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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF ORANGE

JOSE MALDONADO, individually, on a
representative basis, and on behalf of all others
similarly situated;

Plaintiff,

vs.

ADD-ON COMPUTER PERIPHERALS LLC,
a California Limited Liability Company; and
DOES 1 through 20, inclusive;

Defendants.

Case No.: 30-2021-01206062-CU-OE-CXC
*[Assigned to Hon. William Claster, Dept
CX104, for all purposes]*

**DECLARATION OF BRIAN J. MANKIN
IN SUPPORT OF MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

Hearing
Date: July 22, 2022
Time: 9:00 a.m.
Dept.: CX104

Complaint filed: June 14, 2021

I, Brian J. Mankin, state and declare:

1. I am an attorney licensed to practice before all of the courts of the State of California. I manage the employment department within my firm where I am also a Partner. I represent Plaintiff in this action and I am thoroughly familiar with and have personal knowledge of all of the facts set forth herein. I submit this declaration in support of Plaintiff's Motion for Preliminary Approval of this Class Action Settlement. If called as a witness, I could and would competently testify thereto.

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1 **COUNSEL'S EXPERIENCE**

2 2. I have been a member, in good standing, of the State Bar of California since 2001.
3 I am admitted to practice in the United States District Courts for the Central and Southern
4 District of California and the Ninth Circuit Court of Appeal and have tried cases in various
5 courts in California.

6 3. I have handled approximately 500 employee vs. employer litigation matters
7 during my 21 years in practice. Over the last 15 years, my practice has almost entirely consisted
8 of representing employees, the majority of which has included class action and representative
9 action wage and hour matters. In total, I have handled over 250 class action and representative
10 action wage/hour cases, and have been appointed by the court as class counsel and have received
11 final court approval and judgment in close to half of those actions to date, and anticipate
12 receiving final approval in many more of those in the future.

13 4. As part of these settlements and judgments, I have recovered in excess of \$250
14 million in damages for my clients and the class members (who often work as nurses, ambulance
15 drivers, technicians, warehouse workers, truck drivers, sales, professional occupations and
16 countless other trades). As of the end of last year, my team and I held the record for the largest
17 known PAGA-only case in California's history as of that time - a \$12.5 million-dollar court
18 approved settlement, which followed extensive litigation, summary adjudication and writs to the
19 CA Supreme Court against a Fortune 50 company (*Garcia v. Macy's*, San Bernardino Superior
20 Court).

21 5. I have tried two class and PAGA cases against Fortune 100 companies. In 2018, I
22 was lead counsel in a PAGA case that my firm tried to the bench in the Orange County Superior
23 Court and received a \$425,000 judgment. In 2019, I was co-counsel in a class action case
24 against Walmart that was tried to the jury in District Court for the Central District, wherein the
25 jury awarded Plaintiffs over \$6 million. Following the successful outcome in trial, both cases
26 were appealed.

27 6. Over the last four or five consecutive years, I have been selected by my peers as a
28 "Super Lawyer" in Employment Litigation, a distinction that only 5% of lawyers receive.

BRIEF SUMMARY OF THE SETTLEMENT

7. Following a contested but productive mediation, Plaintiff and Defendant (collectively, the “Parties”) entered into a Class and PAGA Action Settlement Agreement and Release of Claims resolving the wage and hour claims of the putative class (the “Settlement Agreement”), which is attached hereto as **Exhibit A**. The Settlement Agreement seeks to release and discharge Defendant from the claims brought against it in exchange for Defendant’s agreement to pay \$475,000 on a non-reversionary, non-claims made basis (each Class Member will receive his/her share of the Net Settlement Amount without having to submit a claim form or take any action, except for those who opt-out). Plaintiff seeks to represent a class of all current and former non-exempt employees employed by Defendant in California at any time during the Class Period of June 14, 2017, through June 15, 2022 (the “Class” or “Class Members”). Under the terms of the Settlement Agreement, Defendant will not oppose Class Counsel’s application for a reasonable award of attorneys’ fees not to exceed one-third of the Settlement Amount, Class Counsel’s litigation expenses not to exceed \$20,000, settlement administrator costs of \$7,500, PAGA Penalties of \$30,000 of which \$22,500 will be paid to the LWDA and the remaining \$7,500 will be paid to the Aggrieved Employees, and a service award not to exceed \$7,500 to Plaintiff. After subtracting the agreed-upon deductions from the Settlement Amount, approximately \$251,666.67 will be available to pay the individual settlement amounts to approximately 150 Class Members who do not opt-out of the settlement, as follows:

	Total Amount
<i>Gross Settlement Amount</i>	\$ 475,000
Attorneys’ Fees (1/3)	\$ 158,333.33
Litigation Costs	\$ 20,000
Administrator Costs	\$ 7,500
PAGA Penalties	\$ 30,000
Class Representative’s Service Award	\$ 7,500
<i>Net Settlement Amount</i>	\$ 251,666.67

8. Assuming approximately 150 total Class Members employed during the Class Period, each will receive approximately \$1,678 on average.

9. Each Class Member will receive the Class Notice, explaining the nature of the case, and the process for participating, objecting and opting-out, and advising of his/her estimated settlement payment and the number of Pay Periods he/she is credited with working during the Class Period (attached hereto as **Exhibit B**).

PROCEDURAL BACKGROUND

10. My office has performed considerable work and diligently investigated and prosecuted this case to a successful conclusion. Our work has resulted in the creation of a significant settlement fund for the benefit of the Class. We efficiently communicated and exchanged information informally with Defense counsel which enabled the parties to successfully settle the case. Because of the risks involved in litigating the case and the contested legal and factual issues, Plaintiff's Counsel (i.e., my office) believes this settlement to be fair, reasonable, and adequate.

11. After being retained by Plaintiff, we submitted a June 14, 2021, letter to the California Labor Workforce Development Agency (the “LWDA”) for civil penalties under the Private Attorney General Act of 2004 (the “PAGA”), which is attached hereto as **Exhibit C**, and simultaneously sent a letter to Defendant requesting the production of his personnel and timekeeping records to further evaluate the wage and hour claims. The LWDA ultimately declined to assert jurisdiction over the PAGA, thereby giving Plaintiff the right to bring PAGA claims.

12. That same day, we filed a putative class action Complaint. Then after the 65-day LWDA waiting period ran without the LWDA accepting jurisdiction over the PAGA claims, we filed a first amended complaint on August 20, 2021, that added PAGA claims. The operative complaint alleges claims for: (1) failure to pay minimum and regular wages, (2) failure to pay overtime wages, (3) failure to provide meal periods, (4) failure to provide rest breaks, (5) failure to pay vested vacation wages, (6) failure to timely pay final wages, (7) failure to provide accurate itemized wage statements, (8) unfair and unlawful competition pursuant to Business and Professions Code §17200 *et seq.*, and (9-16) eight related claims under PAGA.

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1 13. Defendant fully denied the allegations, noting in the Joint Statement: “Plaintiff’s
2 complaint merely provides unverified and unsupported legal conclusions or speculations of
3 alleged Labor Code violations,” and further noting that “most, if not all, of the alleged violations
4 can be easily explained.” However, before incurring significant costs and expenses in protracted
5 discovery and litigation, the Parties agreed to explore an early resolution through mediation. In
6 preparation for the mediation, the Parties informally exchanged documents and information that
7 allowed both sides to calculate the potential damages and evaluate potential risk, including
8 extensive policies and procedures pertaining to each claim alleged, and statistics relating to the
9 number of current and former employees, number of shifts, pay periods and other things. In this
10 regard, Defendants provided a comprehensive database of timekeeping and payroll records of the
11 Class Members that consisted of nearly 20,000 shifts (and over 2,000 Pay Periods) worked by
12 the Class Members. This robust sampling enabled both parties and their experts to take a deep
13 dive into the claims. During this process, Plaintiff’s counsel and their retained expert evaluated
14 the potential claims, risks, and defenses as to all similarly situated employees.

15 14. On March 14, 2022, the Parties participated in a full-day mediation with Judge
16 Nancy Wieben Stock (Ret.), who presided over similar wage and hour cases for many years in
17 the Orange County Civil Complex Department and now serves as a class action mediator. At the
18 conclusion of mediation, Judge Wieben Stock issued a mediator’s proposal calling for a class-
19 wide settlement for \$475,000. The Parties accepted the mediator’s proposal and memorialized
20 the terms of the settlement in a long-form Settlement Agreement. Under the terms of the
21 settlement, the Parties now seek preliminary approval of the Settlement.

22 **THE WAGE AND HOUR CLAIMS AND CLASS COUNSEL’S INVESTIGATION**

23 15. The putative Class in this case consists of approximately 150 similarly situated
24 non-exempt employees who worked for Defendant in California during the Class Period.
25 Plaintiff alleged numerous wage and hour violations on behalf of the Class Members. However,
26 Defendant vigorously contested and denied each of Plaintiff’s material allegations on the merits
27 and as to the propriety of a class action or PAGA representative action, as discussed herein.

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1 16. One of the primary claims in this action is for wage statement violations under
2 Labor Code § 226. During the statutory period, Plaintiff and the Class were paid on an hourly
3 basis with additional compensation in the form of “Hazard Pay.” Plaintiff alleged that this
4 practice resulted in violations of Labor Code § 226(a)(9) because Defendant’s wage statements
5 failed to itemize the applicable rate for Hazard Pay and also failed to itemize the corresponding
6 hours of Hazard Pay. However, Defendant raised a variety of defenses to this claim, namely that
7 the wage statements did include the corresponding rates of pay and applicable hours worked for
8 Hazard Pay. Additionally, Defendant argued that, even if some wage statements omitted the
9 hourly rate and corresponding hours, this was due to an inadvertent clerical mistake by
10 Defendant’s third-party payroll vendor. As a result, no statutory penalties are available for
11 Plaintiff or the Class based on a clerical or “technical” violation, because Plaintiff would be
12 unable to prove the required “knowing and intentional” and “injury” elements.

13 17. Plaintiff also alleged a trio of unpaid wage claims. *First*, Plaintiff argued that
14 Defendant’s temperature check policy (where Class Members were forced to undergo
15 temperature checks *before* clocking in) resulted in unpaid wages. *Second*, Plaintiff alleged that
16 Defendant violated Labor Code § 227.3 by paying vested vacation wages to departing employees
17 at their base rate rather than at the “final rate” required by statute (which would often be higher
18 than the base rate due to additional earned compensation). *Third*, Plaintiff claimed that
19 Defendant’s practice of failing to include earned bonuses in the regular rate and overtime
20 calculations led to additional overtime violations. And, most importantly, Plaintiff alleged that
21 these unpaid wage claims triggered waiting time penalties for each *former* Class Member.

22 18. However, Defendant vehemently opposed these unpaid wage claims both on the
23 merits and as to the propriety of pursuing them on a class and representative PAGA basis. For
24 example, Defendant argued that it maintained lawful policies to compensate employees for all
25 time worked, including time spent on temperature checks. Also, Defendant argued that the
26 temperature check policy was only in effect for a short period of time, and it was “voluntary” and
27 based on an “honor system.” As a result, the temperature check policy was not applied to all
28 employees and not applied uniformly, which would require individualized assessments and

1 defeat certification. Then Defendant also argued against Plaintiff's interpretation of Labor Code
2 § 227.3 and stood by the argument that "final rate" in the statute merely means the final base rate
3 of pay. Defendant also argued that its decision *not* to include the bonuses in overtime
4 calculations was proper since documentation confirmed that these amounts were discretionary
5 and, thus, properly excluded from the regular rate of pay. And, as for the waiting time penalty
6 claims, Defendant argued that these would fail along with the underlying wage claims – and,
7 even if the wage claims succeeded, Defendant argued it was entitled to the "good faith" defense
8 and that Plaintiff would be unable to show these violations were "willful."

9 19. Plaintiff also alleged that Class members were often denied compliant meal and
10 rest breaks due to the nature of the work. However, Defendant countered that it provided and
11 made available meal and rest breaks to all employees, and any employee who did not take a meal
12 or rest break did so entirely of his or her own volition. In this regard, Defendant produced its
13 written policies and practices, which it argued show full compliance with the law. As such,
14 Defendant argued that these claims were without merit because, for each violation, a fact-finder
15 would have to determine why a break was noncompliant/nonexistent, because if it was by the
16 employee's choice, no liability attaches to the Defendant.

17 20. Plaintiff also alleged various PAGA claims arising out of the claimed violations
18 mentioned above. However, Defendant argued that these type of "derivative" claims have no
19 merit.

20 21. Nonetheless, the Parties concluded that further litigation of the Action would be
21 protracted and expensive, and that it is desirable that the Action be fully and finally settled in
22 order to limit further risk, expense and protracted litigation.

23 **THE SETTLEMENT IS FAIR, JUST, AND REASONABLE**

24 22. The settlement was the product of extensive arm's length negotiations, facilitated
25 by an experienced mediator. Though cordial and professional, the settlement negotiations were
26 adversarial and non-collusive in nature. The settlement reached is the product of substantial
27 effort by the parties and their counsel. Although we believed that there was a possibility of
28 certifying the claims, we recognized the potential risk, expense, and complexity posed by

1 litigation, such as unfavorable decisions on class certification, summary judgment, at trial and/or
2 on the damages awarded, and/or on an appeal that can take several more years to litigate.

3 23. The settlement will result in a fair payment to each class member based on the
4 number of Pay Periods Worked during the Class Period. As set forth hereinabove, Plaintiff and
5 his counsel have diligently investigated the claims and defenses on behalf of the Class Members
6 and worked to achieve a resolution of the claims to maximize the recovery by avoiding further
7 expenditure of attorneys' fees and costs. After evaluating the significant risks attendant with
8 further litigation described above and weighing them against the benefits of a known
9 compromise and settlement as set forth in the Settlement Agreement, settlement on the terms
10 agreed to is believed to be in the best interest of Plaintiff and the Class, and is a fair and
11 reasonable resolution of the claims alleged.

12 24. Plaintiff's counsel brought to bear a great deal of experience in negotiating the
13 settlement of this case. As detailed herein, Plaintiff's counsel engaged in the necessary discovery
14 and investigation, making it possible to exercise informed judgment throughout the settlement
15 process, including significant document review (e.g. documents pertaining to Defendant's
16 policies and procedures, personnel documents, among others), and conducted an extensive
17 analysis of the detailed class-wide data provided by Defendant.

18 25. Based on my experience in other cases, including wage and hour matters, I
19 believe I am qualified to evaluate the class claims and viability of defenses in this class action.
20 In this case, the recovery for each class member is reasonable, fair, and adequate, and a
21 settlement at this time is in the best interests of the class. The settlement provides each class
22 member with compensation for the alleged violations when viewed in relation to the costs and
23 risks inherent in obtaining class certification and proceeding to trial.

24 26. Plaintiff's counsel, as well as Defendant's counsel, fully endorse the terms and
25 conditions of the settlement as set forth in the abovementioned Settlement Agreement.

26 27. Of course, the settlement amount represents a compromise figure, taking into
27 account the various risks surrounding class certification and the merits of Defendant's asserted
28 defense. Nevertheless, the settlement provides for fair and adequate payments to the class

1 members, with no reversion to Defendant.

2 **PLAINTIFF'S REQUESTED ENHANCEMENT PAYMENT**

3 28. Plaintiff seeks an enhancement payment of \$7,500 for his service to the class,
4 which I believe is fair and warranted. Mr. Maldonado came forward in an effort to effectuate a
5 policy and practice change that benefitted all other Class Members, and to recover unpaid wages.
6 He assumed significant risk in bringing this litigation—namely, had he lost, he would have been
7 ordered to pay Defendant's costs.

8 29. Plaintiff provided invaluable assistance to my office and the Class in this case,
9 including providing factual background for the Class Complaint; reviewing the litigation
10 documents; providing information and documents about Defendant's policies and practices;
11 participating in phone calls to discuss litigation and settlement strategy; and reviewing the
12 settlement documents. Plaintiff agreed to participate in this case with no guarantee of personal
13 benefit. At final approval, Plaintiff will submit a comprehensive declaration setting forth all of
14 the reasons why he believes that the service award should be approved.

15 **ADEQUACY OF COUNSEL AND THE PROVISIONAL REASONABLENESS OF THE**
16 **REQUESTED FEES AND COSTS**

17 30. As set forth above, I have over 250 class and representative actions, have been
18 appointed as class counsel and have successfully resolved over half of those cases, and many
19 others remain pending and will successfully resolve in the future.

20 31. When this case was taken on a contingency fee basis, with my firm agreeing to
21 assume responsibility for all litigation costs, the ultimate result was far from certain. In the
22 course of this litigation, my firm and my co-counsel paid all costs including filing fees, court
23 costs, research fees, and mediation costs. There was never a guarantee that we would recoup
24 those expenditures.

25 32. It is my experience that attorney fee awards of one-third of a common fund
26 settlement is the standard in California. In this case, Plaintiff's counsel agreed to seek one-third
27 of the Settlement Amount for attorneys' fees. Defendants do not oppose this fee request. The fee
28 is further warranted because it is within the range of reasonableness typically awarded in class

1 actions. The litigation costs are reasonably capped at \$20,000 and will be based on the actual
2 amount of costs incurred at the time of final approval.

3 **SETTLEMENT ADMINISTRATOR**

4 33. The parties request that the Court appoint Phoenix Class Action Administration to
5 serve as the Settlement Administrator. Phoenix is experienced in administering class action
6 settlements, and has provided a proposal to administer this settlement for a total of \$7,500, which
7 is attached hereto as **Exhibit D**.

8 **SUBMISSION TO THE LWDA**

9 34. Plaintiff has concurrently submitted the settlement to the LWDA in accordance
10 with Labor Code § 2699(1)(2). The proof of submission is attached hereto as **Exhibit E**.

11 **EXHIBITS AND CONCLUSION**

12 35. A true and correct copy of the Settlement Agreement is attached hereto as Exhibit
13 “A.”

14 36. The proposed Class Notice is attached as Exhibit “B.”

15 37. A true and correct copy of the notice letter we submitted to the LWDA is attached
16 as Exhibit “C.”

17 38. Phoenix’s proposal to administer the Settlement is attached hereto as Exhibit “D.”

18 39. The LWDA’s confirmation of receipt of this Motion and Declaration is attached
19 hereto as Exhibit “E.”

20 40. For the foregoing reasons, it is respectfully requested that the Court grant
21 preliminary approval of the settlement as being fair, reasonable, and in the best interests of the
22 class, as well as preliminarily approve the requested attorneys’ fees, costs, and enhancement
23 payment to the Class Representative.

24 I declare under penalty of perjury under the laws of the State of California that the
25 foregoing is true and correct. Executed on June 6, 2022, at Riverside, California.

26
27 By: 
28 Brian J. Mankin, Esq.

EXHIBIT “A”

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Attorneys for Defendant Add-On Computer Peripherals, LLC

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF ORANGE

JOSE MALDONADO, individually, on a
representative basis, and on behalf of all others
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Plaintiff,

vs.

ADD-ON COMPUTER PERIPHERALS LLC, a
California Limited Liability Company; and DOES
1 through 20, inclusive;

Defendants.

Case No.: 30-2021-01206062-CU-OE-CXC

*[Assigned to Hon. William Claster, Dept
CX104, for all purposes]*

**CLASS AND PAGA ACTION
SETTLEMENT AGREEMENT AND
RELEASE OF CLAIMS**

Complaint filed: June 14, 2021

1 This Class And PAGA Action Settlement Agreement and Release of Claims is entered into by
2 and between Plaintiff Jose Maldonado, individually and on behalf of all others similarly situated, and
3 Defendant Add-On Computer Peripherals, LLC, and is approved by their respective counsel of record,
4 subject to the terms and conditions hereof and the Court's approval.

5 **A. Definitions**

6 As used herein, for the purposes of this Settlement Agreement only, the following terms shall be
7 defined as set forth below:

8 1. "Action" or "Lawsuit" means and refers to the case entitled *Jose Maldonado v. Add-On*
9 *Computer Peripherals, LLC, et al.*, Orange County Superior Court, Case No. 30-2021-01206062-CU-
10 OE-CXC.

11 2. "Agreement" or "Settlement Agreement" shall mean this Class and PAGA Action
12 Settlement Agreement and Release of Claims, including any attached Exhibits.

13 3. "Aggrieved Employees" means all current and former non-exempt employees employed
14 by Defendant in California at any time during the PAGA Period. Defendant represents that there are
15 approximately 90 eligible Aggrieved Employees.

16 4. "Attorneys' Fees and Costs Award" shall have the meaning ascribed to it in Paragraph
17 47(f) below.

18 5. "Class Counsel" refers to Brian Mankin and Peter Carlson of Lauby Mankin Lauby LLP.

19 6. "Class Data" means a complete list that Defendant will diligently and in good faith
20 compile from its records and provide to the Settlement Administrator on one spreadsheet and shall
21 include the Settlement Class Members' full names; last known addresses; telephone numbers (if
22 available); Social Security Numbers; the total Pay Periods Worked during the PAGA Period for each
23 Aggrieved Employee, and the total Pay Periods Worked during the Class Period for each Settlement
24 Class Member.

25 7. "Class Period" is deemed to be any time during the period of June 14, 2017, through the
26 Preliminary Approval Date or June 15, 2022, whichever is earlier.

27 8. "Class Representative" or "Plaintiff" means and refers to Jose Maldonado.

28 9. "Complaint" refers to the operative first amended complaint alleging class action and

representative PAGA action claims, for which the original complaint was originally filed in the Orange County Superior Court on June 14, 2021, and amended on August 20, 2021, in the matter of *Jose Maldonado v. Add-On Computer Peripherals, LLC*, Orange County Superior Court Case No. 30-2021-01206062-CU-OE-CXC.

10. “Court” (or “Judge”) means the California Superior Court, County of Orange.

11. “Defendant” means and refers to Add-On Computer Peripherals, LLC.

12. “Defendant’s Counsel” or “Defense Counsel” means and refers to Eric M. Steinert, Leo Q. Li, and Frances J. Choi of Seyfarth Shaw LLP.

13. “Effective Date” means the date upon which both of the following have occurred:

(i) approval of the settlement is granted by the Court, or other court assuming jurisdiction of this Action, and (ii) the Court’s judgment approving the settlement becomes Final. “Final” shall mean the latest of: (i) if there is an appeal of the Court’s Judgment, the date the Judgment is affirmed on appeal, the date of dismissal of such appeal, or the expiration of the time to file a petition for writ of certiorari to the California Supreme Court, or (ii) if a petition for writ of certiorari is filed, the date of denial of the petition for writ of certiorari, or the date the judgment is affirmed pursuant to such petition; or (iii) if no appeal is filed, the expiration date of the time for filing or noticing any appeal of the judgment.

14. “Final Approval” refers to the order of the Court granting final approval of this Settlement Agreement and entering a judgment approving this Agreement on substantially the terms provided herein or as the same may be modified by subsequent agreement of the Parties.

15. “Final Settlement Class” means, collectively, all Settlement Class Members who have not opted out of the Settlement Class by submitting timely Requests for Exclusion.

16. “Gross Settlement Amount” shall have the meaning ascribed to it in Paragraph 47(a) below.

17. “Individual Settlement Payment(s)” shall have the meaning ascribed to it in Paragraph 47(c) below.

18. “Net Settlement Amount” shall have the meaning ascribed to it in Paragraph 47(b) below.

19. “Notice of Settlement” means the notice substantially in the form attached as Exhibit A, subject to the Court’s approval, that will be sent to the Settlement Class Members.

20. “Notice Response Deadline” is 45 calendar days from the date the Notice of Settlement is mailed to the Settlement Class Members.

21. “Objecting Settlement Class Member” means a Settlement Class Member, other than Plaintiff, who submits a valid and timely objection to the terms of this Agreement with respect to the Released Class Claims, pursuant to Paragraph 70(c) below.

22. “PAGA Penalties” means the amount that the Parties have agreed to pay to the Labor and Workforce Development Agency (“LWDA”) in connection with the California Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, *et seq.*, “PAGA”), as well as the individual PAGA payment allocated to each Aggrieved Employee, as set forth further below in Paragraph 47(h).

23. “PAGA Period” is deemed to be any time during the period of June 14, 2020, through the Preliminary Approval Date or June 15, 2022, whichever is earlier.

24. “PAGA Released Claims” by the Aggrieved Employees upon Final Approval of the Settlement means all PAGA claims that Plaintiff alleged or could have alleged against the Released Parties, on behalf of the Aggrieved Employees and the State of California, based on the facts and/or theories stated in the operative complaint and/or in Plaintiff’s June 14, 2021 notice letter to the LWDA, including but not limited to, all PAGA claims premised upon California Labor Code §§ 201-204, 210, 226, 226.7, 510, 512, 558, 1174, 1194, 1197, 1197.1, 1198, 2802, any applicable California Industrial Welfare Commission Wage Order, PAGA, California Labor Code §§ 2699, *et seq.*, and any remedies for any of the PAGA claims described herein, including civil penalties, declaratory relief, equitable relief, interest, and attorneys’ fees and costs.

25. “Participating Class Member” means any and all Settlement Class Members who are deemed to participate, who will receive an Individual Settlement Payment, and who do not opt-out by submitting a timely, valid Request for Exclusion.

26. “Parties” or “Settling Parties” mean Plaintiff, the Settlement Class, and Defendant, collectively.

27. “Pay Periods Worked” or “Eligible Pay Periods,” in the context of Settlement Class Members, means all bi-weekly pay periods during the Class Period in which the Settlement Class Member was employed by Defendant as a non-exempt employee in California and worked at least one

1 shift during the pay period. Likewise, in the context of Aggrieved Employees, these phrases mean all
2 bi-weekly pay periods during the PAGA Period in which the Aggrieved Employee was employed by
3 Defendant as a non-exempt employee in California and worked at least one shift during the pay period.

4 28. “Preliminary Approval Date” means the date the Court approves the Settlement
5 Agreement, and the exhibits thereto, and enters the Preliminary Approval Order.

6 29. “Preliminary Approval Order” means the judicial Order to be entered by the Court, upon
7 the application or motion of the Plaintiff, preliminarily approving this Settlement and providing for the
8 issuance of the Notice of Settlement to the Settlement Class, an opportunity to opt out of the Settlement,
9 an opportunity to submit timely objections to the Settlement, and setting a hearing on the fairness of the
10 terms of Settlement, including approval of attorneys’ fees and costs.

11 30. “QSF” means the Qualified Settlement Fund set up by the Settlement Administrator for
12 the benefit of the Final Settlement Class, and from which the settlement payments shall be made, and
13 which is intended to be a fund that qualifies under Internal Revenue Code Sec. 468.

14 31. “Released Class Claims” or “Class Claims” by the Participating Class Members upon
15 Final Approval of the Settlement will include any and all claims, rights, demands, liabilities and causes
16 of action that were or could have been pled under local, state, or federal law arising out of or based on
17 the facts alleged in the operative complaint against the Released Parties for the duration of the Class
18 Period, including but not limited to, all claims under California Labor Code §§ 201-204, 210, 226,
19 226.7, 510, 512, 558, 1174, 1194, 1197, 1197.1, 1198, 2802, any applicable California Industrial
20 Welfare Commission Wage Order, California Code of Regulations, tit. 8, § 11070, the California Unfair
21 Competition Law, California Business & Professions Code §§ 17200, *et seq.*, and any remedies for any
22 of the claims described herein, including, damages, statutory penalties, restitution, declaratory relief,
23 equitable or injunctive relief, interest, and attorneys’ fees and costs.

24 32. “Released Parties” means Defendant and its past and present officers, directors,
25 shareholders, employees, managers, human resources representatives, agents, contractors, attorneys,
26 principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and their
27 respective parent corporations, subsidiaries or related entities, divisions, affiliates, attorneys, successors
28 and assigns.

1 33. “Release” shall mean the release and discharge of the Released Class Claims by Plaintiff
2 and all of the Participating Class Members and the release and discharge of the PAGA Released Claims
3 by Plaintiff, the State of California, and all of the Aggrieved Employees. The *res judicata* effect of the
4 Judgment will be the same as that of the Release of the Released Class Claims and PAGA Released
5 Claims.

6 34. “Request for Exclusion” means and refers to a valid and timely request for exclusion
7 from the Settlement of the Released Class Claims, which may be submitted by any Settlement Class
8 Member, other than Plaintiff, pursuant to Paragraph 70(a) below.

9 35. “Service Payment” or “Service Award” means, as set forth further in Paragraph 47(e)
10 below, the amount approved by the Court to be paid to the Class Representative, Jose Maldonado, in
11 addition to his Individual Settlement Payment as a Participating Class Member.

12 36. “Settlement Administrator” means and refers to Phoenix Class Action Administration
13 Solutions, the third-party class action settlement administrator agreed to by the Parties, that will provide
14 the Notice of Settlement to the Settlement Class and distribute the settlement amounts as described in
15 this Agreement.

16 37. “Settlement Administration Costs” means the costs payable from the Gross Settlement
17 Amount to the Settlement Administrator for administering this Settlement, including, but not limited to,
18 printing, distributing, and tracking documents for this Settlement, tax reporting, and deposit of the
19 employee and employer share of payroll taxes, unclaimed property due diligence, reporting and
20 remittance obligations, distributing the Gross Settlement Amount, and providing necessary reports and
21 declarations, as requested by the Parties. The Settlement Administration Costs shall be paid from the
22 Settlement Amount, including, if necessary, any such costs in excess of the amount represented by the
23 Settlement Administrator as being the maximum costs necessary to administer the Settlement.

24 38. “Settlement Class” consists of all current and former non-exempt employees employed
25 by Defendant in California at any time during the Class Period. Defendant represents that there are
26 approximately 150 eligible Class Members.

27 39. “Settlement Class Member” or “Class Member(s)” refers to individual members of the
28 Settlement Class.

1 **B. General Terms**

2 40. Plaintiff filed a class action complaint with the Court on June 14, 2021 against Defendant
3 and Does 1 through 20. Plaintiff subsequently amended the Complaint on August 20, 2021, to add
4 PAGA claims. The operative Complaint alleges class and representative PAGA claims, including: (1)
5 failure to pay minimum and regular wages, (2) failure to pay overtime wages, (3) failure to provide meal
6 periods, (4) failure to provide rest breaks, (5) failure to pay vested vacation wages, (6) failure to timely
7 pay final wages, (7) failure to provide accurate itemized wage statements, (8) unfair and unlawful
8 competition pursuant to Business and Professions Code §17200 *et seq.*, and (9) related claims under
9 PAGA.

10 41. Defendant denies Plaintiff's claims and allegations and contends that the Action is not
11 suitable for class certification or manageable as a class or representative action.

12 42. The Class Representative believes he can proceed with his representative and class
13 claims, that the Action is meritorious, and that class certification is appropriate.

14 43. The Parties have conducted a thorough investigation into the facts of the Action. This
15 includes conducting an extensive exchange of informal discovery, including Defendant's written
16 policies and practices and the production of payroll and timekeeping records for Settlement Class
17 Members. Class Counsel is both knowledgeable about and has done extensive research with respect to
18 the applicable law and potential defenses to the claims of the Settlement Class. Class Counsel has
19 diligently pursued an investigation of the Class Members' claims against Defendant. Based on the
20 foregoing data and on their own independent investigation and evaluation, Class Counsel is of the
21 opinion that the settlement with Defendant for the consideration and on the terms set forth in this
22 Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the Class Members
23 in light of all known facts and circumstances, including the risk of significant delay and uncertainty
24 associated with litigation, various defenses asserted by Defendant, and numerous potential appellate
25 issues.

26 44. On March 14, 2022, Plaintiff and Defendant participated in mediation before the
27 Honorable Nancy Wieben Stock, a retired Judge who served in the Orange County Complex Civil
28 Department and now serves as mediator on wage and hour class action cases among other matters. The

1 Action resolved at mediation pursuant to a mediator's proposal.

2 45. The Parties agree that neither the Parties' Settlement, this Agreement, nor the acts to be
3 performed or judgments to be entered pursuant to the terms of the Settlement and Agreement, shall be
4 construed as an admission by Defendant of any wrongdoing or violation of any statute or law or liability
5 on the claims or allegations in the Action.

6 46. Stipulation to Class Certification and Representative Treatment. For settlement purposes
7 only, Defendant will stipulate that the Settlement Class Members described herein who do not submit a
8 timely Request for Exclusion from the Settlement Class may be conditionally certified as a settlement
9 class and that the Aggrieved Employees are appropriate for representative treatment for purposes of
10 settlement. This stipulation to certification and representative treatment is in no way an admission that
11 class action certification and/or representative treatment is proper and shall not be admissible in this or
12 in any other action except for the sole purpose of enforcing this Agreement. Nor should Defendant's
13 stipulation to conditional class certification and representative treatment be deemed as a waiver to any
14 additional defenses against class or representative action treatment, including but not limited to
15 Defendant's right to exclude Settlement Class Members who signed binding arbitration agreements from
16 participating in this Action. Should, for whatever reason, the Court fail to issue Final Approval, the
17 Parties' stipulation to class certification and representative treatment as part of the Settlement shall
18 become null and void *ab initio* and shall have no bearing on, and shall not be admissible in connection
19 with, the issue of whether or not certification and/or representative treatment would be appropriate in a
20 non-settlement context. Defendant expressly reserves its rights and declares that it would continue to
21 oppose class certification, representative treatment, and the substantive merits of the case should the
22 Court decline to issue Final Approval. Plaintiff expressly reserves his rights and declares that he will
23 continue to pursue class certification, representative treatment, and a trial should the Court decline to
24 issue Final Approval.

25 **C. Terms of Settlement**

26 47. The financial terms of the Settlement are as follows:

27 (a) Gross Settlement Amount: The Parties agree to settle this Action for Four
28 Hundred Seventy-Five Thousand Dollars (\$475,000) ("the Gross Settlement Amount"). The Gross

Settlement Amount is the maximum amount that will be paid, and includes Individual Settlement Payments, Attorneys' Fees and Costs Award, the Service Payment to the Class Representative, all Settlement Administration Costs, PAGA Penalties, and interest. Defendant shall separately pay the employer's share of applicable payroll tax obligations due on the wage portions of the Individual Settlement Payments, which shall be reported through the Settlement Administrator.

(b) Net Settlement Amount: The "Net Settlement Amount" is defined as the Gross Settlement Amount less the court-approved Attorneys' Fees and Costs Award, the court-approved Service Payment to the Class Representative, the court-approved Settlement Administration Costs, and PAGA Penalties. If the Court reduces the Attorneys' Fees and Costs Award, Service Payment to the Class Representative, or Settlement Administration Costs, or either increases or decreases the amount allocated to the PAGA Penalties, the Net Settlement Amount shall be increased or decreased accordingly.

(c) Individual Settlement Payments: Individual Settlement Payments for the Settlement Class will be calculated and apportioned from the Net Settlement Amount based on the number of Eligible Pay Periods a Settlement Class Member worked during the Class Period. Specific calculations of Individual Settlement Payments will be made as follows:

- Defendant will calculate the total number of Pay Periods Worked by each Settlement Class Member during the Class Period and the aggregate total number of Pay Periods Worked by all Settlement Class Members during the Class Period.
- To determine each Settlement Class Member's estimated Individual Settlement Payment, the Settlement Administrator will use the following formula: The Net Settlement Amount will be divided by the aggregate total number of Pay Periods Worked, resulting in the "Pay Period Value." Each Settlement Class Member's Individual Settlement Payment will be calculated by multiplying his or her total number of Pay Periods Worked during the Class Period by the Pay Period Value.
- Individual Settlement Payments will be reduced by any required deductions for each Participating Class Member as specifically set forth herein, including employee-side tax withholdings and deductions.

- The entire Net Settlement Amount will be disbursed to all Participating Class Members. If there are any valid and timely Requests for Exclusion, the Settlement Administrator shall proportionally increase the Individual Settlement Payment for each Participating Class Member according to the number of Pay Periods Worked, so that the amount actually distributed to the Settlement Class equals 100% of the Net Settlement Amount.

(d) Allocation of Individual Settlement Payments: The Individual Settlement Payments will be allocated based on the allegations in the Action as follows: Ten percent (10%) will be allocated as wages subject to withholding of all applicable local, state and federal taxes; and ninety percent (90%) will be allocated for interest and penalties (pursuant to, e.g., California Labor Code sections 203, 210, 226, etc.) from which no taxes will be withheld. The Settlement Administrator will issue to each Participating Class Member an Internal Revenue Service Form W-2 and comparable state forms with respect to the wage allocation and a Form 1099 with respect to the penalties and interest allocations.

(e) Service Payment to Class Representative: The amount, if any, awarded to the Class Representative as a Service Payment will be set by the Court in its discretion, not to exceed \$7,500, in exchange for the services Plaintiff performed on behalf of the Class (including taking steps to support the Settlement) and for entering into the general and expansive release discussed hereinafter. Defendant agrees not to oppose this request if Plaintiff does not request exclusion from the Settlement Class and does not take any action, directly or indirectly, to undercut this Settlement. The Service Payment to Plaintiff will be paid out of the Gross Settlement Amount. The Class Representative will be issued IRS Form 1099 in connection with this payment. Plaintiff shall be solely and legally responsible to pay any and all applicable taxes on this payment. The Parties agree that any amount awarded as the Service Payment to Plaintiff less than the requested amount shall not be a basis for Class Counsel to void this Settlement Agreement or to appeal this aspect of the Court's ruling. Should the Court approve a lesser amount for the Service Payment, the difference shall be added to the Net Settlement Amount to be distributed to the Participating Class Members.

1 (f) Attorneys' Fees and Costs Award: Defendant agrees to not oppose a request by
2 Class Counsel to the Court for an award of attorneys' fees of not more than one-third of the Gross
3 Settlement Amount (\$158,333.33), plus reasonable litigation costs not to exceed \$20,000 ("Attorneys'
4 Fees and Cost Award"), subject to Court approval. The Attorneys' Fees and Cost Award shall be paid
5 from the Gross Settlement Amount, and except for this award, Defendant shall have no further
6 obligation to pay any attorneys' fees, costs or expenses to Class Counsel. Should the Court approve a
7 lesser amount than what is sought by Class Counsel, the difference shall be added to the Net Settlement
8 Amount to be distributed to the Participating Class Members. The Parties agree that any amount
9 awarded as attorneys' fees and costs to Class Counsel less than the requested amount shall not be a basis
10 for Class Counsel to rescind or otherwise void this Settlement Agreement. The Settlement
11 Administrator shall issue to Class Counsel an IRS Form 1099 reflecting the amount of attorneys' fees
12 and costs awarded by the Court.

13 (g) Settlement Administration Costs: The fees and other charges of the Settlement
14 Administrator will be paid from the Gross Settlement Amount, not to exceed \$7,500 unless approved by
15 all Parties and the Court.

16 (h) PAGA Penalties: The Parties agree that \$30,000 is allocated to PAGA Penalties
17 and is to be paid from the Gross Settlement Amount, subject to the Court's approval. Of this amount,
18 \$22,500 (75%) shall be paid to the LWDA in satisfaction of civil penalties under the Private Attorney
19 General Act of 2004 ("PAGA") and \$7,500 (25%) will be paid to the Aggrieved Employees based upon
20 the number of Pay Periods Worked by each Aggrieved Employee during the PAGA Period, which will
21 be treated entirely as civil penalties and shall be reported as required on an IRS Form 1099. Class
22 Counsel shall give proper notice to the LWDA of the Settlement.

23 (i) Tax Liability: Class Counsel, Defendant, and Defendant's counsel make no
24 representations as to the tax treatment or legal effect of Settlement Amounts called for hereunder, and
25 Plaintiff and the Settlement Class Members are not relying on any statement or representation by Class
26 Counsel, Defendant, or Defendant's counsel in this regard. Plaintiff, Participating Class Members, and
27 Aggrieved Employees understand and agree that they will be solely responsible for the payment of any
28 taxes and penalties assessed on their respective Settlement Amounts described herein. The amount of

1 federal income tax withholding will be based upon a flat withholding rate for supplemental wage
2 payments in accordance with Treas. Reg. § 31.3402(g)-1(a)(2) as amended or supplemented. Income
3 tax withholding will also be made pursuant to applicable state and/or local withholding codes or
4 regulations. Forms W-2 and/or Forms 1099 will be distributed at the times and in the manner required
5 by the Internal Revenue Code of 1986 (the “Code”) and consistent with this Agreement. If the Code, the
6 regulations promulgated thereunder, or other applicable tax law, are changed after the date of this
7 Agreement, the processes set forth in this Section may be modified in a manner to bring Defendant into
8 compliance with any such changes. Plaintiff, Participating Class Members, and Aggrieved Employees
9 understand and agree that they will be solely responsible for the payment of any taxes and penalties
10 assessed on their respective payments described herein and will hold Defendant harmless from and
11 against any claims resulting from treatment of such payments as non-taxable damages.

12 (j) CIRCULAR 230 DISCLAIMER. EACH PARTY TO THIS AGREEMENT
13 (FOR PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY
14 TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER
15 PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT,
16 AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE
17 PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE,
18 NOR SHALL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE
19 CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED
20 STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2)
21 THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER OR ITS
22 OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE)
23 IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS
24 AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY
25 ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY
26 UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO
27 ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE
28 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY

HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY’S OR ADVISER’S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

48. No Credit Toward Benefit Plans. The Individual Settlement Payments made to Participating Class Members under this Agreement, as well as any other payments made pursuant to this Agreement, shall not be utilized to calculate any additional benefits under any benefit plans to which any Settlement Class Members may be eligible, including, but not limited to: profit-sharing plans, bonus plans, 401(k) plans, stock purchase or other types of equity plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties’ intention that this Settlement will not affect any rights, contributions, or amounts to which any Settlement Class Members may be entitled under any benefit plans. The Parties agree that the amounts paid pursuant to this Settlement are not for days or hours worked, and shall not be included toward any regular rate of pay calculation, or any benefit vesting or accrual purpose.

49. “Non-Reversionary” Settlement. This is a “non-reversionary” settlement. Under no circumstances will any portion of the Gross Settlement Amount revert to Defendant. Participating Class Members will not have to make a claim in order to receive an Individual Settlement Payment, and Aggrieved Employees will not have to make a claim in order to receive their share of PAGA Penalties. Distributions, in the form of Individual Settlement Payments, will be made directly to each Participating Class Member and Aggrieved Employee. The Settlement Administrator shall be responsible for accurately and timely reporting and remittance obligations with respect to unclaimed funds as a result of a Participating Class Member or Aggrieved Employee not cashing an Individual Settlement Payment by the check cashing deadline, as set forth herein.

50. Class Counsel and Plaintiff believe that the Settlement is fair and reasonable, and adequate, and will so represent same to the Court.

D. Release by Plaintiff and the Settlement Class

51. Upon entry of the Final Approval Order and Defendant’s funding of the Settlement

1 Amount, and except as to such rights or claims as may be created by this Settlement Agreement, the
2 Participating Class Members, for themselves and for their respective spouses, domestic partners,
3 children, estates, heirs, and representatives, will forever completely release and discharge the Released
4 Parties from the Released Class Claims for the Class Period. It is the intent of the Parties that the Final
5 Approval Order and judgment entered by the Court shall have full equitable and collateral estoppel and
6 *res judicata* effect and be final and binding upon Participating Class Members regarding the Released
7 Class Claims.

8 52. Each Participating Class Member will be deemed to have made the foregoing Release as
9 if by manually signing it.

10 53. Upon entry of the Final Approval Order and Defendant's funding of the Settlement
11 Amount, Plaintiff, standing in the shoes of the Labor Commissioner/LWDA, and on behalf of the State
12 of California and all Aggrieved Employees, will forever completely release and discharge the Released
13 Parties from the PAGA Released Claims through the PAGA Period. It is the intent of the Parties that the
14 Final Approval Order and judgment entered by the Court shall have full equitable and collateral estoppel
15 and *res judicata* effect and be final and binding upon Aggrieved Employees regarding the PAGA
16 Released Claims.

17 54. Each Aggrieved Employee and the LWDA will be deemed to have made the foregoing
18 Release as if by manually signing it.

19 55. Plaintiff and Defendant intend that the Settlement described in this Agreement will
20 release and preclude any further claim, whether by lawsuit, administrative claim or action, arbitration,
21 demand, or other action of any kind, by each and all of the Participating Class Members to obtain a
22 recovery based on, arising out of, and/or related to any and all of the Released Class Claims. The Class
23 Members shall be so notified in the Notice of Settlement. This paragraph only applies to Participating
24 Class Members and, thus, does not apply to any Class Member who timely and validly submits a
25 Request for Exclusion, nor does it apply to Aggrieved Employees with respect to the PAGA Released
26 Claims.

27 56. Plaintiff and Defendant also intend that the Settlement described in this Agreement will
28 release and preclude any further PAGA claim, whether by lawsuit, administrative claim or action,

1 arbitration, demand, or other PAGA action of any kind, by each and all of the Aggrieved Employees to
2 obtain a recovery based on, arising out of, and/or related to any and all of the PAGA Released Claims.
3 The Aggrieved Employees shall be so notified in the Notice of Settlement and Class Counsel shall
4 provide appropriate notice to the LWDA of this Agreement prior to the filing of the Motion for
5 Preliminary Approval. This section is not intended to preclude any Aggrieved Employee other than
6 Plaintiff from bringing any claim other than a PAGA claim.

7 57. Class Representative, on behalf of himself and the Participating Class Members,
8 acknowledges and agrees that the claims, including claims for unpaid wages and untimely payment of
9 wages, are disputed, and that the payments set forth herein constitute payment of all sums allegedly due
10 to them. Class Representative, on behalf of himself and the Participating Class Members, acknowledges
11 and agrees that California Labor Code Section 206.5 is not applicable to the Parties hereto. Section
12 206.5 provides in pertinent part as follows:

13 An employer shall not require the execution of any release of any claim or
14 right on account of wages due, or to become due, or made as an advance
on wages to be earned, unless payment of those wages has been made.

15 **E. Release by Class Representative**

16 58. As a material inducement to Defendant to enter into this Settlement Agreement and in
17 consideration of the Enhancement Award, and in addition to the Class Representative's release of the
18 Released Class Claims and PAGA Released Claims, Class Representative does hereby, for himself and
19 for his respective spouses, domestic partners, marital community, children, estates, attorneys, heirs,
20 successors, beneficiaries, devisees, legatees, executors, administrators, trustees, conservators, guardians,
21 personal representatives, and assigns forever and completely release and discharge and covenants not to
22 sue the Released Parties with respect to any and all claims, demands, liens, agreements, contracts,
23 covenants, actions, suits, causes of action, wages, obligations, debts, liquidated damages, penalties,
24 interest, costs, expenses, attorneys' fees, damages, judgments, orders and liabilities of whatever kind or
25 nature in law, equity or otherwise, whether now known or unknown, suspected or unsuspected,
26 concealed or hidden, which Plaintiff now owns or holds or has at any time heretofore owned or held as
27 against said Released Parties, or any of them. Such released claims include specifically, but not
28 exclusively and without limiting the generality of the foregoing, any and all claims, demands,

1 agreements, obligations and causes of action, known or unknown, suspected or unsuspected, concealed
2 or hidden, including but not limited to all claims arising out of, based upon, or relating to Class
3 Representative's employment with Defendant or the remuneration for or termination of such
4 employment, as alleged in the operative Complaint, arising out of or in any way connected with any
5 transactions, occurrences, acts or omissions set forth, or facts alleged, in any and all charges, complaints,
6 claims or pleadings filed by Class Representative against any Released Party prior to the date hereof
7 with any city, county, state or federal agency, commission, office or tribunal whatsoever; or arising out
8 of or in any way connected with any transactions, occurrences, acts or omissions occurring prior to the
9 date hereof, including specifically without limiting the generality of the foregoing any claim under Title
10 VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act (29 U.S.C. Section 621
11 *et seq.*), the Americans with Disabilities Act, the Employee Retirement Income Security Act, the
12 National Labor Relations Act, the Fair Labor Standards Act, the Family and Medical Leave Act, the
13 California Constitution, the California Labor Code, the California Civil Code, the California
14 Government Code, the California Business & Professions Code, the California Family Rights Act, the
15 California Fair Employment and Housing Act, or any other federal, state, or local statute or regulation
16 (collectively, the "Class Representative's Claims").

17 59. Class Representative agrees that there is a risk that any injury that he may have suffered
18 by reason of the Released Parties' relationship with him might not now be known, and there is a further
19 risk that said injuries, whether known or unknown at the date of this Settlement Agreement, might
20 possibly become progressively worse, and that as a result thereof further damages may be sustained.
21 Nevertheless, Class Representative agrees to forever and fully release and discharge the Released
22 Parties, and understands that by the execution of this Settlement Agreement no further claims for any
23 such injuries that existed at the time of the execution of this Settlement Agreement may ever be asserted
24 by Class Representative with respect to claims arising in the time period from the beginning of time to
25 the execution of this Settlement Agreement.

26 60. Class Representative expressly waives and relinquishes all rights and benefits afforded by
27 Section 1542 of the Civil Code of the State of California and does so understanding and acknowledging
28 the significance of the waiver of Section 1542. Section 1542 of the Civil Code of the State of California

1 states:

2 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT
3 THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR
4 SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF
5 EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR
6 HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER
7 SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

8 Notwithstanding the provisions of Section 1542, and for the purpose of implementing a full and
9 complete release and discharge of all parties, Class Representative and Class Counsel expressly
10 acknowledge that this Settlement Agreement is intended to include in its effect, without limitation, all
11 claims that Class Representative knew of, as well as all claims that he does not know or suspect to exist
12 in his favor against the Released Parties, or any of them, for the time period from the beginning of time
13 to the execution of this Settlement Agreement, and that this Settlement Agreement contemplates the
14 extinguishment of any such Class Representative's claims. Notwithstanding the above, the general
15 release by Class Representative shall not extend to claims for workers' compensation benefits, claims
16 for unemployment benefits, or other claims that may not be released by law.

17 61. Class Representative represents and warrants that he has not filed and will not file any
18 other lawsuit, administrative claim or action, arbitration, demand, or other action of any kind against
19 Defendant or the Released Parties. Class Representative represents and warrants that the only pending
20 claims against Defendant or the Released Parties are included in this Action.

21 **F. Interim Stay of Proceedings**

22 62. Pending completion of all of the prerequisites necessary to effectuate this Settlement, the
23 Parties agree, subject to Court's approval, to a stay of all proceedings in the Action except such as are
24 necessary to effectuate the Settlement.

25 **G. Notice Process**

26 63. Appointment of Settlement Administrator. The Parties have agreed to the appointment of
27 the Settlement Administrator to perform the duties of a settlement administrator, including mailing the
28 Notice of Settlement, using standard devices to obtain forwarding addresses, independently reviewing
and verifying documentation associated with any claims or opt-out requests, resolving any disputes
regarding the calculation or application of the formula for determining the Individual Settlement

1 Payments, drafting and mailing the settlement checks to Participating Class Members, and Aggrieved
2 Employees, issuing W-2 and 1099 Tax Forms, performing unclaimed funds due diligence, reporting and
3 performing remittance obligations, and performing such other tasks as set forth herein or as the Parties
4 mutually agree or that the Court orders.

5 64. Disputes Regarding Settlement Administration. Any and all disputes relating to
6 administration of the Settlement by the Settlement Administrator (except for disputes regarding Class
7 Data) shall be referred to the Court, if necessary, which will have continuing jurisdiction over the terms
8 and conditions of this Settlement Agreement, until Plaintiff and Defendant notify the Court that all
9 payments and obligations contemplated by this Settlement Agreement have been fully carried out. Prior
10 to presenting any issue to the Court, counsel for the Parties will confer in good faith to resolve the
11 dispute without the necessity of Court intervention. The Settlement Administrator shall also be
12 responsible for issuing to Plaintiff, Participating Class Members, Aggrieved Employees, and Class
13 Counsel any W-2, 1099, or other Tax Forms as may be required by law for all amounts paid pursuant to
14 this Agreement. The Settlement Administrator shall also be responsible for setting up all necessary tax
15 accounts and forwarding all payroll taxes and penalties to the appropriate government authorities.

16 65. Class Data. Within 21 days after entry of the Preliminary Approval Order, Defendant
17 shall provide the Class Data to the Settlement Administrator. The Settlement Administrator will run a
18 check of the Class Members' addresses against those on file with the U.S. Postal Service's National
19 Change of Address Database. The Class Data provided to the Settlement Administrator will remain
20 confidential, shall be used solely to administer the Settlement, and it will not be used or disclosed to
21 anyone (including Class Counsel), except as required by applicable tax authorities, pursuant to
22 Defendant's express written consent, or by order of the Court. Although Class Counsel will not be
23 provided with the list of Class Data, nothing herein shall prevent Class Counsel from communicating
24 with Class Members regarding the Action and Settlement. The Settlement Administrator will be
25 required to sign and provide to Defendant a Certification Regarding Confidential Discovery Materials
26 and to be bound by a Stipulated Protective Order as entered by the Court.

27 66. Notice of Settlement. The Notice of Settlement, as approved by the Court, shall be sent
28 by the Settlement Administrator to the Settlement Class Members, by first class mail, in English, with

Spanish and Vietnamese translations available upon request, within ten (10) calendar days following the Settlement Administrator's receipt of the Class Data. The Settlement Administrator shall use standard devices, including a skip trace, to obtain forwarding addresses of Settlement Class Members if any envelopes are returned.

67. Returned Notices of Settlement. The Settlement Administrator will take steps to ensure that the Notice of Settlement is received by all Settlement Class Members, including utilization of the National Change of Address Database maintained by the United States Postal Service to review the accuracy of and, if possible, update a mailing address. Notices of Settlement will be re-mailed to any Settlement Class Member for whom an updated address is located within ten (10) calendar days following both the Settlement Administrator learning of the failed mailing and its receipt of the updated address. The re-mailed Notice of Settlement shall be identical to the original Notice of Settlement, except that it shall notify the Settlement Class Member that the exclusion (opt-out) request or objection must be returned by the later of the Notice Response Deadline or fifteen (15) days after the remailing of the Notice of Settlement.

68. Disputes Regarding Information on Notices of Settlement. Class Members are deemed to participate in the Settlement, unless they timely opt-out, and Aggrieved Employees may not opt out of the PAGA Released Claims. The Notice of Settlement will inform Class Members of his/her estimated Individual Settlement Payment and the number of Pay Periods Worked during the Class Period and during the PAGA Period. Class Members may dispute their Pay Periods Worked if they feel they should be credited with more Eligible Pay Periods than Defendant's records show by timely submitting evidence to the Settlement Administrator. Defendant's records will be presumed determinative absent reliable evidence to rebut Defendant's records, but the Settlement Administrator will evaluate the evidence submitted by the Class Member and provide the evidence submitted to Class Counsel and Defense Counsel who agree to meet and confer in good faith about the evidence to determine the Class Member's actual number of Pay Periods Worked and estimated Individual Settlement Payment. If Class Counsel and Defense Counsel are unable to agree, they agree to submit the dispute to the Settlement Administrator to render a final decision. Class Members will have until the Notice Response Deadline to dispute Pay Periods Worked, object or opt out, unless extended by the Court. In the event that the

1 Settlement Administrator increases the number of Pay Periods Worked for any Settlement Class
2 Member, then the Settlement Administrator will recalculate the Participating Class Members' Individual
3 Settlement Payments; accordingly, in no event will Defendant be required to increase the Gross
4 Settlement Amount.

5 69. Declaration of Due Diligence. The Settlement Administrator shall provide counsel for
6 the Parties, at least twenty-five (25) calendar days prior to the final approval hearing, a declaration of
7 due diligence and proof of mailing with regard to the mailing of the Notices of Settlement.

8 70. Settlement Class Members' Rights. Each Settlement Class Member will be fully advised
9 of the Settlement, the ability to object to the provisions in the Settlement related to the Released Class
10 Claims, and the ability to opt-out or request exclusion from the Settlement with respect to the Released
11 Class Claims. The Notice of Settlement will inform the Settlement Class Members of the Court-
12 established deadlines for filing objections or requesting exclusion from the Settlement with respect to
13 the Released Class Claims in accordance with the following guidelines:

14 (a) Requests for Exclusion from Participating in the Settlement Class. Any
15 Settlement Class Member, other than Plaintiff, may request to be excluded from the Settlement Class by
16 submitting a "Request for Exclusion" to the Settlement Administrator, postmarked on or before the
17 Notice Response Deadline. The Request for Exclusion should state:

18 "I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN
19 THE ADD-ON COMPUTER PERIPHERALS LAWSUIT. I
20 UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE
21 SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM
22 THE SETTLEMENT OF THIS LAWSUIT."

23 To be valid, any Request for Exclusion must include the full name, address, telephone number,
24 last four digits of the social security number or date of birth, and signature of the Settlement Class
25 Member requesting exclusion. The Request for Exclusion must be returned by mail to the Settlement
26 Administrator at the specified address set forth in the Notice of Settlement. Any such Request must be
27 made in accordance with the terms set forth in the Notice of Settlement. A Request for Exclusion will
28 be timely only if postmarked by the Notice Response Deadline, unless the Parties otherwise agree in
writing. Any Settlement Class Member who timely requests exclusion in compliance with these
requirements: (i) will not have any rights under this Agreement with respect to the Released Class

1 Claims, including the right to object, appeal, or comment on the Settlement; (ii) will not be entitled to
2 receive any payments under this Agreement for the Released Class Claims; and (iii) will not be bound
3 by this Agreement, or the Judgment, with respect to the Released Class Claims. Any Aggrieved
4 Employee who requests timely exclusion will still be subject to the PAGA Released Claims to the fullest
5 extent permitted by law and shall be sent his or her share of PAGA Penalties.

6 (b) Binding Effect on Participating Class Members. Except for those Settlement
7 Class Members who exclude themselves in compliance with the procedures set forth above, all
8 Settlement Class Members will: (i) be deemed to be Participating Class Members for all purposes under
9 this Agreement; (ii) will be bound by the terms and conditions of this Agreement, the Judgment, and the
10 releases set forth herein; and (iii) except as otherwise provided herein, will be deemed to have waived all
11 objections and oppositions to the fairness, reasonableness, and adequacy of the Settlement.

12 (c) Objections to Settlement of the Released Class Claims. Any Settlement Class
13 Member, other than Plaintiff, may object to the terms of this Agreement, except as to the PAGA
14 Released Claims. To object, a Settlement Class Member shall inform the Settlement Administrator, in
15 writing, of his or her objection which must be postmarked by the Notice Response Deadline at the
16 address set forth in the Notice of Settlement. Such objection shall include the objecting Settlement
17 Class Member's full name, address, telephone number, last four digits of the social security number or
18 date of birth, signature, and dates of employment with Defendant, in addition to the case name and
19 number, the basis for the objection, including any legal support and each specific reason in support of
20 the objection, as well as any documentation or evidence in support thereof, and, if the Objecting
21 Settlement Class Member is represented by counsel, the name and address of his or her counsel. The
22 Settlement Administrator shall provide objections, if any, to Class Counsel and Defense Counsel within
23 three (3) calendar days of receipt, and the Settlement Administrator shall attach the same to its
24 declaration of due diligence and file with the Court prior to the Final Approval Hearing. Any
25 Participating Class Member who files an objection remains eligible to receive monetary compensation
26 from the Settlement. Plaintiff and Defendant shall not be responsible for any fees, costs, or expenses
27 incurred by any Class Member and/or his or her counsel related to any objections to the Settlement.
28 Submitting an objection does not preserve the right to appeal a final judgment. Rather, the right to

1 appeal is preserved by becoming a party of record by timely and properly intervening or filing a motion
2 to vacate the judgment under Code of Civil Procedure Section 663. Settlement Class Members and
3 Aggrieved Employees may not object to or opt-out of the Settlement with respect to the PAGA Released
4 Claims.

5 (d) Failure to Object. Any Settlement Class Member who desires to object to the
6 Released Class Claims in the Settlement but fails to timely submit a written objection or in person
7 objection at the Final Approval Hearing waives any right to object and will be foreclosed from making
8 any objection to this Settlement. Any Settlement Class Member who does not timely and properly
9 become a party of record by intervening or filing a motion to vacate the judgment waives any and all
10 rights to appeal from the Judgment, including all rights to any post-judgment proceeding and appellate
11 proceeding, such as a motion to vacate judgment, motion for new trial, a motion under California Code
12 of Civil Procedure Section 473, and extraordinary writs.

13 (e) Responses to Objections. Counsel for the Parties may file a response to any
14 objections submitted by objecting Settlement Class Members at least five (5) court days before the date
15 of the Final Approval Hearing.

16 (f) Settlement Class Members will have until the Notice Response Deadline to object
17 or submit a Request for Exclusion to the Settlement Administrator by U.S. Mail. The Settlement
18 Administrator shall disclose jointly to Class Counsel and Defendant's counsel what objections or
19 Requests for Exclusion were timely submitted on a weekly basis, and upon the request of Class Counsel
20 or Defense Counsel.

21 (g) Defective Submissions. If a Settlement Class Member's Request for Exclusion or
22 objection is defective as to the requirements listed herein, that Settlement Class Member will be given
23 an opportunity to cure the defect(s). The Settlement Administrator will mail the Settlement Class
24 Member a cure letter within three (3) business days of receiving the defective submission to advise the
25 Settlement Class Member that his or her submission is defective and that the defect must be cured to
26 render the Request for Exclusion or objection valid. The Settlement Class Member will have the later of
27 (i) the Notice Response Deadline or (ii) 15 calendar days from the date of the cure letter to postmark or
28 fax a revised Request for Exclusion or objection. If the revised Request for Exclusion or objection is not

1 postmarked or received by fax within that period, it will be deemed untimely and disregarded.

2 71. Funding of the Settlement Amount. Defendant shall make a one-time deposit into the
3 QSF of the Gross Settlement Amount within twenty (20) calendar days after the Effective Date.
4 Defendant separately shall pay its share of employer payroll taxes as calculated and directed by the
5 Settlement Administrator. Once Defendant has complied with its obligation set forth in this paragraph,
6 it shall be deemed to have satisfied all of the terms and conditions of this Agreement, shall be entitled to
7 all the protections afforded it under the Agreement, and shall have no further obligations under the
8 Agreement, regardless of what occurs with respect to the further administration of the Settlement. The
9 Settlement Administrator (and not Defendant) shall issue the applicable W-2s and IRS Form 1099
10 reflecting all payments to the Class Members.

11 72. Distribution of Funds. No later than ten (10) calendar days after the deposit of the Gross
12 Settlement Amount into the QSF, the Settlement Administrator will mail the Individual Settlement
13 Payments to the Participating Class Members, the payment to Class Counsel for the Attorneys' Fees and
14 Costs Award, any Service Payment to the Class Representative, the payment to the LWDA for PAGA
15 penalties, and will pay itself the Settlement Administration Costs.

16 73. Deadline for Cashing Settlement Checks. Participating Class Members and Aggrieved
17 Employees shall have 180 calendar days after mailing by the Settlement Administrator to cash their
18 settlement checks. If any Participating Class Member's or Aggrieved Employee's check is not cashed
19 within that period, the check will be void and a stop-payment will be issued, and the Settlement
20 Administrator shall issue the unclaimed funds to the California State Controller's Office in the name of
21 the Class Member or Aggrieved Employee. The release will be binding upon all Participating Class
22 Members and Aggrieved Employees who do not cash their checks within the 180-day period. In the
23 event that any settlement check is returned to the Settlement Administrator within 180 days of mailing,
24 the Settlement Administrator will, within five (5) business days of receipt of the returned settlement
25 check, perform a skip trace to locate the individual, and notify Defense Counsel and Class Counsel of
26 the results. If a new address is located by these means, the Administrator will have ten (10) business
27 days to re-issue the check. Neither Defendant, Defense Counsel, Class Counsel, Plaintiff, nor the
28 Settlement Administrator will have any liability for lost or stolen settlement checks, forged signatures on

1 settlement checks, or unauthorized negotiation of settlement checks. Without limiting the foregoing, in
2 the event a Participating Class Member or Aggrieved Employee notifies the Settlement Administrator
3 that he or she believes that a settlement check has been lost or stolen, the Settlement Administrator shall
4 immediately stop payment on such check. If the check in question has not been negotiated prior to the
5 stop payment order, the Settlement Administrator will issue a replacement check.

6 74. No person shall have any claim against Defendant or the Released Parties, Defendant's
7 Counsel, Plaintiff, Class Counsel, or the Settlement Administrator based on mailings, distributions,
8 payments or reports made in accordance with or pursuant to this Agreement. This provision does not,
9 however, prevent a Party from seeking enforcement of this Agreement.

10 75. Without prejudice to any other remedies, the Settlement Administrator shall agree to be
11 responsible for any breach of its obligations (whether committed by the Settlement Administrator or its
12 agents) and to indemnify and hold the Parties and their counsel harmless from and against all liabilities,
13 claims, causes of action, costs and expenses (including legal fees and expenses) arising out of any
14 breach committed by the Settlement Administrator or its agents.

15 **H. Duties of the Parties Prior to the Court's Approval**

16 76. Promptly after execution of this Settlement Agreement, Plaintiff will move the Court for
17 Preliminary Approval of this Settlement and entry of the Preliminary Approval Order accomplishing the
18 following:

19 (a) Scheduling the Final Approval Hearing on the issue of whether this Settlement
20 should be finally approved as fair, reasonable and adequate as to the Class Members and a hearing on
21 fees, costs and the Service Payment;

22 (b) Approving as to form and content of the proposed Notice of Settlement, attached
23 hereto Exhibit A;

24 (c) Directing the mailing of the Notice of Settlement by first class mail to the
25 Settlement Class Members;

26 (d) Preliminarily approving this Settlement; and

27 (e) Preliminarily certifying the class solely for purposes of this Settlement.
28

1 77. Reallocation of Settlement Proceeds. In the event the Court fails, on its first hearing, to
2 approve this Agreement because the amount of the PAGA Penalties is not adequate, then the Parties
3 shall cooperate in good faith to reallocate the total settlement proceeds, within this Agreement, in order
4 to try to achieve Final Approval of the Agreement upon any subsequent Court hearings.

5 **I. Duties of the Parties Following Court's Final Approval**

6 78. In connection with the Final Approval Hearing provided for in this Settlement
7 Agreement, Class Counsel shall submit a proposed Final Approval Order:

8 (a) Approving the Settlement, adjudging the terms thereof to be fair, reasonable and
9 adequate, and directing consummation of its terms and provisions;

10 (b) Approving Class Counsel's application for an award of attorneys' fees and
11 reimbursement of litigation costs and expenses, the Service Payment to the Class Representative, and the
12 payment to the Settlement Administrator for costs of administering the settlement; and

13 (c) Entering judgment approving settlement, thereby permanently barring all
14 Participating Class Members from prosecuting any Released Class Claims against any of the Released
15 Parties and permanently barring all Aggrieved Employees and the LWDA from prosecuting any PAGA
16 Released Claims against any of the Released Parties.

17 79. Final Judgment. The Settlement Administrator shall give the Participating Class
18 Members and Aggrieved Employees notice of the entry of Final Judgment on a postcard or letter that
19 will be included with the Individual Settlement Payments.

20 **J. Voiding the Agreement**

21 80. Defendant will have, in its sole discretion, the right to void and withdraw from the
22 Settlement if more than ten (10) Class Members submit a timely and valid Request for Exclusion to the
23 Settlement Administrator.

24 81. All Parties, signatories, and their counsel shall not encourage opt-outs or objections to
25 this Agreement. The Parties specifically agree not to solicit opt-outs, directly or indirectly, through any
26 means.

27 82. If the Settlement is voided or fails for any reason, Plaintiff and Defendant will have no
28 further obligations under the Settlement, including any obligation by Defendant to pay the Gross

Settlement Amount, or any amounts that otherwise would have been owed under this Settlement.

83. If the Settlement is voided or fails for any reason, any costs incurred by the Settlement Administrator shall be borne equally by Defendant and Plaintiff, unless otherwise specified in this Agreement.

K. Other Terms

84. Waiver. The waiver by one Party of any breach of this Agreement by another Party shall not be deemed a waiver of any other prior or subsequent breach of this Agreement.

85. No Waiver of Defendant's Arbitration Agreements. The Parties agree that this Settlement and any effort to obtain the Court's approval of the Settlement, including but not limited to, seeking conditional certification of Class for the sole purpose of settlement, does not constitute a waiver of Defendant's right to seek to enforce any alleged arbitration agreements entered into between Defendant and some Class Members in the Action or any future proceedings.

86. Full and Complete Defense. This Agreement may be pleaded by any Released Party as a full and complete defense to, and may be used as the basis for an injunction against, any action, suit, or other proceeding that has been or may be instituted, prosecuted or attempted, asserting any Released Claim.

87. Parties' Authority. The signatories hereto represent that they are fully authorized to enter into this Settlement Agreement and bind the Parties hereto to the terms and conditions hereof. The signatories hereto further represent that the Parties to this Agreement are represented by competent counsel, and they have had an opportunity to consult with counsel prior to authorizing its execution.

88. No Publicity. The Parties will not publicize the Settlement or disclose it to third parties, except as required or necessary to effectuate its terms and comply with law, including the payment of taxes. Specifically, Plaintiff and Plaintiff's counsel shall not publicize the settlement on their websites, in advertising/marketing materials or on social media. The Parties and their counsel agree that they will not issue any press releases or initiate any contact with the media about the fact, amount, or terms of the settlement. If counsel for any party receives an inquiry about the settlement from the media, counsel may respond only after the motion for approval of the settlement has been filed and only by confirming the accurate terms of the settlement. Nothing in this provision shall prevent Defendants from making

1 any required disclosure.

2 89. Mutual Full Cooperation. The Parties agree to fully cooperate with each other to
3 accomplish the terms of this Settlement Agreement, including but not limited to, execution of such
4 documents and to take such other action as may reasonably be necessary to implement the terms of this
5 Settlement Agreement. The Parties to this Settlement Agreement shall use their best efforts, including
6 all efforts contemplated by this Settlement Agreement and any other efforts that may become necessary
7 by order of the Court, or otherwise, to effectuate this Settlement Agreement and the terms set forth
8 herein. As soon as practicable after execution of this Settlement Agreement, Class Counsel shall, with
9 the assistance and cooperation of Defendant and Defendant's Counsel, take all necessary steps to secure
10 the Court's preliminary and final approval of the settlement, and the final entry of judgment. Class
11 Counsel shall provide Defendant's Counsel with copies of the Preliminary Approval Motion and Final
12 Approval Motion for review at least five court days prior to the filing deadline.

13 90. No Prior Assignments. The Parties hereto represent, covenant, and warrant that they
14 have not, directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or
15 encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or
16 rights released and discharged by this Settlement Agreement.

17 91. No Admission. Defendant denies any and all liability to Plaintiff and/or any Settlement
18 Class Member in this Action, as to any and all causes of action that were asserted or that might have
19 been asserted in this Action. Nonetheless, Defendant wishes to settle and compromise the matters at
20 issue in the Complaint to avoid further substantial expense and the inconvenience and distraction of
21 protracted and burdensome litigation. Defendant also has taken into account the uncertainty and risks
22 inherent in litigation, and without conceding any infirmity in the defenses that they have asserted or
23 could assert against Plaintiff, have determined that it is desirable and beneficial that Plaintiff's claims be
24 settled in the manner and upon the terms and conditions set forth in this Agreement.

25 92. Inadmissibility of Agreement. Whether or not the Court issues the Final Approval Order,
26 nothing contained herein, nor the consummation of this Settlement Agreement, is to be construed or
27 deemed an admission of liability, culpability, negligence, or wrongdoing on the part of Defendant or any
28 of the other Released Parties. Each of the Parties hereto has entered into this Settlement Agreement with

1 the intention of avoiding further disputes and litigation with the attendant inconvenience and expenses.
2 This Settlement Agreement is a settlement document, and it, along with all related documents such as
3 the notices, and motions for preliminary and final approval, shall, pursuant to California Evidence Code
4 section 1152 and/or Federal Rule of Evidence 408, be inadmissible in evidence in any proceeding,
5 except an action or proceeding to approve the settlement, and/or interpret or enforce this Settlement
6 Agreement. The stipulation for class certification as part of this Settlement Agreement is for settlement
7 purposes only and if, for any reason the settlement is not approved, the stipulation will have no force or
8 effect.

9 93. Notices. Unless otherwise specifically provided herein, all notices, demands, or other
10 communications pursuant to this Agreement shall be in writing and shall be deemed to have been duly
11 given as of the third business day after mailing by United States registered or certified mail, return
12 receipt requested, addressed:

13 To the Settlement Class Members and Aggrieved Employees:

14 Brian Mankin
15 brian@LMLfirm.com
16 Lauby Mankin Lauby LLP
17 4590 Allstate Drive
18 Riverside, CA 92501
19 Tel: (951) 320-1444 | Fax: (951) 320-1445

20 To Defendant:

21 Eric M. Steinert
22 SEYFARTH SHAW LLP
23 esteinert@seyfarth.com
24 560 Mission Street, 31st Floor
25 San Francisco, California 94105
26 Tel: (415) 397-2823 | Fax: (415) 397-8549

27 Leo Q. Li
28 SEYFARTH SHAW LLP
lli@seyfarth.com
2029 Century Park East, Suite 3500
Los Angeles, California 90067-3021
Tel: (310) 277-7200 | Fax: (310) 201-5219

Frances J. Choi
SEYFARTH SHAW LLP
fjchoi@seyfarth.com
2029 Century Park East, Suite 3500
Los Angeles, California 90067-3021
Tel: (310) 277-7200 | Fax: (310) 201-5219

1 94. Construction. The Parties hereto agree that the terms and conditions of this Settlement
2 Agreement are the result of lengthy, intensive arms' length negotiations between the Parties and that this
3 Settlement Agreement shall not be construed in favor of or against any Party by reason of the extent to
4 which any Party or his or its counsel participated in the drafting of this Settlement Agreement. Plaintiff
5 and Defendant expressly waive the common-law and statutory rule of construction that ambiguities
6 should be construed against the drafter of an agreement and further agree, covenant, and represent that
7 the language in all parts of this Agreement shall be in all cases construed as a whole, according to its fair
8 meaning.

9 95. Captions and Interpretations. Paragraph titles or captions contained herein are inserted as
10 a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of
11 this Settlement Agreement or any provision hereof. Each term of this Settlement Agreement is
12 contractual and not merely a recital.

13 96. Modification. This Settlement Agreement may not be changed, altered, or modified,
14 except in writing and signed by the Parties hereto, and approved by the Court. This Settlement
15 Agreement may not be discharged except by performance in accordance with its terms or by a writing
16 signed by all of the Parties hereto.

17 97. Dispute Resolution. Prior to instituting legal action to enforce the provisions of this
18 Agreement or to declare rights and/or obligations under this Agreement, a Party shall provide written
19 notice to the other Party and allow an opportunity to cure the alleged deficiencies, and Plaintiff and
20 Defendant agree to seek the help of the mediator identified in this Agreement to resolve any dispute they
21 are unable to resolve informally. During this period, the Parties shall bear their own attorneys' fees and
22 costs. This provision shall not apply to any legal action or other proceeding instituted by any person or
23 entity other than Plaintiff or Defendant.

24 98. Court Retains Jurisdiction. The Parties agree that upon the entry of judgment of
25 dismissal pursuant to the terms of this Agreement, that, pursuant to Code of Civil Procedure Section
26 664.6, the Court shall retain exclusive and continuing equity jurisdiction of this Action over all Parties to
27 interpret, enforce, and effectuate the terms, conditions, intents, and obligations of this Agreement.
28

1 99. Enforceability. Pursuant to California Evidence Code Section 1123(a) and (b), this
2 Agreement is intended by the Parties to be, and shall be, enforceable, binding, and admissible in a court
3 of law.

4 100. Choice of Law. This Settlement Agreement shall be governed by and construed,
5 enforced and administered in accordance with the laws of the State of California.

6 101. Integration Clause. This Settlement Agreement contains the entire agreement between
7 the Parties relating to the settlement and transaction contemplated hereby, and all prior or
8 contemporaneous agreements, understandings, representations, and statements, whether oral or written
9 and whether by a Party or such Party's legal counsel, are merged herein. No rights hereunder may be
10 waived except in writing.

11 102. Binding On Assigns. This Settlement Agreement shall be binding upon and inure to the
12 benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, successors,
13 and assigns.

14 103. Signatures of All Class Members Unnecessary to be Binding. It is agreed that, because
15 the members of the Settlement Class are numerous, it is impossible or impractical to have each Class
16 Member execute this Settlement Agreement. The Notice of Settlement will advise all Settlement Class
17 Members of the binding nature of the releases provided herein and such shall have the same force and
18 effect as if this Settlement Agreement were executed by each Settlement Class Member.

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

23 105. Counterparts. This Settlement Agreement may be executed in counterparts, and when
24 each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an
25 original, and, when taken together with other signed counterparts, shall constitute one fully signed
26 Settlement Agreement, which shall be binding upon and effective as to all Parties. Electronic signatures
27 shall have the same force and effect as an original.
28

1 Dated: June 2, 2022
2

PLAINTIFF AND CLASS REPRESENTATIVE:

Jose Maldonado

JOSE (Jun 2, 2022 16:27 PDT)

Jose Maldonado

4 Dated: June 2, 2022
5

CLASS COUNSEL:

LAUBY MANKIN LAUBY LLP



Brian J. Mankin

Peter J. Carlson

Attorneys for Plaintiff

10 Dated: May ___, 2022
11

DEFENDANT:

ADD-ON COMPUTER PERIPHERALS, LLC

By: Scott Kryzwicki

Title: Chief Financial & Operations Officer

15 Dated: May ___, 2022
16

DEFENDANT'S COUNSEL:

SEYFARTH SHAW LLP

Eric M. Steinert

Leo Q. Li

Frances J. Choi

Attorneys for Defendant

END OF DOCUMENT

1 Dated: May ___, 2022

PLAINTIFF AND CLASS REPRESENTATIVE:

2
3 _____
Jose Maldonado

4
5 Dated: May ___, 2022

CLASS COUNSEL:
LAUBY MANKIN LAUBY LLP

6
7 _____
Brian J. Mankin
Peter J. Carlson
Attorneys for Plaintiff

8
9
10 Dated: May 26, 2022

DEFENDANT:
ADD-ON COMPUTER PERIPHERALS, LLC

11
12 _____
Scott Kryzwicki
By: Scott Kryzwicki
Title: Chief Financial & Operations Officer

13
14
15 Dated: May 24, 2022

DEFENDANT'S COUNSEL:
SEYFARTH SHAW LLP

16
17 _____
Eric Steinert
Eric M. Steinert
Leo Q. Li
Frances J. Choi
Attorneys for Defendant

18
19
20
21
22 END OF DOCUMENT

EXHIBIT “B”

NOTICE OF SETTLEMENT OF CLASS AND REPRESENTATIVE ACTION

Jose Maldonado v. Add-On Computer Peripherals, LLC
Superior Court of the State of California, County of Orange
Case No. 30-2021-01206062-CU-OE-CXC

[In Spanish: “If you need a Spanish copy of the settlement notice, please contact the settlement administrator at <telephone number> and refer to the Maldonado v. Add-On case.]

[In Vietnamese: “If you need a Vietnamese copy of the settlement notice, please contact the settlement administrator at <telephone number> and refer to the Maldonado v. Add-On case.]

To: all current and former non-exempt employees of Defendant Add-On Computer Peripherals, LLC (“Add-On”), who worked in California at any time between June 14, 2017, and June 15, 2022 (the “Class”):

THIS NOTICE is of a proposed settlement of the above-referenced class action and representative action lawsuit (the “Lawsuit”), and an announcement of a court hearing that you may choose to attend. Your rights may be affected by the legal proceedings in this Lawsuit. The Court will conduct a hearing on [REDACTED], 2022, to address whether the proposed settlement should be approved (the “Final Approval Hearing”). You may be entitled to receive a payment under the terms of this class action settlement contained in the Settlement Agreement.

[IDENTIFYING INFORMATION]

You have been identified as a Class Member and Aggrieved Employee in the above Lawsuit. Under the terms of the proposed settlement, you are estimated to receive approximately \$[REDACTED] as your share of the Settlement should the Court grant the settlement in full. Please note that this is only an estimate. Your actual share may be more or less than this estimate. Your estimate is based on the number of eligible pay periods you worked at Add-On in California between June 14, 2017, and June 15, 2022 (the “Class Period”). Your options and eligibility requirements for receiving payments are described below.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING	If you want to receive your full settlement payment, then no further action is required on your part. You will automatically receive your settlement payment from the Settlement Administrator if the Settlement receives Final Approval by the Court. You will be bound by the terms of the Settlement Agreement and will give up your right to sue on the released class and PAGA claims described in Section IV under the provisions titled “Release of Class Claims” and “Release of PAGA Claims.”
EXCLUDE YOURSELF	If you do not wish to participate in the settlement of the Class Claims, you may “opt-out” of the settlement of the Class Claims. If you choose to opt-out, you must submit a Request for Exclusion by [REDACTED], 2022 (see Section V(B) for more details on how to opt-out). If you opt-out of the settlement of the Class Claims, you will no longer be a Class Member, and you will (1) neither receive any settlement payment for the Class Claims nor release any Class Claims as set forth in Section IV, and (2) be barred from filing an objection to the settlement. You still will receive a payment as part of the civil penalties paid pursuant to the California Private Attorneys General Act of 2004 (“PAGA”) and will release your claims for such civil penalties.
OBJECT	If you decide to object to the settlement with respect to the Class Claims because you find it unfair or unreasonable, you must submit an objection by [REDACTED], 2022 (see Section V(C) for more details on how to object).
DISPUTE YOUR NUMBER OF PAY PERIODS CREDITED	If you believe that the number of pay periods that you are credited with working during the Class Period is incorrect, you may submit a written dispute to the Settlement Administrator (see Section IV for more details on how to dispute your credited pay periods). Defendant’s records will be presumed correct, but you may provide evidence to the Settlement Administrator showing that your Pay Period calculation is inaccurate.

I. Why should I read this Notice?

The Court has granted preliminary approval of a proposed settlement (the “Settlement”) in *Maldonado v. Add-On Computer Peripherals, LLC*, Orange County Superior Court Case No. 30-2021-01206062-CU-OE-CXC (the “Lawsuit”). Because your rights may be affected by the Settlement, it is important that you read this notice carefully.

Add-On’s records show that you were employed in California as a non-exempt employee (meaning you were paid hourly or otherwise eligible for overtime pay) at some point between June 14, 2017, and June 15, 2022 (“Class Period”). The Court ordered this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

NO ACTION NEEDS TO BE TAKEN TO RECEIVE MONEY UNDER THE SETTLEMENT: If you were employed by Add-On as a non-exempt employee in California at any time during the Class Period, you are automatically included in the Settlement and do not need to take any further action to receive a payment.

The purpose of this Notice is to provide you with a brief description of the Lawsuit, to inform you of the terms of the proposed Settlement, and to discuss your rights and options in connection with the Lawsuit and the Settlement.

II. What is this lawsuit about?

On June 14, 2021, Plaintiff and Class Representative Jose Maldonado (“Plaintiff” or “Class Representative”), through his attorneys (“Class Counsel”), filed a class action complaint against Add-On for alleged wage and hour violations on behalf of all current and former non-exempt employees who were employed by Add-On in California at any time since June 14, 2017. On about August 20, 2021, Plaintiff filed a First Amended Complaint in the Lawsuit that alleges that Add-On violated various Labor Code sections by failing to pay wages for all hours worked, failing to provide all required meal and rest breaks, failing to pay vested vacation wages, failing to timely pay final wages, and failing to provide accurate and complete wage statements during the Claim Period. The Lawsuit also sought equitable relief under the Unfair Competition Law. All of these claims are called the “Class Claims.” The Lawsuit also sought, on behalf of the California Labor Workforce Development Agency (“LWDA”), civil penalties pursuant to PAGA as a representative action. The civil penalty claims are called “PAGA Claims” and the relevant period for PAGA claims is June 14, 2020, to June 15, 2022 (“PAGA Period”).

Add-On has denied, and continues to deny, the factual and legal allegations in the Lawsuit and believes that it has valid defenses to Plaintiff’s claims. By agreeing to settle, Add-On is not admitting liability on any of the factual allegations or claims in the case or that the case can or should proceed as a class action and/or a representative action. Add-On has agreed to settle the case as part of a compromise with Plaintiff and the Class Members.

The Court has not ruled on the merits of Plaintiff’s claims. And, by approving the Settlement and issuing this Notice, the Court is not suggesting which side would win or lose this case if it went to trial. However, to avoid additional expense, inconvenience, and risks of continued litigation, Add-On and Plaintiff have concluded that it is in their respective best interests and the interests of the Settlement Class to settle the Lawsuit on the terms summarized in this Notice. After providing extensive information to Class Counsel, the Settlement was reached following an arm’s length mediation with a respected and experienced mediator. In these negotiations, both sides recognized the substantial risk of the Court deciding against them at trial and determined that the Proposed Settlement was a good option to resolve the disputed claims.

The Class Representative and Class Counsel support this Settlement. Among the reasons for their support are the defenses to liability potentially available to Add-On, the risk of denial of class certification or representative status, the inherent risk of trial on the merits, and the delays and uncertainties associated with litigation.

If you are still employed by Add-On, this Settlement will not affect your employment. California law strictly prohibits unlawful retaliation. Further, Add-On will not take any adverse action against or otherwise target, retaliate, or discriminate against any Class Member because of the Class Member’s participation or decision not to participate in this Settlement. If a Class Member does not participate as to the Class Claims, his/her share of the settlement of the Class Claims will be paid to those who do participate.

III. Who are the attorneys representing The Parties?

<u>Attorneys for Plaintiff and Class Members:</u>	<u>Attorneys for Defendant:</u>
Brian Mankin, Esq. <i>brian@LMLfirm.com</i> Peter Carlson, Esq. <i>peter@LMLfirm.com</i> Lauby Mankin Lauby LLP 4590 Allstate Drive Riverside, CA 92501 Tel: (951) 320-1444	Eric M. Steinert, Esq. Seyfarth Shaw LLP <i>esteinert@seyfarth.com</i> 560 Mission Street, 31st Floor San Francisco, California 94105 Telephone: (415) 397-2823 Facsimile: (415) 397-8549 Leo Q. Li, Esq. Seyfarth Shaw LLP <i>lli@seyfarth.com</i> 2029 Century Park East, Suite 3500 Los Angeles, California 90067-3021 Telephone: (310) 277-7200 Facsimile: (310) 201-5219

IV. What are the terms of the Settlement?

On [PA DATE], the Court certified a class, for settlement purposes only, of all non-exempt employees employed by Add-On in California at any time from June 14, 2017, through June 15, 2022 (the “Settlement Class”) and approved a representative class comprised of all non-exempt employees employed by Add-On in California at any time from June 14, 2020, through June 15, 2022 (“Aggrieved Employees”). Individuals who do not opt out of the Settlement Class, pursuant to the procedures set forth in this Notice, will become “Participating Class Members” and will be mailed Settlement checks, and in exchange will be bound by the Settlement and release of certain wage and penalty claims against Add-On.

Without admitting any wrongdoing, Add-On has agreed to pay \$475,000 (the “Gross Settlement Amount”) to fully resolve all claims in the Lawsuit. The Parties agreed to the following payments from the Gross Settlement Amount:

Settlement Administration Costs. The Court has approved Phoenix Class Action Administration to act as the “Settlement Administrator,” who is sending this Notice to you and will perform many other duties relating to the Settlement. Under the Settlement, a maximum of \$7,500 will be paid from the Gross Settlement Amount to pay the Settlement Administration Costs.

<u>Settlement Administrator:</u>
Name Address Telephone

Penalties to the California Labor Workforce and Development Agency. The Labor Code Private Attorneys General Act (“PAGA”) authorizes employees to file lawsuits to attempt to recover civil penalties on behalf of other Aggrieved Employees and the State of California for alleged Labor Code violations. Under the Settlement, \$30,000 of the Gross Settlement Amount will be allocated to Plaintiff’s PAGA Claims. Of this amount, \$22,500 will be paid to the California Labor Workforce and Development Agency (“LWDA”) in satisfaction of the claims for civil penalties under PAGA, and the remaining \$7,500 will be divided between all Aggrieved Employees based on the number of pay periods worked during the PAGA Period, regardless of their receipt of payments for settlement of the Class Claims. You do not have the right to opt-out or exclude yourself from receiving the civil penalties paid to pursuant to PAGA. Aggrieved Employees includes “all current and former non-exempt employees of Add-On who worked in California at any time during the PAGA Period.” You will receive your allocated portion of this payment and will be bound by the release of all such PAGA Claims without regard to your selected option discussed in Section V, below.

Service Payment to Class Representative. Class Counsel will ask the Court to award the Class Representative a Service Payment in the amount of \$7,500 to compensate him for service and extra work provided on behalf of the Class Members and in exchange for a general release of claims. The Class Representative also will receive his individual share of the Settlement as a Class Member.

Attorneys' Fees and Costs. Class Counsel have been prosecuting the Lawsuit on behalf of the 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. Class Members are not personally responsible for any of Class Counsel's attorneys' fees or costs. Class Counsel will ask for fees of one-third (\$158,333.33) of the common fund Gross Settlement Amount as reasonable compensation for the work Class Counsel performed and will continue to perform in this Lawsuit through finalization of the Settlement. Class Counsel also will ask for reimbursement of up to \$20,000 for the costs Class Counsel incurred in connection with the Lawsuit.

Calculation of Individual Settlement Payments to Class Members. After deducting the amounts above from the Gross Settlement Amount, the balance will form the Net Settlement Amount for distribution to Participating Class Members (who are Class Members who do not opt-out). The Net Settlement Amount will total approximately \$ [REDACTED]. Individual Settlement Payments to Class Members will be calculated and apportioned from the Net Settlement Amount based on the number of Pay Periods a Settlement Class Member is credited with working during the Class Period. A Class Member is credited with one Pay Period Worked each time the Class Member works at least one shift during the Class Period in a non-exempt position in California. Specific calculations of Individual Settlement Payments will be made as follows: the Settlement Administrator will divide the total Pay Periods Worked by all Settlement Class Members into the Net Settlement Amount to determine a per "Pay Period Value." The Pay Period Value will be multiplied by the number of Pay Periods Worked by each Settlement Class Member during the Class Period to determine the "Individual Settlement Payment," prior to legal deductions/withholdings, for each Settlement Class Member. If any Settlement Class Member opts-out of the Settlement, his/her Individual Settlement Payment will be distributed to all Participating Class Members (i.e., those who do not opt-out).

For each Settlement Class Member, the Pay Periods Worked at Add-On during the Class Period will be calculated from Add-On's records. Add-On's records indicate that you worked for [REDACTED] **TOTAL PAY PERIODS** Pay Periods in California during the Class Period of June 14, 2017, through June 15, 2022. If you disagree with this number, you may submit evidence to the Settlement Administrator on or before [REDACTED], 2022, with documentation to establish the number of eligible Pay Periods you claim to have actually worked for Add-On in California between June 14, 2017, and June 15, 2022. **DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED; DO NOT SEND ORIGINALS.** The Settlement Administrator will render a final decision.

Payments to Class Members. After the Court grants Final Approval of the Settlement and after Judgment is entered, settlement checks will be mailed to all Participating Class Members who did not timely request to be excluded. For those Aggrieved Employees who requested to be excluded from the settlement of the Class Claims, their settlement checks will be for their share of PAGA civil penalties only for release of the PAGA Claims, and they will not include any payment for settlement of the Class Claims. Participating Class Members and Aggrieved Employees will have 180 days from the issuance of the last check to cash all of the checks. In the event that any Participating Class Member or Aggrieved Employee fails to timely cash a settlement check, a stop payment will be placed on the check and the funds will be paid to the California State Controller's Office in the name of the Participating Class Member or Aggrieved Employee, so that the Participating Class Member or Aggrieved Employee can attempt to collect the funds at a later date.

Allocation and Taxes. Ten percent (10%) of the Individual Settlement Payment distributed to each Participating Class Member will be considered and reported as wages (Form W-2 reporting). The remaining ninety percent (90%) will be considered and reported as interest and penalties (Form 1099 reporting). The Settlement Administrator shall take all usual and customary deductions from the Individual Settlement Payments that are distributed as wages, including, but not limited to, state and federal tax withholding, disability premiums, and unemployment insurance premiums. There will be no deduction taken from the interest and penalty distribution; however, the payments will be reported on IRS Form 1099 as income. Payments for PAGA Claims shall be paid one hundred percent (100%) as civil penalties for which no taxes shall be withheld and for which payment will be reported on IRS Form 1099. Participating Class Members and Aggrieved Employees are responsible for the proper income tax treatment of the Individual Settlement Payments and their payments for PAGA Claims. The Settlement Administrator, Add-On and its counsel, and Class Counsel cannot provide tax advice and make no representations as to the tax treatment or legal effect of the Individual Settlement Payments or payments for PAGA Claims. Participating Class Members and Aggrieved Employees will be solely responsible for the payment of any taxes and penalties assessed on their

Individual Settlement Payments or payments for PAGA Claims and shall hold harmless Add-On from any claim or liability for taxes, penalties, or interest arising as a result of the Class Members' and Aggrieved Employees' failure to pay their share of any taxes. Accordingly, Participating Class Members and Aggrieved Employees should consult with their tax advisors concerning the tax consequences and treatment of payments they receive under the Settlement.

Release of Class Claims. Upon the final approval of the Settlement by the Court, Plaintiff and all Class Members who do not submit a valid opt-out/request for exclusion will fully release and discharge Defendant and its past and present officers, directors, shareholders, employees, managers, human resources representatives, agents, contractors, attorneys, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and their respective parent corporations, subsidiaries or related entities, divisions, affiliates, attorneys, successors and assigns (the "Released Parties") from any and all claims, rights, demands, liabilities and causes of action that were or could have been pled under local, state, or federal law arising out of or based on the facts alleged in the operative complaint against the Released Parties for the duration of the Class Period, including but not limited to, all claims under California Labor Code §§ 201-204, 210, 226, 226.7, 510, 512, 558, 1174, 1194, 1197, 1197.1, 1198, 2802, any applicable California Industrial Welfare Commission Wage Order, California Code of Regulations, tit. 8, § 11070, the California Unfair Competition Law, California Business & Professions Code §§ 17200, *et seq.*, and any remedies for any of the claims described herein, including, damages, statutory penalties, restitution, declaratory relief, equitable or injunctive relief, interest, and attorneys' fees and costs. These released claims and damages are hereinafter referred to as "Released Class Claims." The time period governing these Released Class Claims shall be at any time from June 14, 2017, through June 15, 2022 ("Class Period").

Release of PAGA Claims. Also upon the Court's final approval of the Settlement, Plaintiff—in his individual capacity and on behalf of the State of California and the LWDA—and all Aggrieved Employees shall completely release and discharge the Released Parties of all PAGA claims that Plaintiff alleged or could have alleged against the Released Parties, on behalf of the Aggrieved Employees and the State of California, based on the facts and/or theories stated in the operative complaint and/or in Plaintiff's June 14, 2021, notice letter to the LWDA, including but not limited to, all PAGA claims premised upon California Labor Code §§ 201-204, 210, 226, 226.7, 510, 512, 558, 1174, 1194, 1197, 1197.1, 1198, 2802, any applicable California Industrial Welfare Commission Wage Order, PAGA, California Labor Code §§ 2699, *et seq.*, and any remedies for any of the PAGA claims described herein, including civil penalties, declaratory relief, equitable relief, interest, and attorneys' fees and costs. These released claims and damages are hereinafter referred to as "Released PAGA Claims." The time period governing the PAGA Released Claims shall be any time from June 14, 2020, to June 15, 2022 ("PAGA Period").

Waiver of Labor Code Section 206.5(e). Participating Class Members will be deemed to have acknowledged and agreed that their claims for wages and/or penalties in the Lawsuit are disputed, and that the Individual Settlement Payments constitute payment of all sums allegedly due to them. Participating Class Members will be deemed to have acknowledged and agreed that California Labor Code Section 206.5 is not applicable to the Individual Settlement Payments. That section 206.5 of the Labor Code provides in pertinent part as follows:

"No employer shall require the execution of any release of any claim or right on account of wages due, or to become due, or made as an advance on wages to be earned, unless payment of such wages has been made."

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

V. What options do I have?

- A. **Do Nothing and Participate in the Settlement.** Under the Settlement, you will automatically receive an Individual Settlement Payment unless you exclude yourself from the settlement by following the opt-out procedure set forth below. If you disagree with the number of Pay Periods Worked, as described in this Notice, you may dispute the allocation of the Settlement without excluding yourself or objecting, as described above. It is the responsibility of all Class Members to ensure that the Settlement Administrator has your current address on file, or you may not receive important information or an Individual Settlement Payment.

If you are a current employee, your decision as to whether or not to participate in this Settlement will not be considered by Add-On, who will not take any adverse employment action against you based on your participation or decision not to participate in this Settlement.

- B. **Exclude Yourself from the Class Claims in the Settlement.** If you **do not** wish to take part in the release of the Class Claims in the Settlement, you may exclude yourself by sending to the Settlement Administrator a “Request for Exclusion from the Class Claims in the Class Action Settlement” letter/card postmarked no later than [REDACTED], 2022 with your full name, address, telephone number, last four digits of your social security number or your date of birth, and signature. The Request for Exclusion should state:

“I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE ADD-ON COMPUTER PERIPHERALS LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE SETTLEMENT OF THIS LAWSUIT.”

Send the Request for Exclusion directly to the Settlement Administrator, [NAME OF SETTLEMENT ADMINISTRATOR], [ADDRESS], postmarked no later than [REDACTED], 2022. Any person who files a timely Request for Exclusion from the Class Action Settlement, upon receipt: (1) will not have any rights under this Settlement with respect to the Class Claims, including the right to object, appeal or comment on the Settlement; (2) will not be entitled to receive any money for the Class Claims under this Settlement; and (3) will not be bound by this Settlement, or the Judgment, with respect to the Class Claims. You still will be bound by this Settlement with respect to the release of the PAGA Claims.

- C. **Object to Settlement.** You also have the right to object to the terms of the Settlement with respect to the Class Claims if you believe they are unfair or unreasonable. 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 Class Claims portion of the Settlement, you must submit a written objection stating your full name, your address, your telephone number, the last four digits of your social security number or your date of birth, your dates of employment at Add-On, the case name and number, the name and address of your attorney(s) if you are represented, your signature, and each specific reason in support of your objection. You must also include any documentation or evidence in support of the objection, if any. Objections must be in writing and mailed to the Settlement Administrator, [ADDRESS], by no later than [REDACTED], 2022. Objections that do not include all required information, or that are not submitted timely, may not be considered by the Court. **You need not object to the Settlement if you only dispute the number of Pay Periods Worked. To dispute the number of Pay Periods Worked, please refer to the directions provided under the provision entitled “Calculation of Individual Settlement Payments to Class Members” in Section IV of this Notice.**

If you choose to object to the Class Claims portion of the Settlement, you may also appear at the Final Approval Hearing scheduled for [REDACTED], 2022, at 9:30 a.m. in Department CX104 of the Orange County Superior Court, located at 700 Civic Center Drive West, Santa Ana, CA 92701. You have the right to appear either in person or through your own attorney at this hearing. Any attorney who intends to represent an individual objecting to the Settlement must file a notice of appearance with the Court and serve counsel for all parties on or before [REDACTED], 2022. All objections or other correspondence must state the name and number of the case. If you wish to appear at the Final Approval hearing, please contact Class Counsel or the Settlement Administrator in advance of the scheduled hearing to ensure that the hearing has not been continued by the Court.

If you object to the Settlement, you will remain a Class Member, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Participating Class Members who do not object. Submitting an objection does not preserve the right to appeal a final judgment. Rather, the right to appeal is preserved by becoming a party of record by timely and properly intervening or filing a motion to vacate the judgment before entry of judgment.

VI. What is the effect of the settlement?

Released Rights and Claims. The Settlement is intended to settle all claims against the Released Parties that were asserted or could have been asserted in the Lawsuit regarding the alleged violations of wage and hour laws. If you were employed by Add-On in California at any time during the Class Period and do not elect to exclude yourself from the Settlement Class, you will be deemed to have entered into this Release and to have released the class claims in this Lawsuit, described above in Section IV under the provision titled “Release of Class Claims.” All Aggrieved Employees will be deemed to have entered into a release of the PAGA Claims, described above in Section IV under the provision titled “Release of PAGA Claims.” If

the Settlement is not approved by the Court or does not become final for some other reason, the Lawsuit may continue and the releases will not take effect.

VII. What is the next step?

The Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement, the Class Counsel's request for attorneys' fees and reimbursement of documented litigation costs, and the Service Payment to the Class Representative on [REDACTED], 2022 at 9:30 a.m. in Department CX104 of the Orange County Superior Court, located at 700 Civic Center Drive West, Santa Ana, CA 92701.

You are not required to attend the Final Approval Hearing, although any Class Member is welcome to attend the hearing.

VIII. How can I get additional information?

This Notice is only a summary of the Lawsuit and the Settlement. For more information, you may inspect the Court's files and the Class Action Settlement Agreement at the Office of the Clerk, Orange County Superior Court, 700 Civic Center Drive West, Santa Ana, CA 92701, during regular court hours. You may also contact the Settlement Administrator using the contact information listed above under Section IV for more information.

IX. Reminder as to time limits.

Class Members do not have to take any further action to participate in the Settlement. The deadline for submitting a Request for Exclusion from the Class Claims is [REDACTED], 2022. The deadline for mailing an objection to the Settlement Administrator is [REDACTED], 2022.

These deadlines will be strictly enforced. To be considered timely, any Requests for Exclusion and objections to the Settlement must be postmarked by the above-stated deadlines. Any Requests for Exclusion and objections to the Settlement that are not postmarked on or before these deadlines will be deemed untimely and disregarded.

**PLEASE DO NOT CALL OR WRITE THE COURT
FOR INFORMATION ABOUT THIS SETTLEMENT**

EXHIBIT “C”



June 14, 2021

Sent Via Online Filing to the LWDA

California LWDA
Attn: PAGA Administrator
455 Golden Gate Ave., 9th Fl.
San Francisco, CA 94102

Sent Via U.S. Mail and Certified Mail

Add-On Computer Peripherals LLC
15775 Gateway Circle
Tustin, CA 92780

**Re: PAGA Civil Penalty Claim
*Jose Maldonado v. Add-On Computer Peripherals LLC***

To the Labor and Workforce Development Agency and Add-On Computer Peripherals LLC:

Pursuant to the Private Attorneys General Act of 2004 (“PAGA”), Labor Code §§ 2699, *et seq.*, this letter shall serve as notification of the PAGA civil penalty claim of aggrieved employee Jose Maldonado (“Claimant”), on behalf of the State of California and all Aggrieved Employees, against his former employer(s), Add-On Computer Peripherals LLC and/or any affiliated entities (the “Company”), for violations of Labor Code §§ 200, 201, 202, 203, 204, 208, 210, 218.6, 226, 226.3, 226.7, 227.3, 246, 256, 510, 512, 558, 1194, 1194.2, 1197, 1197.1, 1198, and 1199, among possibly other sections inadvertently omitted, and/or sections of the applicable Industrial Welfare Commission Wage Order(s).

FACTUAL BACKGROUND

Claimant was employed by the Company from approximately 2015 through February 2021. Claimant alleges that, at all relevant times, he and all other non-exempt employees employed by the Company in California (the “Aggrieved Employees”) were subjected to the same policies, working conditions, and corresponding wage and hour violations that Claimant was subjected during his employment.

For instance, at all relevant times, Claimant and the Aggrieved Employees were not provided proper minimum and overtime wages due to the Company’s failure to accurately record and compensate for all hours worked. Also, at all relevant times, Claimant was compensated on an hourly basis plus additional compensation in the form of shift differentials, hazard pay, and/or nondiscretionary bonuses. However, on the occasions when Claimant worked in excess of 8 and/or 12 hours per day and/or 40 hours per week and received additional earned compensation during the pay period, the Company failed to properly include these amounts in the calculations for Claimant’s regular rate of pay. Therefore, the Company failed to pay proper overtime for the hours worked in excess of 8 and/or 12 per day and/or 40 per week.

Claimant was also not provided 30-minute off-duty meal periods, as mandated by California law, during employment with the Company. As a result of the Company’s policies and practices, as well as the hectic workload, Claimant was subjected to meal period violations when he was: (1) unable to take a meal period due to workload, (2) forced to take an on-duty meal period while under the control of the Company,

(3) forced to take a meal period after the 5th hour of work, and (4) not provided a mandated second meal period on occasions for shifts in excess of 10 hours.

The Company also failed to provide Claimant with 10 minutes of net rest break time for every 4 hours worked, or major fraction thereof, as mandated by California law. The Company did not schedule Claimant's rest breaks, Claimant was unable to leave the premises for breaks, and Claimant was often not authorized and/or permitted to take mandated rest breaks due to the lack of adequate staffing and coverage and being overwhelmed by the hectic workload. Furthermore, on occasions when Claimant worked in excess of 10 hours in a shift, the Company failed to authorize and/or permit a third mandated rest break.

Moreover, at all relevant times, the Company utilized a policy and practice through which Claimant and the Aggrieved Employees accrued vacation and/or PTO hours (collectively, "vacation hours"). However, on the occasions when Claimant and the Aggrieved Employees had accrued but unused vacation hours upon separation of employment, Defendants failed to pay the departing employees all vacation hours and, further, failed to pay for these earned wages at the "final rate" as required by Labor Code § 227.3. As a result, Claimant and the Company did not receive compensation for all accrued but unused vacation hours – in violation of Labor Code § 227.3.

The Company also failed to comply with the mandates of Labor Code § 204 regarding the timing of the payment of wages to its employees each period, including meal and rest period premiums. Also, the Company failed to comply with the mandates of Labor Code §§ 201 – 203 regarding payment of final wages and failed to pay all wages due and owing upon separation of employment including minimum wages, overtime, wages, and all mandated sick time since the company only paid sick time at the base rate than than the statutorily mandated rate "calculated in the same manner as the regular rate of pay." Finally, during his employment with the Company, Claimant received inaccurate and incomplete wage statements that failed to accurately state all necessary items required under Labor Code § 226(a).

As a result of these violations, and others described below, Claimant alleges that he and other Aggrieved Employees were denied specific rights to which they are/were entitled under California law and the rules promulgated by the IWC Wage Orders, including the following:

**PAGA ASSESSMENT FOR FAILURE TO
PAY ALL MINIMUM, REGULAR, AND OVERTIME WAGES**

(Labor Code §§ 204, 221-223, 510, 558, 1194, 1194.2, 1197, 1197.1, 1198; IWC Wage Order §§ 3, 4(B))

As discussed above, the Company failed to pay all required minimum, regular, and overtime wages to Claimant and the Aggrieved Employees due to the Company's failure to accurately record and compensate for all hours worked as well as the failure properly calculate the regular rate of pay for Claimant and other Aggrieved Employees. This resulted in earned, but unpaid, overtime wages due and owing to Claimant and the Aggrieved Employees. Therefore, Claimants and the Aggrieved Employees worked in excess of 8 and/or 12 hours per day, and/or forty hours per week without receiving proper payment of the requisite overtime and/or doubletime wages for all hours worked pursuant to Labor Code §§ 204 and 510 and/or the applicable IWC Wage Order. Claimants and the Aggrieved Employees were also not paid all earned wages to which they were entitled at the rates agreed upon by the Company, including, but not limited to shift differential pay.



Accordingly, Labor Code §§ 210, 558, 1197.1, and 2699, among possibly others, impose various penalties upon the Company for each employee and each pay period in which it failed to pay all wages including, but not limited to, minimum, regular, and overtime wages in violation of the Labor Code and/or the IWC Wage Orders.

**PAGA ASSESSMENT FOR DENIAL OF MEAL PERIODS,
REST BREAKS, AND WAGE PREMIUMS**

(Labor Code §§ 226.7(b) & (c), 512, 558; Cal. Admin. Code, Title 8, § 11090)

Labor Code § 226.7(b) states that “[a]n employer shall not require an employee to work during a meal or rest or recovery period mandated pursuant to an applicable statute, or applicable regulation, standard, or order of the Industrial Welfare Commission ...” Labor Code § 512(a) states in pertinent part: “[A]n employer may not employ an employee for a work period of more than 5 hours per day without providing the employee with an uninterrupted meal period of not less than 30 minutes [...] [a]n employer may not employ an employee for a work period of more than 10 hours per day without providing the employee with a second meal period of not less than 30 minutes.”

Section 12 of applicable IWC Wage Order states in pertinent part: “Every employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period. The authorized rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof.”

Here, Claimant and other Aggrieved Employees were regularly not provided compliant mandatory meal periods and paid rest breaks due to the Company’s policies described above. Although the Company was required to pay Claimant and all Aggrieved Employees premium wages equal to an additional hour of pay at the employee’s regular rate of pay for each violation under Labor Code § 226.7(c), the Company did not pay the mandatory one-hour wage premiums. Labor Code § 558 imposes a penalty for each violation, plus an amount sufficient to recover the underpaid wages. Additionally, the civil assessment set forth in Labor Code § 2699 applies to these violations.

FAILURE TO PAY VESTED VACATION UPON SEPARATION OF EMPLOYMENT

(Labor Code § 227.3)

Pursuant to Labor Code § 227.3, an employer that has implemented a paid vacation, paid time off, or compensated time off policy must, upon an employee’s separation from employment, pay to the employee all vested but unused vacation and/or paid time off at her final rate of pay. However, as alleged herein, the Company only paid vested vacation upon separation at the base rate of pay, leading to a violation on each such occasion. As a result of these violations, penalties may be assessed pursuant to Labor Code § 2699.

FAILURE TO PAY SICK TIME AT PROPER RATE OF PAY

(Labor Code § 246)

Labor Code § 246(l)(1) provides that paid sick time for non-exempt employees must be “calculated in the same manner as the regular rate of pay for the workweek in which the employee uses paid sick time, whether or not the employee actually works overtime in that workweek.” Additionally, Labor Code § 246(l)(2) states that the paid sick time must be “calculated by dividing the employee’s total wages, not



including overtime premium pay, by the employee's total hours worked in the full pay periods of the prior 90 days of employment."

Here, Claimant and the Aggrieved Employees were compensated on an hourly basis plus additional compensation in the form of shift differentials, hazard pay, and/or nondiscretionary bonuses. However, on the occasions that the Aggrieved Employees took sick time and received paid sick leave, the Company only paid sick time at the base rate of pay (not factoring in the additional compensation as required by Labor Code §§ 246(l)(1-2)). As such, penalties may be assessed pursuant to Labor Code § 2699.

**PAGA ASSESSMENT FOR FAILURE TO PAY ALL WAGES DUE AND OWING
EACH PAYROLL PERIOD WITHIN THE TIME REQUIRED BY LAW**

(Labor Code §§ 204, 204.1, 208, 256 and 2699)

Labor Code § 204(a) states that all wages earned by a person are due and payable twice during each calendar month, and further states that wages earned during the first through fifteenth days of the month must be paid no later than the twenty-sixth day of the month, and that wages earned between the sixteenth and last day of the month must be paid by the tenth day of the following month. Labor Code § 204(d) states "[t]he requirements of this section shall be deemed satisfied by the payment of wages for weekly, biweekly, or semimonthly payroll if the wages are paid not more than seven calendar days following the close of the payroll period."

As a result of the Company's failure to pay Claimant and the Aggrieved Employees all compensation to which they were entitled, the Company had a pattern and practice of failing to pay all wages due and owing to Claimant and the Aggrieved Employees within the time mandated by Labor Code § 204. As a result of these violations, penalties may be assessed pursuant to Labor Code §§ 203, 210, 256, and/or 2699.

PAGA ASSESSMENT FOR FAILURE TO TIMELY PAY FINAL WAGES

(Labor Code §§ 201, 202, 203, 256 and 2699)

Labor Code § 201(a) provides in pertinent part: "If an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately." Labor Code § 202(a) states in pertinent part "If an employee not having a written contract for a definite period quits his or her employment, his or her wages shall become due and payable not later than 72 hours thereafter, unless the employee has given 72 hours' previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting." Labor Code § 203(a) states "If an employer willfully fails to pay, without abatement or reduction, in accordance with Sections 201, 201.3, 201.5, 201.9, 202, and 205.5, any wages of an employee who is discharged or who quits, the wages of the employee shall continue as a penalty from the due date thereof at the same rate until paid or until an action therefor is commenced; but the wages shall not continue for more than 30 days."

The Company did not pay the Aggrieved Employees all wages that were due and owing within the required time following the end of their employment in accordance with Labor Code §§ 201-202. As a result, all such Aggrieved Employees are entitled to 30 days of wages as a "waiting time penalty." (Labor Code §§ 203, 256.) Labor Code § 2699 also imposes a penalty.

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**PAGA ASSESSMENT FOR FAILURE TO PROVIDE ACCURATE,
ITEMIZED WAGE STATEMENTS**

(Labor Code §§ 226, 226.3, and 1174)

Labor Code § 226(a) requires an employer to provide its employees with itemized wage statements accurately stating gross wages earned, total hours worked, all deductions, net wages earned, the inclusive dates of the pay period, the employee's name and the last four digits of his or her Social Security number (or employee identification number), the name and address of the legal entity that is the employer, and all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee.

At all times pertinent hereto, the Company failed to provide accurate itemized wage statements to Claimants and all Aggrieved Employees due to violations including: failure to accurately state gross wages earned; failure to accurately state total hours worked; failure to accurately state all deductions; failure to accurately state net wages earned; failure to state the applicable hourly rates (including the accurate overtime rate of pay); and failure to accurately state the corresponding number of hours worked at each hourly rate. Additionally, the Company's wage statements directly violated Labor Code § 226(a)(9) each period due to the practice of paying "Hazard Pay" and "Hazard Pay OT" without listing the corresponding rates of pay or applicable hours worked for each category of hourly pay. Accordingly, Claimants are entitled to damages under Labor Code § 226(e), including reasonable attorneys' fees. Labor Code §§ 226.3 and 2699 also impose a civil penalty and/or assessment for these violations.

PAGA ASSESSMENT FOR VIOLATIONS OF LABOR CODE § 1199

(Labor Code § 1199)

An employer violates Labor Code § 1199 if said employer: (a) requires or causes an employee to work for longer hours than those fixed, or under conditions of labor prohibited by an order of the commission; (b) pays or causes to be paid to any employee a wage less than the minimum fixed by an order of the commission; or, (c) violates or refuses or neglects to comply with any provision of this chapter or any order or ruling of the commission. Labor Code § 2699.5 specifically enumerates Labor Code § 1199 as a section to which the civil penalties under the PAGA apply. Therefore, as a result of the Company's violations described herein, the Company is subject to the civil penalties in accordance with Labor Code § 2699.

ATTORNEYS' FEES, INTEREST, AND PENALTIES

(Labor Code §§ 2699(f)(2), 2699(g)(1), 2699.5)

Labor Code § 2699(g)(1), give employees the right to recover in a civil action the unpaid balance of the full amount of wages, including interest thereon, penalties and other damages, as applicable, reasonable attorneys' fees, and costs of suit. Additionally, Claimants seek the assessment of penalties, including civil penalties, under Labor Code §§ 203, 210, 225.5, 226.3, 1174.5, 1197.1, 2699, and/or § 20 of the IWC Wage Orders, among possibly other provisions inadvertently omitted herein. Furthermore, Claimants is entitled to bring a wage/hour claim on behalf of all current and former similarly situated employees of the Company. Thus, the Company is exposed to these same penalties for violations involving all Aggrieved Employees.



Additionally, Claimant seeks attorney's fees pursuant to C.C.P. § 1021.5. Please construe this correspondence as Claimants' notification of alleged wrongdoing and attempted resolution in accordance with C.C.P. § 1021.5 and *Graham v. DaimlerChrysler Corp.* (2004) 34 Cal.4th 553.

CONCLUSION

Based on the foregoing, the Company may be liable for penalties related to the foregoing claims and remedies. If Claimant becomes aware of any additional claims for Labor Code violations related to his employment and/or other employees of the Company, he reserves the right to add new claims by amending this claim letter.

Should you have any questions, please feel free to give me a call. In the meantime, I look forward to your response.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "Peter J. Carlson", with a long horizontal flourish extending to the right.

By: Peter J. Carlson, Esq.

E-mail: peter@lmlfirm.com



EXHIBIT “D”



April 21, 2022

CASE ASSUMPTIONS

Class Members	170
Opt Out Rate	1%
Opt Outs Received	2
Total Class Claimants	168
Subtotal Admin Only	\$9,977.88

Not-to-Exceed Total \$7,500.00
For 170 Class Members

Pricing Good for Scope of Estimate Only

All Aspects of Escheating to the State of CA Included

Spanish & Vietnamese Translation & Mailing Included

Case: Maldonado v. Add-On, Opt-Out Administration

Phoenix Contact: Michael E. Moore
 Contact Number: 949.331.0131
 Email: mike@phoenixclassaction.com

Requesting Attorney: Brian J. Mankin
 Firm: Lauby, Mankin & Lauby, LLP
 Contact Number: (951) 320-1444
 Email: brian@lmlfirm.com

Assumptions and Estimate are based on information provided by counsel. If class size changes, PSA will need to adjust this Estimate accordingly. Estimate is based on **170** Class Members. PSA assumes class data will be sent in Microsoft Excel or other usable format with no or reasonable additional formatting needed. A rate of \$150 per hour will be charged for any additional analysis or programming.

Case & Database Setup / Toll Free Setup & Call Center / NCOA (USPS)				
Administrative Tasks:	Rate	Hours/Units	Line Item	Estimate
Programming Manager	\$100.00	2		\$200.00
Programming Database & Setup	\$100.00	2		\$200.00
Toll Free Setup*	\$150.00	1		\$150.00
Call Center & Long Distance	\$2.00	39		\$78.00
NCOA (USPS)	\$50.00	1		\$50.00
		Total		\$678.00

* Up to 120 days after disbursement

Data Merger & Scrub / Notice Packet, Opt-Out Form & Postage /Language Translation / Website				
Project Action	Rate	Hours/Units	Line Item	Estimate
Notice Packet Formatting	\$100.00	2		\$200.00
Spanish & Vietnamese Translation	\$1,650.00	1		\$1,650.00
Data Merge & Duplication Scrub	\$0.10	170		\$17.00
Notice Packet & Opt-Out Form	\$1.65	170		\$280.50
Estimated Postage (up to 2 oz.)*	\$0.75	170		\$127.50
Static Website	\$100.00	1		Included
Check Cashing Reminder Postcard	\$0.60	35		\$21.17
Postage Included				
		Total		\$2,296.17

* Prices good for 90 days. Subject to change with the USPS Rate or change in Notice pages or Translation, if any.



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CLASS ACTION ADMINISTRATION SOLUTIONS

Skip Tracing & Remailing Notice Packets / Tracking & Programming Undeliverables				
Project Action:	Rate	Hours/Units	Line Item	Estimate
Case Associate	\$55.00	4		\$220.00
Skip Tracing Undeliverables	\$0.85	43		\$36.13
Remail Notice Packets	\$0.75	40		\$29.63
Estimated Postage	\$0.75	40		\$29.63
Programming Undeliverables	\$50.00	1		\$50.00
Total				\$365.38

Database Programming / Processing Opt-Outs, Deficiencies or Disputes				
Project Action:	Rate	Hours/Units	Line Item	Estimate
Programming Claims Database	\$150.00	2		\$300.00
Non Opt-Out Processing	\$200.00	1		\$200.00
Case Associate	\$55.00	4		\$220.00
Opt-Outs/Deficiency/Dispute Letters	\$10.00	8		\$80.00
Case Manager	\$85.00	3		\$255.00
Total				\$1,055.00

Calculation & Disbursement Programming/ Create & Manage QSF/ Mail Checks				
Project Action:	Rate	Hours/Units	Line Item	Estimate
Programming Calculations	\$135.00	2		\$270.00
Disbursement Review	\$135.00	1		\$135.00
Programming Manager	\$95.00	1		\$95.00
QSF Bank Account & EIN	\$135.00	2		\$270.00
Check Run Setup & Printing	\$135.00	4		\$540.00
Mail Class Checks *	\$1.10	168		\$184.80
Estimated Postage	\$0.53	168		\$89.04
Total				\$1,583.84

* Checks are printed on 8.5 x 11 in. sheets with W2/1099 Tax Filing



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CLASS ACTION ADMINISTRATION SOLUTIONS

Tax Reporting & Reconciliation / Re-Issuance of Checks / Conclusion Reports and Declarations				
Project Action:	Rate	Hours/Units	Line Item	Estimate
Case Supervisor	\$115.00	4		\$460.00
Remail Checks & Tax Forms (Postage Included)	\$1.50	53		\$79.50
Case Associate	\$55.00	4		\$220.00
Reconcile Uncashed Checks	\$85.00	8		\$680.00
Conclusion Reports	\$115.00	4		\$460.00
Case Manager Conclusion	\$85.00	4		\$340.00
Final Reporting & Declarations	\$115.00	4		\$460.00
IRS & QSF Annual Tax Reporting * (1 State Tax Reporting Included)	\$1,000.00	1		\$1,000.00
Check to Cy-Pres	\$150.00	1		Included
Uncashed Checks to the State of California Controllers Office Estimated 9 Total Class Members	\$300.00	1		\$300.00
Total				\$3,999.50

* All applicable California State & Federal taxes, which include SUI, ETT, and SDI, and FUTA filings. Additional taxes are Defendant's responsibility.

Estimate Total: \$9,977.88



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CLASS ACTION ADMINISTRATION SOLUTIONS

TERMS AND CONDITIONS

Provisions: The case estimate is in good faith and does not cover any applicable taxes and fees. The estimate does not make any provision for any services or class size not delineated in the request for proposal or stipulations. Proposal rates and amounts are subject to change upon further review, with Counsel/Client, of the Settlement Agreement. Only pre-approved changes will be charged when applicable. No modifications may be made to this estimate without the approval of PSA (Phoenix Settlement Administrators). All notifications are mailed in English language only unless otherwise specified. Additional costs will apply if translation into other language(s) is required. Rates to prepare and file taxes are for Federal and California State taxes only. Additional charges will apply if multiple state tax filing(s) is required. **Pricing is good for ninety (90) days.**

Data Conversion and Mailing: The proposal assumes that data provided will be in ready-to-use condition and that all data is provided in a single, comprehensive Excel spreadsheet. PSA cannot be liable for any errors or omissions arising due to additional work required for analyzing and processing the original database. A minimum of two (2) business days is required for processing prior to the anticipated mailing date with an additional two (2) business days for a National Change of Address (NCOA) update. Additional time may be required depending on the class size, necessary translation of the documents, or other factors. PSA will keep counsel apprised of the estimated mailing date.

Claims: PSA's general policy is to not accept claims via facsimile. However, in the event that facsimile filing of claims must be accepted, PSA will not be held responsible for any issues and/or errors arising out of said filing. Furthermore, PSA will require disclaimer language regarding facsimile transmissions. PSA will not be responsible for any acts or omissions caused by the USPS. PSA shall not make payments to any claimants without verified, valid Social Security Numbers. All responses and class member information are held in strict confidentiality. Additional class members are \$10.00 per opt-out.

Payment Terms: All postage charges and 50% of the final administration charges are due at the commencement of the case and will be billed immediately upon receipt of the data and/or notice documents. PSA bills are due upon receipt unless otherwise negotiated and agreed to with PSA by Counsel/Client. In the event the settlement terms provide that PSA is to be paid out of the settlement fund, PSA will request that Counsel/Client endeavor to make alternate payment arrangements for PSA charges that are due at the onset of the case. The entire remaining balance is due and payable at the time the settlement account is funded by Defendant, or no later than the time of disbursement. Amounts not paid within thirty (30) days are subject to a service charge of 1.5% per month or the highest rate permitted by law.

Tax Reporting Requirements

PSA will file the necessary tax returns under the EIN of the QSF, including federal and state returns. Payroll tax returns will be filed if necessary. Under the California Employment Development Department, all taxes are to be reported under the EIN of the QSF with the exception of the following taxes: Unemployment Insurance (UI) and Employment Training Tax (ETT), employer-side taxes, and State Disability Insurance (SDI), an employee-side tax. These are reported under Defendant's EIN. Therefore, to comply with the EDD payroll tax filing requirements we will need the following information:

1. Defendant's California State ID and Federal EIN.
2. Defendant's current State Unemployment Insurance (UI) rate and Employment Training Tax (ETT) rate. This information can be found in the current year DE 2088, Notice of Contribution Rates, issued by the EDD.
3. Termination dates of the class members, or identification of current employee class members, so we can account for the periods that the wages relate to for each class member.
4. An executed Power of Attorney (Form DE 48) from Defendant. This form is needed so that we may report the UI, SDI, and ETT taxes under Defendant's EIN on their behalf. If this form is not provided we will work with the EDD auditors to transfer the tax payments to Defendant's EIN.
5. Defendant is responsible for reporting the SDI portion of the settlement payments on the class member's W-2. PSA will file these forms on Defendant's behalf for an additional fee and will issue an additional W-2 for each class member under Defendant's EIN, as SDI is reported under Defendant's EIN rather than the EIN of the QSF. The Power of Attorney (Form DE 48) will be needed in order for PSA to report SDI payments.

EXHIBIT “E”