounts deemed "wages" and IRS Forms 1099 for the amounts allocated as penalties and interest. Notwithstanding the treatment of the payments to each Settlement Class member above, none of the payments called for by this Settlement Agreement, including the wage portion, are to be treated as earnings, wages, pay or compensation for any purpose of any applicable benefit or retirement plan, unless required by such plans.
 - E. Each member of the Settlement Class who receives a Settlement Payment must cash that check within 180 days from the date the Settlement Administrator mails it. Any funds payable to Settlement Class members whose checks are not cashed within 180 days after mailing shall be distributed to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code § 1500 *et seq.*, in the name of the Settlement Class member to whom the check was issued, until such time that they claim their property.
 - F. Neither Plaintiffs 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 one-third of the Gross Settlement Amount, which is currently

estimated to be Three Hundred Sixteen Thousand Six Hundred Sixty-Six Dollars and Sixty-Six Cents (\$316,666.66). Additionally, Class Counsel will request an award of actual costs and expenses as supported by declaration, in an amount not to exceed Forty-Five Thousand Dollars and Zero Cents (\$45,000.00), from the Gross 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 when the Settlement Administrator pays the fee award allowed by the Court.

6. **Class Representative Service Enhancements.** Defendant will not object to a request for Class Representative Service Enhancements of up to Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) each, for a total of Fifteen Thousand Dollars and Zero Cents (\$15,000.00), to Plaintiffs for their time and risk in prosecuting this case, and their service to the Settlement Class. This payment will be in addition to Plaintiffs' Individual Settlement Payments as Settlement Class members 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 Plaintiffs seeking permission to pay up to Twenty Thousand Dollars and Zero Cents (\$20,000.00) for its services from the Gross Settlement Amount. The Settlement Administrator shall be responsible for sending notices and for calculating Individual Settlement Payments and preparing all checks and mailings, calculating Defendant's share of taxes payable on the wages, and other duties as described in this Settlement Agreement. The Settlement Administrator shall be authorized to pay itself from the Gross Settlement Amount by Class Counsel 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, Plaintiffs shall apply to the Court for the entry of an Order:

- A. Conditionally certifying the Settlement Class for purposes of this Settlement Agreement;
- B. Appointing Paul K. Haines and Sean M. Blakely of Haines Law Group, APC as Class Counsel;
- C. Appointing Jose Cuellar and Manuel Miranda as Class Representatives 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 Estimated Settlement Payment, and which is attached hereto as **Exhibits 1 and 2**, respectively, and directing the mailing of same; 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 after entry of an order preliminarily approving this Agreement, Defendant will provide the Settlement Administrator with the names, last known addresses, phone numbers, social security numbers, and workweek information for each Settlement Class member employed during the Class Period (the "Class Data"). The Class Data shall be provided to the Settlement Administrator in an electronic format reasonably satisfactory to the Settlement Administrator.
- B. Within ten (10) business days from receipt of the information provided for in Paragraph 9(A), 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 in English and Spanish 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. Requests for Exclusion. Any Settlement Class member who wishes to opt-out of the settlement must complete and mail a Request for Exclusion 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 a Settlement Class member who wishes 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 and will not be bound by the terms of the settlement or have any right to object, appeal or comment thereon. Notwithstanding the foregoing, the PAGA settlement and release provisions will apply to all Settlement Class members employed during the PAGA Period, whether or not they exclude themselves from the class action settlement. Settlement Class members who were employed by Defendant at any time during the PAGA Period and submit a valid and timely Request for Exclusion shall still be entitled to their portion of the PAGA Amount described above and will be bound by the Released PAGA Claims.

- 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.
- iii. Notwithstanding any other provisions of this Agreement, in the event that fifteen percent (15%) or more of the total Settlement Class members exclude themselves and opt out of the settlement, Defendant may, in its sole discretion, unilaterally withdraw from and terminate the settlement within ten (10) business days of the expiration of the claims/exclusion period. In the event of Defendant's withdrawal, no party may use the fact that the Parties agreed to the Resolution for any reason. In the event that Defendant elects to terminate this settlement under this provision, Defendant shall pay all the Administrative Costs incurred by the Settlement Administrator up to that point.

- D. Objections. Settlement Class members who do not request exclusion may object to this Settlement 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 via e-mail, as well as 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 the objections are 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 from the date of service to the objections by the Settlement Administrator to file a response to the objections. All objections should 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, include all objections and the factual and legal bases for same, include any and all supporting papers, briefs, written evidence, declarations, and/or other evidence, and be postmarked no later than the Response Deadline. Settlement Class members may also appear at the final approval hearing to orally object, even if they have not submitted a written objection.

- E. Notice of Estimated 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 the information that was used from Defendant's records in order 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 Estimated 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 Settlement Payments under the terms of this Agreement. The Settlement Administrator's determination of the eligibility for and amount of any Settlement Payment shall be binding upon the Settlement Class member and the Parties.
- F. Any Notice Packets returned to the Settlement Administrator as non-deliverable 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 Response Deadline has expired, whichever is later, to submit 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.

10. **Final Approval.** Following preliminary approval and the close of the period for filing requests for exclusion, objections, or disputes under this Settlement Agreement, Plaintiffs 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 Plaintiffs' and Class Counsel's application for attorneys' fees and costs, Class Representative Service Enhancements, LWDA payment, and settlement administration costs; and
- C. Entering judgment pursuant to California Rule of Court 3.769. Said judgment shall be posted on the website of the Settlement Administrator.

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. **Non-disclosure and Non-publication.** Plaintiffs and Class Counsel agree that they have not and will not publish the Settlement Agreement, except to Settlement Class members and as shall be contractually required to effectuate the terms of the Settlement Agreement as set forth herein. Class Counsel shall not report the Settlement Agreement in any medium or in any publication, shall not post or report anything regarding the claims of Plaintiffs, the Settlement Class, or the settlement on their website, and shall not contact any reporters or media regarding the settlement. 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, the venue/case number of this Action, and a general description of the Action, to a court in a declaration by Class Counsel.

13. **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 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.

14. **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 Defendant: James P. Carter, Jackson Lewis P.C., 200 Spectrum Center Drive,
Suite 500, Irvine, CA 92618; james.carter@jacksonlewis.com

if to Plaintiffs: Paul K. Haines, Haines Law Group, APC, 2155 Campus Drive,
Suite 180, El Segundo, California 90245;
phaines@haineslawgroup.com.

15. **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.

16. **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 said counterparts taken together shall be deemed to constitute one and the same instrument.

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

DATED:

Defendant Bee Imagine LLC

By: 
Its: Officer

DATED:

Plaintiff Jose Cuellar

By: _____
Plaintiff and Settlement Class Representative

DATED:

Plaintiff Manuel Miranda

By: _____
Plaintiff and Settlement Class Representative

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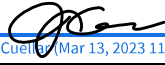
DATED:

Defendant Bee Imagine LLC

By: _____
Its: _____

DATED: Mar 13, 2023

Plaintiff Jose Cuellar

By:  _____
Jose Cuellar (Mar 13, 2023 11:40 PDT)
Plaintiff and Settlement Class Representative

DATED:

Plaintiff Manuel Miranda

By: _____
Plaintiff and Settlement Class Representative

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DATED: Defendant Bee Imagine LLC

By: _____
Its: _____

DATED: Plaintiff Jose Cuellar

By: _____
Plaintiff and Settlement Class Representative

DATED: Mar 9, 2023 Plaintiff Manuel Miranda

By: Manuel Miranda
Manuel Miranda (Mar 9, 2023 10:00 PST)
Plaintiff and Settlement Class Representative

APPROVED AS TO FORM:

DATED:

JACKSON LEWIS P.C.

By: 

James P. Carter
Eric T. Angel
Attorneys for Defendant

DATED:

HAINES LAW GROUP, APC

By: _____
Paul K. Haines
Sean M. Blakely
Attorneys for Plaintiffs

APPROVED AS TO FORM:

DATED:

JACKSON LEWIS P.C.

By: _____
James P. Carter
Eric T. Angel
Attorneys for Defendant

DATED: 03/13/2023

HAINES LAW GROUP, APC

By:  _____
Paul K. Haines
Sean M. Blakely
Attorneys for Plaintiffs

EXHIBIT 1

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

JOSE CUELLAR, as an individual and on behalf of
all others similarly situated,

Plaintiff,

vs.

BEE IMAGINE LLC, a Delaware Limited Liability;
and DOES 1 through 100,

Defendants.

Case No. 21STCV07867

NOTICE OF CLASS ACTION SETTLEMENT

To: All current and former non-exempt, hourly employees of Bee Imagine LLC who worked at any of Bee Imagine LLC's California facilities at any time from February 26, 2017 through December 19, 2022. Collectively, these employees will be referred to as "Settlement Class members."

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

Why should you read this notice?

The Court has granted preliminary approval of a proposed class action settlement (the "Settlement") in *Jose Cuellar, et al. v. Bee Imagine LLC*, Los Angeles County Superior Court, Case No. 21STCV07867 (the "Lawsuit"). Your rights may be affected by the Settlement, and it is important that you read this notice carefully.

You may be entitled to money from this Settlement. Defendant Bee Imagine LLC's ("Bee Imagine") records show that you were employed as a non-exempt, hourly employee who worked at a Bee Imagine facility in California at any time from February 26, 2017 through December 19, 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 Lawsuit, 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?

Plaintiffs Jose Cuellar and Manuel Miranda ("Plaintiffs") filed this lawsuit against Bee Imagine, asserting claims on behalf of all Settlement Class members. Plaintiffs are known as the "Class Representatives," and their attorneys, who also represent the interests of all Settlement Class members, are known as "Class Counsel."

In the Lawsuit, Plaintiffs allege that Bee Imagine: (1) failed to provide all legally required meal periods; (2) failed to authorize and permit all legally required rest periods; (3) failed to pay minimum wages for all hours worked; (4) failed to pay all overtime wages; (5) failed to issue accurate and itemized wage statements; (6) failed to timely pay all wages; (7) engaged in unfair, unlawful business practices; and (8) is liable for civil penalties under the Private Attorneys General Act (Labor Code § 2698 *et seq.*) ("PAGA").

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

The Court has not ruled on the merits of Plaintiffs' claims. However, to avoid additional expense, inconvenience, and interference with business operations, the parties concluded that it is in Bee Imagine's best interests and the interests of Settlement Class members to settle the Lawsuit on the terms summarized in this Notice. Bee Imagine provided relevant information to Class Counsel and the Settlement was reached after mediation conducted by an experienced mediator and arm's-length negotiations between the parties.

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

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

Who are the Attorneys?

Attorneys for Plaintiffs / Settlement Class members: HAINES LAW GROUP, APC Paul K. Haines phaines@haineslawgroup.com Sean M. Blakely sblakely@haineslawgroup.com 2155 Campus Drive, Suite 180 El Segundo, California 90245 Tel: (424) 292-2350 Fax: (424) 292-2355 haineslawgroup.com	Attorneys for Bee Imagine: JACKSON LEWIS P.C. James P. Carter james.carter@jacksonlewis.com Eric Angel Eric.angel@jacksonlewis.com 200 Spectrum Center Drive, Suite 500 Irvine, California 92618 Tel: (949) 885-1360 Fax: (949) 885-1380 jacksonlewis.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, hourly employees of Bee Imagine who worked at any of Bee Imagine's California facilities during the Class Period. Settlement Class members who do not submit a valid and timely Request for Exclusion from the Settlement pursuant to the procedures set forth in this Notice will be bound by the Settlement and will release their claims against Bee Imagine as described below in the "Release" section.

Bee Imagine has agreed to pay \$950,000.00 (the "Gross Settlement Amount") to fully resolve all claims in the Lawsuit, including payments to Settlement Class members, attorneys' fees and expenses, settlement administration costs, the class representative service enhancements, and the amount designated as PAGA civil penalties.

The Gross Settlement Amount will be paid within 30 days of the effective date, which is 65 calendar days after receiving final court approval of the Settlement if there are no objectors, or if there are objectors, within 5 business days of receiving final court approval of the Settlement and the expiration of the time to file appeals or the resolution of any appeals ("Effective Date").

The following deductions from the Gross 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 who will perform many other duties relating to the Settlement. The Court has approved setting aside up to \$15,000.00 from the Gross Settlement Amount to pay the Settlement administration costs.

Attorneys' Fees and Expenses. Class Counsel have been prosecuting the Lawsuit 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 Gross 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 Gross Settlement Amount (which is currently estimated to be \$316,666.66) as reasonable compensation for the work Class Counsel performed and will continue to perform in this Lawsuit through Settlement finalization. Class Counsel also will ask for reimbursement of up to \$45,000.00 for verified costs which were incurred by Class Counsel in connection with the Lawsuit.

Class Representative Service Enhancements. Class Counsel will ask the Court to award \$7,500.00 to each Plaintiff, for a total of \$15,000.00, as the Class Representative service enhancements. These payments are meant to compensate Plaintiffs for their service and extra work provided on behalf of the Settlement Class members.

PAGA Civil Penalties. The parties have agreed to allocate \$50,000.00 of the Gross Settlement Amount as PAGA civil penalties. Per Labor Code Section 2699(i), 75% of such penalties (\$37,500.00) will be payable to the Labor & Workforce Development Agency ("LWDA") for its share of PAGA penalties, and the remaining 25% (\$12,500.00) will be payable to the PAGA Aggrieved Employees as the "PAGA Amount."

Calculation of Settlement Class Members' Individual Settlement Payments. After deducting the Court-approved amounts above, the balance of the Gross Settlement Amount will form the Net Settlement Amount, which will be distributed to all Settlement Class members who do not submit a valid and timely Request for Exclusion (described below). The Net Settlement Amount will be divided as follows:

- (i) Payments to all participating Settlement Class members: 80% of the Net Settlement Amount will be distributed to all participating Settlement Class members in proportion to the number of workweeks that he or she worked during the Class Period.
- (ii) 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 Bee Imagine at any time from February 26, 2020 through December 19, 2022, 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.
- (iii) Waiting Time Amount: 15% 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 Bee Imagine at any time between February 26, 2018 and December 19, 2022.
- (iv) Payment from PAGA Amount: \$50,000.00 of the Gross Settlement Amount has been set aside by the Parties as PAGA civil penalties. As described above, 75% of such penalties (\$37,500.00) will be payable to the LWDA for its share of PAGA civil penalties, and the remaining (\$12,500.00) will be designated as the "PAGA Amount" and distributed to all PAGA Aggrieved Employees who were employed by Bee Imagine (including those that opt out of the class settlement) at any time from February 26, 2020 through December 19, 2022 ("PAGA Period") based on the proportionate number of workweeks that he or she worked during the PAGA Period.

Individual Settlement Payments to Settlement Class Members. If the Court grants final approval of the Settlement, Settlement Payments will be mailed to Settlement Class members who did not opt out of the settlement. PAGA Aggrieved Employees may not opt-out of the release of PAGA claims (as described in the "Release" paragraph on page 4) and will thus receive payment for their share of the PAGA Amount even if they opt out of the Settlement and do not receive a class portion of their Settlement Payments.

Allocation and Taxes. For tax purposes, each Individual Settlement Payment from the Net Settlement Amount will be allocated as 20% wages, 40% as interest, and 40% as penalties. Any payment from the PAGA Amount will be classified as 100% penalties. The Settlement Administrator will be responsible for issuing to 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). Settlement Class members are responsible for the proper income tax treatment of the Settlement Payments. The Settlement Administrator, Bee Imagine and their 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 by Settlement Class members. If the Court approves the Settlement, each Settlement Class member who has not submitted a timely and valid Request for Exclusion, will fully release and discharge Bee Imagine and all of its present and former officers, directors, employees, shareholders, agents, trustees, representatives, attorneys, insurers, reinsurers, parent companies, subsidiaries, divisions, affiliates, predecessors, successors, as well as any individual or entity that could be jointly liable with Bee Imagine (collectively the “Released Parties”) from all claims, causes of action, and legal theories alleged or which could have been alleged based on the facts in the operative Second Amended Class and Representative Action Complaint (“SAC”), including: (a) failure to provide all meal periods in accordance with California law; (b) failure to authorize and permit all rest periods in accordance with California law; (c) minimum wage violations; (d) failure to pay all overtime wages; (e) failure to furnish accurate and itemized wage statements; (f) failure to pay all wages owed upon separation of employment; (g) all claims for unfair business practices that could have been premised on the facts, claims, causes of action or legal theories of relief pled in the SAC and (h) all damages, penalties, interest, costs (including attorney’s fees), and other amounts recoverable under said claims or causes of action as to the facts and/or legal theories alleged or which could have been alleged in the SAC (collectively, the “Class Released Claims”). The period of the Class Released Claims shall extend to the limits of the Class Period.

In addition, Plaintiffs and all PAGA Aggrieved Employees, regardless if they opt-out, will release any right or claim for civil penalties pursuant to the PAGA, based on the alleged failures set forth in Plaintiff’s PAGA notice to the LWDA and in the SAC, during the PAGA Period (“Released PAGA Claims”).

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 a Judgment.

If the Court grants Final Approval, the Court will issue a final judgment which shall be posted on the Settlement Administrator’s website (<http://www.phoenixclassaction.com>).

How can I claim money from the Settlement?

Do Nothing. If you do nothing, you will be entitled to your Individual Settlement Payment which has been calculated for you based on the formula set forth above, and as stated in the accompanying Notice of Estimated Settlement Payment. You also will be bound by the Settlement, including the release of claims stated above.

Each participating Settlement Class member who receives a Settlement Payment must cash that check within 180 calendar days from the date the Settlement Administrator mails it. Any funds payable to participating Settlement Class members whose checks are not cashed within 180 calendar days after mailing will be distributed by the Settlement Administrator to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code § 1500 *et seq.*, in the name of the Settlement Class member to whom the check was issued, until such time that they claim their property.

What other options do I have?

Dispute Information in Notice of Estimated Settlement Payment. Your settlement payment is based on the proportionate number of workweeks you worked during the Class Period, as well as your eligibility to receive a share of the Wage Statement Amount, the Waiting Time Amount, and the PAGA Amount. The information contained in Bee Imagine’s records regarding this information, along with your estimated Individual Settlement Payment, is listed on the accompanying Notice of Estimated Settlement Payment. If you disagree with the information in your Notice of Estimated Settlement Payment, you may submit a dispute, along with any supporting documentation, in accordance with the procedures stated in the Notice of Estimated Settlement Payment. 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 Settlement Payments under the terms of this Agreement. The Settlement Administrator's determination of the eligibility for and amount of any Settlement Payment shall be binding upon the Settlement Class member and the Parties.

Exclude Yourself from the Settlement. If you **do not** wish to take part in the class action Settlement, you may exclude yourself by sending to the Settlement Administrator a written Request for Exclusion no later than **<<RESPONSE DEADLINE>>**, with your name, address, telephone number, a statement that you wish to be excluded from the class action settlement, your signature, and the last four digits of your social security number.

A Request for Exclusion must be sent directly to the Settlement Administrator at **<<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, and shall be barred from participating in any portion of the class action settlement. However, PAGA Aggrieved Employees who were employed by Bee Imagine at any time during the PAGA Period shall still be entitled to their portion of the PAGA Amount described above. **Do not submit both a Dispute and a Request for Exclusion Form.** 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 may mail a written objection to the Settlement Administrator at **<<INSERT ADMINISTRATOR CONTACT INFO>>**. All objections and correspondence must be sent directly to the Settlement Administrator, please do not send objections or correspondence to the Court. 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 1 of the Los Angeles County Superior Court, located at 312 North Spring Street, Los Angeles, California 90012. You have the right to appear either in person or through your own attorney at this hearing. All objections or other correspondence must state the name and number of the case, which is *Jose Cuellar, et al. v. Bee Imagine LLC*, Los Angeles County Superior Court, Case No. 21STCV07867.

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 1 of the Los Angeles County Superior Court, located at 312 North Spring Street, Los Angeles, California 90012. The location, date, and time of the Final Approval Hearing may be moved without further notice to you. You may contact Class Counsel using the contact information provided above to confirm the address and time of the hearing. At the Final Approval Hearing, the Court will also be asked to rule on Class Counsel's request for attorneys' fees and reimbursement of documented costs and expenses, the service enhancements to the Class Representatives, the Settlement Administrator's costs, and the amount related to the PAGA civil penalties. **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 Los Angeles County Superior Court, located at 312 North Spring Street, Los Angeles, California 90012, 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, BEE IMAGINE OR IT'S 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.

EXHIBIT 2

NOTICE OF ESTIMATED SETTLEMENT PAYMENT

Jose Cuellar, et al. v. Bee Imagine LLC
Los Angeles County Superior Court Case No. 21STCV07867

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 Individual Settlement Payment:

According to the records of Defendant Bee Imagine LLC ("Bee Imagine"):

- (a) You worked for Bee Imagine in California from _____ to _____;
- (b) You worked _____ workweeks for Bee Imagine in California from February 26, 2017 through December 19, 2022;
- (c) You worked _____ workweeks for Bee Imagine in California from February 26, 2020 through December 19, 2022; and
- (d) Your employment with Bee Imagine <<DID/DID NOT>> end between February 26, 2018 and December 19, 2022.

Based on the above, your Individual Settlement Payment is estimated to be \$ _____.

(IV) If you disagree with items (a)-(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 Bee Imagine's records, those records will control unless you are able to provide documentation that establishes that Bee Imagine's records are mistaken. If there is a dispute about whether Bee Imagine's information or yours is accurate, 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 Settlement Payments.

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

Signature: _____

Date: _____

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: *Jose Cuellar v. Bee Imagine LLC*

To Whom It May Concern:

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

Bee Imagine is an industry leading third party logistics provider, which has locations in Long Beach, Irwindale, and Fontana, specializing in warehousing, distribution, transportation, and fulfillment. Mr. Cuellar was hired by Bee Imagine in November 2018 and worked until approximately February 12, 2020, at which point he sustained a work-related injury, and he has not actively worked since that time. The last paycheck Mr. Cuellar received while working was dated February 28, 2020. During Mr. Cuellar’s employment with Bee Imagine he has worked out of its Irwindale location in the non-exempt position of Warehouse Associate.

During at least a portion of Mr. Cuellar’s employment with Bee Imagine, Mr. Cuellar and other aggrieved employees would clock in and out for the start and end of their work shifts and for their meal periods using an electronic timeclock system. In addition, Mr. Cuellar and other aggrieved employees would also clock out and in for their rest periods.

During Mr. Cuellar’s employment with Bee Imagine, Bee Imagine failed to provide Mr. Cuellar and other aggrieved employees with all legally-compliant meal periods due to Bee Imagine’s unlawful meal period policies/practices that failed to provide timely, duty-free 30-minute first meal periods commencing before the end of the fifth hour

of work. In addition, Mr. Cuellar and other aggrieved employees were interrupted during meal periods for work related purposes and were not always provided with a full 30 minutes for a meal period. In those instances where Bee Imagine failed to provide all compliant meal periods, Bee Imagine failed to pay Mr. Cuellar and other aggrieved employees an additional hour of premium pay at their respective regular rates of pay for each workday in which a meal period violation occurred, as required by Labor Code section 226.7.

Bee Imagine also failed to authorize and permit Mr. Cuellar and other aggrieved employees to take all duty-free 10-minute rest periods for every four hours worked, or major fraction thereof, due to Bee Imagine's unlawful rest period policies/practices. Specifically, Mr. Cuellar and other aggrieved employees did not always receive all rest periods that they were legally entitled to, and additionally, were on occasions required to work during their rest periods. On occasions when Mr. Cuellar and other non-exempt employees were not authorized and permitted to take all legally-compliant rest periods to which they were entitled, Bee Imagine failed to compensate Mr. Cuellar and other non-exempt employees with an additional hour of premium pay at their respective regular rates of pay for each workday in which a rest period violation occurred, as required by Labor Code section 226.7.

As a result of requiring, authorizing and/or permitting Mr. Cuellar and other aggrieved employees to work during their statutorily mandated meal, Bee Imagine did not pay all minimum and overtime wages owing, as these employees worked during these time periods without compensation.

As a result of the aforementioned alleged violations, Bee Imagine failed to issue wage statements that complied with Labor Code section 226, *et seq.*

As described above, Bee Imagine committed the following violations of the Labor Code, and Industrial Welfare Commission Wage Order 9 ("Wage Order 9"):

Meal Period Violations

As alleged above, Bee Imagine failed to provide Mr. Cuellar and other aggrieved employees with all required and compliant meal periods, due to Bee Imagine's meal period policies/practices that often failed to provide timely, duty-free 30-minute first meal periods commencing before the end of the shift hour of work. In addition, Mr. Cuellar's and other aggrieved employees' were often interrupted during meal periods and not always provided with a full 30 minutes for a meal period. *See* Labor Code §§ 226.7 and 512; Wage Order 9, § 11. As a result, Mr. Cuellar 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, Bee Imagine also failed to authorize and permit Mr. Cuellar and other aggrieved employees to take all required rest periods. *See* Labor Code §§ 226.7 and 516; Wage Order 9, § 12. Specifically, Mr. Cuellar and other aggrieved employees did not always receive all rest periods that they were legally entitled to, and additionally, were on occasions required to work during their rest periods. As a result, Mr. Cuellar 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.")

Minimum Wage Violations

Bee Imagine was required to pay Mr. Cuellar 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 9, § 4. As alleged above, Bee Imagine required, authorized and/or permitted Mr. Cuellar and other aggrieved employees to work during their statutorily mandated meal period. As a result of these policies/practices, which failed to compensate for all hours worked, Mr. Cuellar and other aggrieved employees were deprived of all required minimum wages.

Overtime Wage Violations

Bee Imagine was required to pay Mr. Cuellar 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 9, § 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, Bee Imagine required, authorized and/or permitted Mr. Cuellar and other aggrieved employees to work during their statutorily mandated meal period. As a result of these policies/practices, Mr. Cuellar and other aggrieved employees were not compensated for all overtime and double-time wages.

Wage Statement Violations

Bee Imagine was required to furnish Mr. Cuellar 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 9, § 7. As a result of Bee Imagine's failure to pay all overtime and minimum wages, and failure to pay all required meal and rest period premium wages, Bee Imagine maintained inaccurate payroll records and issued inaccurate wage statements to Mr. Cuellar and other aggrieved employees in violation of Labor Code § 226. Bee Imagine's failure to comply with its wage statement obligations was knowing and intentional, and Mr. Cuellar and other aggrieved employees have suffered injury as a result.

As an "aggrieved employee," Mr. Cuellar 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. Cuellar's own investigation, and on information and belief, Bee Imagine committed and continues to commit the following Labor Code violations:

- a. Bee Imagine 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. Cuellar and other aggrieved employees at these employees' respective regular rates of compensation for meal period violations;
- b. Bee Imagine violated Labor Code §§ 226.7, 516, 558, and 1198 by failing to authorize and permit Mr. Cuellar and other aggrieved employees all required rest periods and failing to pay rest period premiums to Mr. Cuellar and other aggrieved employees at these employees' respective regular rates of compensation for rest period violations;
- c. Bee Imagine violated Labor Code §§ 1182.12, 1194, 1194.2, and 1197 by failing to pay Mr. Cuellar and other aggrieved employees the statutory minimum wage for all hours worked;
- d. Bee Imagine violated Labor Code §§ 204, 510, 558, 1194, and 1198 by failing to pay Mr. Cuellar and other aggrieved employees all overtime compensation earned;
- e. Bee Imagine violated Labor Code § 226 by failing to furnish Mr. Cuellar and other aggrieved employees with accurate and compliant itemized wage statements;
- f. Bee Imagine violated Labor Code § 204 by failing to pay Mr. Cuellar and other aggrieved employees all wages earned at least twice during each calendar month; and

- g. Bee Imagine violated Labor Code §§ 1174 and 1198 by failing to maintain accurate records on behalf of Mr. Cuellar and other aggrieved employees.

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

Very truly yours,
HAINES LAW GROUP, APC



Paul K. Haines

cc: Bee Imagine LLC (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 2158 45

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:

BEE IMAGINE LLC

C/O: CORPGATE INC

5401 SCOTTS VALLEY DR

SCOTTS VALLEY CA 95066-3449

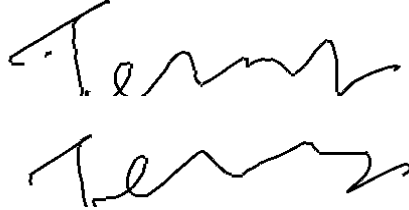
Mailer: Haines Law Group

Date Produced: 03/08/2021

ConnectSuite Inc.:

The following is the delivery information for Certified Mail™/RRE item number 9214 8901 9403 8333 2158 45. Our records indicate that this item was delivered on 03/01/2021 at 03:51 p.m. in SCOTTS VALLEY, CA 95066. The scanned image of the recipient information is provided below.

Signature of Recipient :



Address of Recipient :



Thank you for selecting the Postal Service for your mailing needs. If you require additional assistance, please contact your local post office or Postal Service representative.

Sincerely,
United States Postal Service

The customer reference number shown below is not validated or endorsed by the United States Postal Service. It is solely for customer use.

This USPS proof of delivery is linked to the customers mail piece information on file as shown below:

BEE IMAGINE LLC
C/O: CORPGATE INC
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