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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

JOSE BAEZ, on behalf of himself and all others
similarly situated,

Plaintiff,

vs.

INSUA GRAPHICS INCORPORATED, a
California corporation; and DOES 1 through
100,

Defendants.

Case No.: 21STCV25092

*[Assigned for all purposes to Hon. Yvette M.
Palazuelos in Dept. SSC-9]*

**DECLARATION OF SEAN M.
BLAKELY IN SUPPORT OF
PLAINTIFF'S MOTION FOR
PRELIMINARY APPROVAL OF
CLASS ACTION SETTLEMENT**

Date: December 5, 2023
Time: 10:00 a.m.
Dept.: SSC-9

Complaint Filed: July 8, 2021
Trial Date: None Set

1 I, SEAN M. BLAKELY, declare as follows:

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

7 2. I am a 2008 graduate of Southwestern Law School. I was admitted to the California
8 State Bar in September 2009. From December 2010 to September 2011, I worked as a Law Clerk
9 for Rose, Klein & Marias, a civil litigation firm in Long Beach, California. At Rose, Klein &
10 Marias I assisted trial attorneys in employment and personal injury cases. From September 2011
11 to May 2016, I worked as an associate at the employment law firm of Mahoney Law Group, APC
12 in Long Beach, California. The vast majority of my work at Mahoney Law Group, APC focused
13 on representing employees in wage and hour class actions. My work at Mahoney Law Group,
14 APC also included representing employees in individual claims for wrongful termination,
15 harassment, discrimination, and retaliation. Although non-exhaustive, the types of work I
16 performed at Mahoney Law Group, APC included: conducting client intakes performing pre-
17 filing research and analysis, drafting complaints, attending court hearings, corresponding with
18 opposing counsel, drafting and responding to written discovery, preparing for and taking and
19 defending depositions, analyzing payroll and timekeeping records and employee handbooks,
20 opposing motions for summary judgment, as well as a variety of other motions such as motions
21 for remand, demurrers and motions to dismiss, motions to strike, motions to compel, motions to
22 quash, and motions for class certification, drafting mediation briefs, attending mediations,
23 drafting long-form settlement agreements, drafting motions for preliminary and final settlement
24 approval, and overseeing the notice process.

25 3. Since November 8, 2016, I have worked at my current firm, Haines Law Group,
26 APC, where, in 2020, I became a Partner. I am currently responsible for managing over forty (40)
27 active wage and hour class and representative actions in both state and federal court.

28 4. The following is a non-exhaustive list of wage and hour class actions in which I

1 have been appointed as class counsel and/or played a significant role in prosecuting the litigation,
2 and which have received final approval: *Santimateo v. Sun Healthcare Group, Inc., et al*, Case
3 No. BC471884, California Superior Court, Los Angeles County, Judge Jane L. Johnson presiding
4 (granted final approval of settlement on behalf of employees at rehabilitation facility involving
5 claims for unpaid wages and meal and rest period violations, and other claims, in which I was
6 approved at an hourly rate of \$325 for work performed in 2012-2013); *Teyuca v. Pacific Alliance*
7 *Medical Center, Inc.*, California Superior Court, Los Angeles County, Judge William F.
8 Highberger presiding (granting final approval of settlement on behalf of healthcare workers for
9 unpaid wages, meal and rest period violations, and other claims, in which I was approved at an
10 hourly rate of \$325 for work performed in 2012-2013); *Arteaga v. Command Center Security,*
11 *Inc.*, Case No. BC480496, California Superior Court, Los Angeles County, Judge John Shepard
12 Wiley, Jr. presiding (granting final approval of settlement on behalf of security guards involving
13 claims for unpaid overtime, meal and rest period violations, and other claims, in which I was
14 approved at an hourly rate of \$425 for work performed in 2012-2015); *Casadine v. Maxim*
15 *Healthcare Services, Inc.*, Case No. CV 12-10078-DMG (CWx), United States District Court,
16 Central District of California, Judge Dolly M. Gee presiding (granting final approval of settlement
17 on behalf of home health care employees involving claims for unpaid wages and other claims, in
18 which I was approved at an hourly rate of \$425 for work performed in 2012-2015); *Guzman v.*
19 *Andrew Lauren Interiors, Inc., et al.*, Case No. BC567757, California Superior Court, Los
20 Angeles County, Judge Elihu M. Berle presiding (granting final approval of settlement on behalf
21 of construction workers involving claims for unpaid wages, meal and rest period violation, and
22 other claims, in which I was approved at an hourly rate of \$425 for work performed in 2014-
23 2016); *Booker v. The Goodyear Tire and Rubber Company*, Case No. BC498399, California
24 Superior Court, Los Angeles County, Judge Amy Hogue presiding (granting final approval of
25 settlement on behalf of tire mechanics involving claims for unpaid wages, meal and rest period
26 violations, and other claims, in which I was approved at an hourly rate of \$425 for work performed
27 in 2013-2015); *Nunez v. CompuCom Systems, Inc.*, Case No. BC618385, California Superior
28 Court, Los Angeles County, Judge John Shepard Wiley, Jr. presiding (granting final approval of

1 settlement on behalf of IT support workers for overtime, meal and period, reimbursement, and
2 related violations, approved at hourly rate of \$475 for work performed in 2016 and 2017); *Galvan*
3 *v. AMVAC Chemical Corporation*, Case No. 30-2014-00716103-CU-OE-CXC, California
4 Superior Court, Orange County, Judge William D. Claster presiding (granting final approval of
5 settlement on behalf of non-exempt employees of a chemical manufacturing company involving
6 claims for unpaid overtime and waiting time penalties); *Razon v. TTM Technologies, Inc., et al.*,
7 Case No. 37-2016-00038326-CU-OE-CTL, California Superior Court, San Diego County, Judge
8 Gregory W. Pollack presiding (granting final approval of settlement involving claims for unpaid
9 overtime wages, wage statement violations, and meal period violations); *Blank v. Coty, Inc., et*
10 *al.*, Case No. BC624850, California Superior Court, Los Angeles County, Judge Williams F.
11 Highberger presiding (granting final approval of settlement involving claims for wage statement
12 violations, meal period violations, and other claims); *Morales v. Caremeridian, LLC, et al.*, Case
13 No. BC593191, California Superior Court, Los Angeles County, Judge William F. Highberger
14 presiding (granting final approval of settlement on behalf of direct support professionals involving
15 claims for unpaid wages, meal and rest period violations, wage statement violations, and other
16 claims); *Aguilar v. Act Fulfillment, Inc.*, Case No. RIC1616643, California Superior Court,
17 Riverside County, Judge Sharon J. Waters presiding (granting final approval of settlement on
18 behalf of non-exempt factory workers involving claims for meal period violations); *Sandoval v.*
19 *AMCOR Flexibles Inc.*, Case No. BC617499, California Superior Court, Los Angeles County,
20 Judge Kenneth R. Freeman presiding (granting final approval of settlement on behalf of
21 manufacturing employees involving claims for unpaid wages, meal period violations, rest period
22 violations, and waiting time penalties); *Le v. GBW Railcar Services, L.L.C.*, Case No.
23 RIC1612209, California Superior Court, Riverside County, Judge Sharon J. Waters presiding
24 (granting final approval of settlement on behalf of non-exempt employees of a freight railcar
25 manufacturer involving claims for unpaid overtime and minimum wages, meal period violations,
26 and rest period violations); *Silva v. ADJ Products, LLC*, Case No. BC618581, California Superior
27 Court, Los Angeles County, Judge William F. Highberger presiding (granting final approval of
28 settlement involving claims for unpaid overtime and minimum wages, rest period violations, wage

statement violations, and waiting time penalties); *Lira v. Discus Dental, LLC, et al.*, Case No. CIVDS1620402, California Superior Court, San Bernardino County, Judge David Cohn presiding (granting final approval of settlement on behalf of non-exempt manufacturing employees involving claims for unpaid minimum and overtime wages, meal and rest period violations, and other claims); *Gonzales v. PathPoint*, Case No. BC657147, California Superior Court, Los Angeles County, Judge Carolyn B. Kuhl presiding (granting final approval of settlement on behalf of non-exempt direct support professionals involving claims for meal and rest period violations and other claims); *Duran v. PRADA USA CORP.*, Case No. BC644319, California Superior Court, Los Angeles County, Judge Maren E. Nelson presiding (granting final approval of settlement on behalf of non-exempt commissioned salespersons involving claims for unpaid overtime wages, meal and rest period violations, failure to reimburse for necessary expenditures, and other claims); *Banegas v. UPM, Inc.*, Case No. BC644438, California Superior Court, Los Angeles County, Judge Carolyn B. Kuhl presiding (granting final approval of settlement on behalf of non-exempt manufacturing employees involving claims for unpaid wages, meal and rest period violations, and other claims); *Palafox v. Pacific Line Clean-Up, Inc.*, Case No. 30-2017-00921632-CU-OE-CXC, California Superior Court, Orange County, Judge William D. Claster presiding (granting final approval of settlement on behalf of non-exempt employees involving claims for unpaid overtime wages, meal and rest period violations, and other claims); *Janet Arroyo v. AST Sportswear, Inc., dba Bayside Apparel Manufacturing, Inc.*, Case No. 30-2017-00909663-CU-OE-CXC, California Superior Court, Orange County, Judge Glenda Sanders presiding (granting final approval of settlement on behalf of non-exempt garment employees involving claims for unpaid minimum wages, meal and rest period violations, and other claims); *Carlos Garcia v. Fabrica International, Inc.*, Case No. 30-2017-00949461-CU-OE-CXC, California Superior Court, Orange County, Judge William D. Claster presiding (granting final approval of settlement on behalf of non-exempt manufacturing employees involving claims for unpaid minimum and overtime wages, meal and rest period violations, and statutory penalties); *Jonathan Leon v. Piercey West, Inc.*, Case No. BC656874, California Superior Court, Los Angeles County, Judge Amy D. Hogue presiding (granting final approval of settlement on behalf of non-exempt

1 commissioned salespersons and other employees involving claims for unpaid wages, meal and
2 rest period violations, unreimbursed business expenses, and other claims); and *Matthew Tovar, et*
3 *al. v. Rentokil North America, Inc.*, Case No. BC676386, California Superior Court, Los Angeles
4 County, Judge Daniel J. Buckley presiding (granting final approval of settlement on behalf of
5 non-exempt employees involving claims for unpaid overtime, meal and rest break violations, and
6 other claims); *Seungmin Samantha Lee v. Infor (US) Inc.*, Case No. CGC-18-566393, California
7 Superior Court, San Francisco County, Judge Ethan P. Schulman presiding (granting final
8 approval of settlement on behalf of sales development representatives involving claims for unpaid
9 overtime, meal and rest period violations, and penalty claims); *Tracy Aguilar, et al. v. Aero Port*
10 *Services, Inc.*, Case No. BC659234, California Superior Court, Los Angeles County, Judge
11 Carolyn B. Kuhl presiding (granting final approval of settlement on behalf of non-exempt
12 employees involving claims for meal and rest period violations, and other claims); *Carlos Perez,*
13 *et al. v. Moss Bros. Auto Group, Inc., et al.*, Case No. RIC1709905, California Superior Court,
14 Riverside County, Judge Sunshine S. Sykes presiding (granting final approval of settlement on
15 behalf of non-exempt commissioned salespersons involving claims for unpaid wages, meal and
16 rest period violations, other claims); and *Julio Alfaro v. Orange Automotive d/b/a Kia of Orange,*
17 Case No. 30-2017-00945105-CU-OE-CXC, California Superior Court, Orange County, Judge
18 Randall J. Sherman presiding (granting final approval settlement on behalf of non-exempt
19 commissioned employees involving claims for unpaid wages, meal and rest period violations,
20 unreimbursed business expenses, and penalty claims).

21 5. I have also moved to certify and have received an order certifying a class action in
22 *Ontiveros v. Safelite Fulfillment, Inc., et al.*, Case No. CV 15-7118-DMG (RAOx), United States
23 District Court, Central District of California, Honorable Dolly M. Gee presiding (certifying six
24 classes of employees for rest period violations, wage statement violations, meal period violations,
25 and overtime and double-time violations); and *Vazquez v. Kraft Heinz Foods Company*, Case No.
26 16-CV-02749-WQH (BLM), United States District Court, Southern District of California,
27 Honorable William Q. Hayes, presiding (certifying unpaid wages classes, meal period classes,
28 wage statement class, and waiting time penalty class).

1 6. In 2018, 2019, 2020, 2021, and 2022, Thomson Reuters recognized me as a Top
2 Young Attorney in Southern California in the annual Rising Star Edition of Super Lawyers. This
3 is an honor awarded to no more than two-and-a-half percent (2.5%) of attorneys under the age of
4 forty in Southern California each year.

5 7. As counsel for Plaintiff and the proposed Settlement Class, I believe that the
6 proposed Settlement is an excellent result for the Settlement Class.

7 8. In operation since 1996, Defendant Insua Graphics Incorporated (“Insua
8 Graphics”) is a full-service commercial printing and packaging company. Insua Graphics
9 provides a range of printed products and packaging materials, such as customized labels,
10 brochures, posters, catalogs, business cards, letterheads and wrappers.

11 9. On July 8, 2021, Plaintiff filed his Class Action Complaint in Los Angeles County
12 Superior Court, alleging that Insua Graphics: (i) failed to provide all lawful meal periods; (ii)
13 failed to permit and authorize all legally compliant rest periods; (iii) failed to issue accurate,
14 itemized wage statements; (iv) failed to pay all final wages due upon separation of employment;
15 and (v) engaged in unfair competition in violation of California Business & Professions Code §
16 17200 *et seq.* On July 21, 2021, Plaintiff sent his PAGA notice letter to the LWDA. A true and
17 correct copy of Plaintiff’s July 21, 2021 PAGA letter to the Labor & Workforce Development
18 Agency (“LWDA”) is attached hereto as **Exhibit B**. Subsequently, on December 16, 2021,
19 Plaintiff filed his First Amended Class and Representative Action Complaint (“FAC”) adding a
20 cause of action for civil penalties under the Private Attorneys’ General Act of 2004, Labor Code
21 Section 2698, *et seq.*

22 10. In connection with mediation, the Parties engaged in extensive informal discovery.
23 Insua Graphics produced a 20% sampling of timekeeping and payroll records for non-exempt
24 employees during the Class Period, as well as its relevant written wage and hour
25 policies/procedures. Insua Graphics also provided relevant data points such as the total number
26 of workweeks in the Class Period and the total number of Settlement Class members employed
27 by Insua Graphics in California during the Class Period. Plaintiff hired a labor economist with a
28 Ph.D. in economics to assist Plaintiff in conducting a comprehensive analysis and extrapolation

of the payroll and timekeeping data produced by Insua Graphics to create a detailed exposure analysis for all claims at issue. This discovery allowed the Parties to assess the merits and value of Plaintiff's claims, the chances of certification of Plaintiff's claims, and Insua Graphics' potential defenses.

11. On September 8, 2022, the Parties participated in a full-day mediation with Jeffrey Krivis, Esq., a preeminent wage and hour class action mediator. During mediation, the Parties vigorously debated their opposing legal positions, the likelihood of certification of Plaintiff's claims, and the legal basis for the claims and defenses. At the conclusion of the mediation, Mr. Krivis issued a mediator's proposal for a class-wide settlement, which was ultimately accepted by both sides. During the months that followed, the Parties finalized the terms of the Settlement and executed the long-form Settlement Agreement now before the court. A true and correct copy of the Settlement Agreement is attached hereto as **Exhibit A**. The proposed Class Notice and Notice of Estimated Settlement Payment are attached as **Exhibits 1 and 2**, respectively, to the Settlement Agreement.

12. The monetary terms of the Settlement are summarized below:

• Maximum Settlement Amount ("MSA"):	\$600,000.00
• Minus Court-approved attorneys' fees:	\$200,000.00
• Minus Court-approved verified costs (up to):	\$30,000.00
• Minus Court-approved Enhancement Award:	\$7,500.00
• Minus payment to the LWDA:	\$15,000.00
• <u>Minus estimated settlement administration costs:</u>	<u>\$8,000.00</u>
Net Settlement Amount ("NSA"):	\$339,500.00

13. According to Insua Graphics, there are approximately 124 Settlement Class members. Therefore, the average Individual Settlement Payment from the NSA is projected to be approximately \$2,737.90. There are approximately 107 Aggrieved Employees during the PAGA Period. Therefore, each Aggrieved Employee will receive an average of approximately \$46.73 from the PAGA Amount.

14. As detailed in Plaintiff's Motion for Preliminary Approval, Plaintiff alleges that Insua Graphics failed to provide legally compliant first meal periods due to its meal period policies/practices, which frequently resulted in late (commencing after the fifth hour of work)

1 first missed meal periods. Based on Plaintiff's expert's analysis and extrapolation of the
2 timekeeping data produced by Insua Graphics, there were approximately 39,665 shifts during the
3 Class Period with a non-compliant first meal period. Additionally, it was revealed that Insua
4 Graphics had made approximately 110 meal period premiums throughout the Class Period.
5 Further, based on data provided by Insua Graphics, Settlement Class members' average hourly
6 rate of pay during the Class Period was approximately \$19.02 per hour. Therefore, assuming each
7 late, short, and/or missed meal period reflected in the timekeeping records would result in a
8 violation and giving Insua Graphics credit for the 110 paid meal period premiums, Plaintiff
9 calculated Insua Graphics' maximum exposure on this claim at approximately \$752,336 (39,555
10 non-compliant first meal periods * \$19.02 average meal period premium). However, Insua
11 Graphics counters it has maintained compliant written meal period policies throughout the Class
12 Period and has always provided compliant meal periods in line with those policies. Insua Graphics
13 further contends that it always *provides* employees the opportunity to take meal periods and is
14 not required to *ensure* they are taken. Thus, Insua Graphics argues that any non-compliant meal
15 periods resulted from lawful employee waiver or choice rather than any policy and/or practice of
16 Insua Graphics. Insua Graphics also maintains that the first meal period claim is not suited for
17 class certification, since individual inquiries would be needed to assess which employees took
18 non-compliant meal periods or missed meal periods, how many meal periods were non-compliant
19 or missed, and the reasons why a particular employee did not take a compliant meal period on a
20 particular shift. In light of these defenses and arguments, Plaintiff discounted Insua Graphics'
21 maximum exposure by 40% for the risk of non-certification, and an additional 45% to account
22 for Insua Graphics' defenses on the merits or failing to recover the full amount sought, to arrive
23 at an estimated total of approximately \$248,271.

24 15. Plaintiff further alleges that Settlement Class members were not provided with
25 second meal periods when they worked shifts in excess of 10.0 hours in a workday. Plaintiff's
26 expert's analysis and extrapolation of the timekeeping data revealed that approximately 18,271
27 total shifts were over 10.0 hours and did not reflect a legally compliant second meal period.
28 Plaintiff therefore calculates Insua Graphics' exposure for second meal period violations at

approximately \$347,514 (18,271 non-compliant second meal periods * \$19.02 average premium). However, Insua Graphics also asserts that many employees choose to waive their second meal periods on shifts over 10.0 hours and under 12.0 hours, as they may do under Labor Code § 512(a), so that they do not need to stay at work for an extra unpaid 30 minutes. If the Court accepted Insua Graphics waiver argument for shifts less than 12.0 hours in duration, then there were only approximately 939 shifts at issue, as this is the estimated number of shifts worked over 12.0 hours with a non-compliant second meal period. This would significantly reduce Insua Graphics' maximum exposure as only shifts in excess of 12.0 hours would be at issue, thereby reducing Insua Graphics' potential liability to approximately \$17,860 (939 shifts * \$19.02 average premium). As with Plaintiff's first meal period claim, Insua Graphics argues that individualized inquiries would preclude class certification for this claim as well. In light of these risks, Plaintiff discounted the maximum amount that the class could potentially recover by 40% for the risk of non-certification and an additional 65% for the risk of losing on the merits, or having exposure reduced due to Insua Graphics' waiver arguments, to arrive at estimated exposure of \$72,978.

16. Plaintiff alleges that Insua Graphics failed to authorize and permit all legally compliant off-duty rest periods. Specifically, on shifts over 6.0 hours where two rest periods are required, Plaintiff alleges that Insua Graphics unlawfully combined employees' rest periods, providing one longer rest period during the first 4 or 5 hours of the shift, and failing to authorize and permit a second rest period in the latter part of the shift. Plaintiff alleges this practice of combining rest periods violates Wage Order 1 as well as *Rodriguez v. E.M.E., Inc.*, 246 Cal.App.4th 1027 (2016), which held that employers generally may not combine employee rest periods. Based on Plaintiff's expert's analysis and extrapolation of employee timekeeping records, there were approximately 67,645 shifts of 6.0 hours or more worked by Settlement Class members during the Class Period, entitling Settlement Class members to two rest periods. Thus, Plaintiff calculated the maximum potential exposure for this claim at approximately \$1,286,608 (67,645 rest period violations * \$19.02 average premium). However, Insua Graphics counters that it has maintained compliant written rest period policies throughout the Class Period and has always

1 authorized and permitted employees a 10-minute rest period for each four (4) hours worked, or
2 major fraction thereof, as required under the Wage Order, and that any failure to take rest periods
3 was a result of employee choice, rather than any Insua Graphics policy and/or practice. Insua
4 Graphics further argues that any departure from the “normal” rest period schedule was preferred
5 by employees so that they could have one longer rest period, rather than two shorter rest periods,
6 and that it was necessary to alleviate a material burden that would be imposed on Insua Graphics.
7 Insua Graphics also argues that Plaintiff’s rest period claim is not amenable to class treatment,
8 since individual inquiries would be required to determine which employees failed to take rest
9 periods, how many rest periods they failed to take, and the reasons why each employee failed to
10 take rest period(s) on a particular shift. These manageability concerns are especially present with
11 respect to rest period claims, Insua Graphics argues, given that rest periods are not recorded. In
12 light of these defenses, Plaintiff discounted the maximum amount that the class could potentially
13 recover by 70% for risk of non-certification, and discounted an additional 65% for risk of being
14 unsuccessful on the merits or failure to recover the full amount sought, to arrive at a projected
15 exposure of \$135,094.

16 17. As a result of the unpaid meal and rest period premium wages described above,
17 Plaintiff alleges that Insua Graphics failed to comply with its final pay obligations set forth in
18 Labor Code §§ 201-203. Insua Graphics’ records reflected approximately 52 former Settlement
19 Class members who are eligible for waiting time penalties. Based on an hourly rate of \$19.02,
20 Plaintiff estimated the average waiting time penalty per former employee to be approximately
21 \$4,565 ($\$19.02 \times 8 \text{ hours per day} \times 30 \text{ days}$). Therefore, Plaintiff calculated Insua Graphics’
22 maximum exposure for potential waiting time penalties to be approximately \$237,380 (52 former
23 employees * \$4,565 average penalty). Insua Graphics argues that it possesses strong, good faith
24 defenses to Plaintiff’s underlying claims, thus precluding recovery of waiting time penalties,
25 which are only available for the “willful” failure to pay wages. Insua Graphics further asserts that
26 Plaintiff’s waiting time penalty exposure was grossly inflated as not every former employee
27 experienced the alleged Labor Code violations. Moreover, because the waiting time claim is
28 derivative of Plaintiff’s underlying wage claims, Plaintiff would need to overcome Insua

Graphics’ defenses, both as to class certification and on the merits, as to his underlying claims. To account for Insua Graphics’ defenses, Plaintiff discounted the maximum exposure by 45% for the risk of non-certification and an additional 50% for the risk of losing on the merits and/or not receiving the maximum penalties sought, to arrive at an estimated exposure of approximately \$65,280.

18. As a further result of the unpaid meal and rest period premium wages described above, Plaintiff alleges that Insua Graphics is liable for wage statement penalties. Those penalties are calculated as \$50 for each “initial” violation and \$100 for each “subsequent” violation, with a maximum of \$4,000 per employee. Plaintiff’s expert’s analysis reflected that there were approximately 107 unique employees and approximately 6,422 pay periods worked during the liability period applicable to Plaintiff’s wage statement claim. Plaintiff, therefore, assumed the maximum \$4,000.00 penalty for each employee and calculated Insua Graphics’ potential wage statement exposure at approximately \$428,000 (107 employees * \$4,000 maximum penalty)). Insua Graphics argues any alleged wage statement violations were not “knowing and intentional,” and Plaintiff cannot show he or other employees “suffer[ed] injury” due to the alleged wage statement violations, as required by Labor Code § 226(e) for the imposition of penalties. Further, Insua Graphics contends its wage statements always accurately reflected hours worked and amounts paid as well as all other required information, precluding liability for wage statement penalties. In light of Insua Graphics’ arguments that no violations occurred, that employees suffered no “injury,” that any alleged violations were not “knowing and intentional,” that the wage statements always accurately reflected hours worked and amounts paid to employees, as well as risks associated with Plaintiff’s underlying claims discussed above, Plaintiff discounted the maximum exposure by 45% for risk of non-certification, and by an additional 50% for risk of being unsuccessful on the merits, for an estimated realistic exposure of approximately \$117,700.

19. As a result of the foregoing Labor Code violations, Plaintiff alleges that Insua Graphics is liable for civil penalties under the PAGA. Based on Plaintiff’s expert’s analysis and extrapolation, Plaintiff estimated a maximum total PAGA exposure of approximately \$642,200 (6,422 pay periods * \$100 “initial” penalty). Since Plaintiff’s PAGA claim is derivative of

1 Plaintiff's underlying wage claims, Insua Graphics asserts the PAGA claim would fail with those
2 claims. Insua Graphics further maintains that, given its good faith defenses, this Court would
3 exercise its discretion to substantially reduce any PAGA penalties if it were to find Insua Graphics
4 liable for any of Plaintiff's claims. Therefore, Plaintiff discounted the maximum figure by 70%
5 for the risk of losing on the merits and/or not recovering a PAGA penalty for each and every pay
6 period, and an additional 75% to account for the possibility of this Court reducing penalties, to
7 arrive at an estimated exposure of approximately \$48,165.

8 20. Using these estimated figures for each of the claims described above, Plaintiff
9 predicted that the potential realistic recovery for the Settlement Class would be approximately
10 \$687,488. The proposed Settlement of \$600,000 represents approximately 87.3% of the
11 reasonably forecasted recovery for the Settlement Class.

12 21. Although the Parties engaged in significant informal discovery prior to mediation,
13 the Parties still had significant formal discovery to complete had the matter not been settled. This
14 would have required the expenditure of substantial time and resources by both Parties that would
15 have very likely spanned several years. Even if Plaintiff was to certify the classes, the Parties
16 would incur considerably more attorneys' fees and costs through a possible decertification
17 motion, trial, and possible appeal. This Settlement avoids those risks and the accompanying
18 expense.

19 22. Class Counsel will also apply for an attorneys' fees award of one-third of the
20 Maximum Settlement Amount, which is currently estimated to be \$200,000.00, and up to
21 \$30,000.00 in verified costs reimbursement. Plaintiff submits the requested fee is fair
22 compensation for undertaking complex, risky, expensive, and time-consuming litigation on a
23 purely contingent fee basis. Class Counsel has incurred substantial attorneys' fees conducting
24 pre-filing investigation, analyzing Plaintiff's claims, conducting legal research, conducting
25 extensive informal discovery, analyzing Settlement Class members' timekeeping and payroll
26 records with the help of a retained expert, creating a comprehensive damages model, preparing
27 for and attending mediation, negotiating and preparing the long-form Settlement Agreement,
28 preparing this Motion, and otherwise litigating the case. Class Counsel expects to expend

1 additional attorney time in attending the hearing on this Motion, overseeing the Notice process
2 and fielding questions from Settlement Class members, preparing the final approval papers, and
3 attending the Final Approval hearing.

4 23. Plaintiff will apply for Class Representative Enhancement Award at the time of
5 seeking final approval of the proposed class action settlement in the amount of \$7,500.00 for his
6 service to the Settlement Class. I believe this is reasonable given Plaintiff's efforts in this case as
7 well as the significant risks Plaintiff undertook by agreeing to serve as the named Plaintiff in this
8 case Plaintiff was integral in the prosecution of this action, by, among other things, providing
9 substantial factual information and documents to Class Counsel, attending multiple meetings with
10 Class Counsel to discuss the claims and theories at issue in the litigation, and otherwise actively
11 participating in the prosecution of his claims.

12 24. Under the proposed Settlement in this case, uncashed funds will be sent to *cy pres*
13 recipient Legal Aid at Work. Neither I nor any attorney at my law firm have any personal and/or
14 financial interest and/or connection with Legal Aid at Work.

15 I declare under penalty of perjury under the laws of the State of California that the
16 foregoing is true and correct. Executed on July 20, 2023, at El Segundo, California.

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18 Sean M. Blakely
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EXHIBIT A

STIPULATION OF SETTLEMENT

This Stipulation of Settlement (“Settlement Agreement”) is reached by and between Plaintiff Jose Baez (“Plaintiff”), individually and on behalf of all members of the Settlement Class (defined below), on one hand, and Defendant Insua Graphics Incorporated (hereinafter “Defendant”), on the other hand. Plaintiff and Defendant are referred to herein collectively as the “Parties.” Plaintiff and the Settlement Class are represented by Paul K. Haines and Sean M. Blakely of Haines Law Group, APC (“Class Counsel”). Defendant is represented by Katherine C. Den Bleyker and Samuel P. Knecht of Lewis Brisbois Bisgaard & Smith LLP.

On July 8, 2021, Plaintiff filed a Class Action Complaint against Defendant in Los Angeles County Superior Court, in the matter entitled *Jose Baez v. Insua Graphics Incorporated*, Case No. 21STCV25092 alleging the following causes of action: (1) meal period violations; (2) rest period violations; (3) wage statement penalties; (4) waiting time penalties; and (5) unfair competition. On December 16, 2021, Plaintiff filed the operative First Amended Class and Representative Action Complaint (“FAC”) to add a cause of action for civil penalties under the Private Attorneys General Act (“PAGA”). The Complaint and the FAC are referred to hereinafter as the “Action”.

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

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

All current and former non-exempt employees who worked for Defendant Insua Graphics Incorporated in California from July 8, 2017 until November 1, 2022 (“Class Period”).

The Parties agree that certification for purposes of settlement is not an admission that class certification is proper under Section 382 of the Code of Civil Procedure. If for any reason this Settlement Agreement is not approved, does not become Final as defined below, or is terminated or materially modified without agreement of the parties, in whole or in part, this conditional agreement to class certification will be inadmissible and will have no effect in this matter or in any claims brought on the same or similar allegations, and the Parties shall revert to the respective positions they held prior to entering into the Settlement Agreement.

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

All current and former non-exempt employees who worked for Defendant Insua Graphics Incorporated in California from July 21, 2020, until November 1, 2022 (“PAGA Period”).

2. **Release by Settlement Class members and Plaintiff.** Upon the Effective Date (as defined below) and the complete funding of the Maximum Settlement Amount, Plaintiff and all Settlement Class members who have not opted out will release and discharge Defendant and each of its parent companies, subsidiaries, related companies, affiliates, dbas, current and former management companies, shareholders, members, agents (including any investment bankers, accountants,

insurers, reinsurers, attorneys and any past, present or future officers, directors and employees) predecessors, successors, and assigns (collectively, the “Released Parties”), as follows:

- A. **Release by Settlement Class members.** Settlement Class members who do not opt out will release the Released Parties from liability for all claims, rights, demands, liabilities, causes of action, and legal theories alleged or which could have been alleged or otherwise raised based on the facts alleged in the Action, including: (1) Labor Code §§ 204, 210, 226.7, 512, 558, and 1198 (meal period violations); (2) Labor Code §§ 226.7, 516, 558, and 1198 (rest period violations); (3) Labor Code § 226, et seq. (wage statement penalties); (4) Labor Code §§ 201-204 (waiting time penalties); and (5) Violation of California Business & Professions Code §§ 17200, et seq. (unfair business practices), and applicable Wage Orders of the Industrial Welfare Commission, including but not limited to Industrial Welfare Commission Wage Order Nos. 1-2001 and 4-2001, and all related claims for attorneys’ fees and costs (“Class Member Released Claims”).
- B. **Release of PAGA Claims.** In addition, all Settlement Class members (regardless of whether they opt out) who worked for Defendant at any time from July 21, 2020 through November 1, 2022 (the “PAGA Period”) are “Aggrieved Employees” and shall release the Released Parties from liability for all claims for civil penalties under California Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code § 2698 et seq.) arising during the PAGA Period that were alleged or which could have been alleged or otherwise raised based on the facts alleged in the Action and in Plaintiff’s July 21, 2021 Notification Letter to the Labor and Workforce Development Agency (“LWDA”), including but not limited to claims for civil penalties for violations of California Labor Code §§ 201, 202, 203, 204, 210, 226, 226.7, 512, 516, 558, 1174, 1198 and 1199, and applicable Wage Orders of the Industrial Welfare Commission, including but not limited to Industrial Welfare Commission Wage Order Nos. 1-2001 and 4-2001, and all related claims for attorneys’ fees and costs (“the PAGA Released Claims”).
- C. **Release by Plaintiff.** As a condition of receiving any portion of Plaintiff’s Class Representative Enhancement Award, and upon Defendant’s complete funding of the Maximum Settlement Amount, Plaintiff has agreed to release, individually and in addition to the Released Claims described above, all claims, whether known or unknown, without exception, against the Released Parties. The Parties understand and agree that Plaintiff is not, by way of this release, releasing any workers’ compensation claims, unemployment insurance claims, nor any other claims which cannot be released as a matter of law. Notwithstanding the foregoing, Plaintiff understands that this release includes unknown claims and that Plaintiff is, as a result, waiving all rights and benefits afforded by Section 1542 of the California Civil Code, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by

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

Specifically excluded from Plaintiff's Released Claims are any claims that cannot be released as a matter of law, such as claims for workers' compensation benefits or unemployment benefits. No workers' compensation claims are being resolved under this Settlement. Furthermore, expressly excluded from this Release are Plaintiff's individual claims as alleged in the matter *entitled Jose A. Baez v. Insua Graphics Incorporated*, Los Angeles Superior Court Case No. 21STCV40497. The claims and causes of action set forth in *Jose A. Baez v. Insua Graphics Incorporated*, Los Angeles Superior Court Case No. 21STCV40497 are expressly excluded from this Release and Settlement Agreement.

3. **Maximum Settlement Amount.** As consideration, Defendant agrees to pay a non-reversionary "Maximum Settlement Amount" of Six Hundred Thousand Dollars and Zero Cents (\$600,000.00) in full and complete settlement of the Action, as follows:
 - A. The Parties have agreed to engage ILYM Group, Inc. as the "Settlement Administrator" to administer this Settlement.
 - B. The term "Final" and "Final Effective Date" means: (i) that the Settlement Agreement has received Final Approval by the Court and there were no timely objections or intervener requests filed, or that any timely objections and/or interveners have been withdrawn; or, (ii) in the event that one or more timely objections or interventions has/have been filed and not withdrawn, then upon the passage of the applicable date for an objector or intervener to seek appellate review of the Court's order of Final Approval, without a timely appeal having been filed; or, (iii) in the event that a timely appeal of the Court's order of Final Approval has been filed, then the Settlement Agreement shall be final when the applicable appellate court has rendered a final decision or opinion affirming the Court's Final Approval without material modification, and the applicable date for seeking further appellate review has passed, or the date that any such appeal has been either dismissed or withdrawn by the appellant.
 - C. Defendant shall fund the the Maximum Settlement Amount by transmitting the funds into a Qualified Settlement Fund ("QSF"), to be established by the Settlement Administrator, by no later than March 15, 2024. Defendant may elect to pay all or a portion of the Gross Settlement early at no penalty. Defendant shall pay the employer's share of payroll taxes separately from, and in addition to, the Maximum Settlement Amount. The employer's share of payroll taxes shall be paid by Defendant as coordinated with the Settlement Administrator after receipt of the calculation by the Settlement Administrator of the employer's portion of the payroll taxes, but not later than the date the Individual Settlement Awards are mailed by the Settlement Administrator. Under no circumstances will Defendant's payment under this Agreement be more than the Maximum Settlement Amount (subject to the Escalator Clause below) and the employer's portion of any payroll taxes on the amount designated as wages.

- D. If the Settlement does not receive final approval and the Effective Date does not occur, any settlement funds paid to date shall be returned to Defendant along with any interest that accrued.
- E. This is a non-reversionary settlement. The Maximum Settlement Amount includes:
- (1) All payments (including interest) to the Settlement Class;
 - (2) All costs of the Settlement Administrator and settlement administration, which are anticipated to be no greater than Eight Thousand Dollars and Zero Cents (\$8,000.00);
 - (3) Up to Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) for Plaintiff's Class Representative Enhancement Award in recognition of his contributions to the Action and his service to the Settlement Class. If Plaintiff's request for his enhancement payment is not approved and/or reduced by the Court, any amount not approved and/or reduced by the Court will revert to the participating Settlement Class members;
 - (4) Up to one-third of the Maximum Settlement Amount (currently estimated to be \$200,000.00) in Class Counsel's attorneys' fees, plus actual costs and expenses incurred by Class Counsel related to the Action as supported by declaration, which are currently estimated to be no greater than Thirty Thousand Dollars and Zero Cents (\$30,000.00). If Class Counsel's request for attorneys' fees and/or reimbursement of litigation costs is not approved and/or reduced by the Court, any amount not approved and/or reduced by the Court will revert to the participating Settlement Class members; and
 - (5) Twenty Thousand Dollars and Zero Cents (\$20,000.00) of the Maximum Settlement Amount has been set aside by the Parties as PAGA civil penalties. Per Labor Code § 2699(i), seventy-five percent (75%) of such penalties, or Fifteen Thousand Dollars and Zero Cents (\$15,000.00) will be payable to the Labor & Workforce Development Agency ("LWDA"), and the remaining twenty-five percent (25%), or Five Thousand Dollars and Zero Cents (\$5,000.00) will be payable to the Settlement Class as the "PAGA Amount."
- F. **Employer Payroll Taxes.** The Maximum Settlement Amount does not include employer-side payroll taxes that are part of any Individual Settlement Amount designated as wages, which shall be paid by Defendant separate from, and in addition to, the Maximum Settlement Amount. The Settlement Administrator will calculate the amount of employer-side payroll taxes and provide that information to Defendant no later than ten (10) business days prior to March 15, 2024 (the due date for The Maximum Settlement Amount to be fully paid).
- G. **Escalator Clause.** As of September 8, 2022, Defendant's best estimate of the number of Workweeks during the Class Period was 13,529. If the actual number of Workweeks as of the date of mediation is more than 5% greater than this estimate

(i.e., if the actual Workweeks during the Class Period, as of the date of mediation, is greater than 14,205.45), then Defendant shall, in its sole discretion, have the option to either:

- (i) De-escalate the Settlement so that the Class Period and PAGA Period end on the date the Workweeks totals to 14,205.45; or
- (ii) Permit the Maximum Settlement Amount as defined in Paragraph 3 above to be increased on a proportional basis for Workweeks in excess of Thirteen Thousand Five Hundred and Twenty-Nine (13,529).

4. **Payments to the Settlement Class.** Settlement Class members are not required to submit a claim form to receive a payment (“Individual Settlement Payment”) from the settlement. Individual Settlement Payments will be determined and paid as follows:

- A. The Settlement Administrator shall first deduct from the Maximum Settlement Amount the amounts approved by the Court for Class Counsel’s attorneys’ fees, Class Counsel’s costs and expenses, Plaintiff’s Class Representative enhancement award, payment to the Labor and Workforce Development Agency, and the Settlement Administrator’s fees and expenses for administration. The remaining amount shall be known as the “Net Settlement Amount” or “NSA”. Individual Settlement Payments will be the total of each Settlement Class member’s: (i) payment from NSA; and (ii) payment, if any, from the PAGA Amount, as described below.
- B. From the Net Settlement Amount, the Settlement Administrator will calculate each Settlement Class member’s Individual Settlement Payment based on the following formula:
 - i. Payments to all participating Settlement Class members: The Settlement Administrator will calculate payments from the NSA based on each participating Settlement Class member’s proportionate Workweeks worked during the Class Period. Specifically, each participating Settlement Class member’s payment from the NSA will be calculated by multiplying the NSA by a fraction, the numerator of which is the participating Settlement Class member’s number of Workweeks worked during the Class Period, and the denominator of which is the total Workweeks worked by all participating Settlement Class members during the Class Period.
 - ii. Payments from the PAGA Amount: Each Settlement Class member who was employed by Defendant at any time during the PAGA Period (including those who submit a valid and timely Request for Exclusion from the class portion of the settlement) shall receive a portion of the Five Thousand Dollars and Zero Cents (\$5,000.00) of the Maximum Settlement Amount that has been designated as the “PAGA Amount” proportionate to the number of workweeks that he or she worked during the PAGA Period, and which will be calculated by multiplying the PAGA Amount by a fraction, the numerator of which is the Settlement Class member’s number of

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

- C. **Calculation and Payment of Individual Settlement Payments.** Within five (5) business days of: (i) the Effective Date occurring and (ii) Defendant's deposit of the Maximum Settlement Amount, the Settlement Administrator will calculate individual Settlement Payment amounts for all Settlement Class members and provide the same to counsel for review and approval. Within five (5) business days after approval by counsel of the Individual Settlement Payment calculations, the Settlement Administrator will prepare and mail Settlement Payments, less applicable taxes and withholdings, to Settlement Class members. The Settlement Administrator shall simultaneously pay withholdings to the applicable authorities with the necessary reports, submitting copies to Defendant's counsel. The Settlement Administrator shall pay the amounts approved by the Court for Class Counsel's attorneys' fees and costs, Plaintiff's Class Representative Enhancement Award, PAGA payment to the LWDA, and the Settlement administration costs to itself, at the same time it mails Settlement Awards to Settlement Class members.
- D. For purposes of calculating applicable taxes and withholdings, each Individual Settlement Payment shall be allocated as follows: one-third (1/3) wages, one-third (1/3) penalties, and one-third (1/3) interest. Any payment from the PAGA Amount shall be classified as 100% penalties. The Settlement Administrator will be responsible for issuing to participating Settlement Class members IRS Forms W-2 for amounts deemed "wages" and IRS Forms 1099 for the amounts allocated as penalties and interest. Notwithstanding the treatment of the payments to each Settlement Class member above, none of the payments called for by this Settlement Agreement, including the wage portion, are to be treated as earnings, wages, pay or compensation for any purpose of any applicable benefit or retirement plan, unless required by such plans. Each Settlement Class member is responsible for the proper tax treatment of his/her Settlement Payment, and neither Plaintiff, Defendant, nor their respective counsel are providing tax advice with respect to the tax treatment of Settlement Awards.
- E. Each member of the Settlement Class who receives a Settlement Payment must cash that check within 180 days from the date the Settlement Administrator mails it. Any funds payable to Settlement Class members whose checks are not cashed within 180 days after mailing shall be distributed to Legal Aid at Work, as a *cy pres* beneficiary pursuant to Cal. Code Civ. Proc. § 384.
- F. Neither Plaintiff nor Defendant shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by its own acts of omission or commission, the same is true for the Settlement Administrator.

5. **Attorneys' Fees and Costs.** Defendant will not object to Class Counsel's request for a total award of attorneys' fees of one-third of the Maximum Settlement Amount, which is currently estimated to be Two Hundred Thousand Dollars and Zero Cents (\$200,000.00). Additionally, Class Counsel will request an award of actual costs and expenses as supported by declaration, in an amount not to exceed Thirty Thousand Dollars and Zero Cents (\$30,000.00), from the Maximum Settlement Amount. These amounts will cover any and all work performed and any and all costs incurred in connection with this litigation, including without limitation: all work performed, and all costs incurred to date; and all work to be performed and costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement, including any objections raised and any appeals necessitated by those objections. Class Counsel will be issued an IRS Form 1099 by the Settlement Administrator when the Settlement Administrator pays the fee award allowed by the Court.

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

7. **Settlement Administrator.** Defendant will not object to the appointment of ILYM Group, Inc. as Settlement Administrator. Defendant will not object to Plaintiff seeking permission to pay up to Eight Thousand Dollars and Zero Cents (\$8,000.00) for its services from the Maximum Settlement Amount. The Settlement Administrator shall be responsible for sending Notice Packets to Settlement Class members, calculating Individual Settlement Payments, preparing all checks and mailings, calculating Defendant's share of taxes payable on the wages, and other duties as described in this Settlement Agreement. The Settlement Administrator shall be authorized to pay itself from the Maximum Settlement Amount by Class Counsel only after Individual Settlement Payments have been mailed to all participating Settlement Class members. The Settlement Administrator shall also give notice of final judgment by posting the final judgment to its website.

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

- A. Conditionally certifying the Settlement Class for purposes of this Settlement Agreement;
- B. Appointing Paul K. Haines and Sean M. Blakely of Haines Law Group, APC as Class Counsel;
- C. Appointing Jose Baez as Class Representative for the Settlement Class;
- D. Approving ILYM Group, Inc. as Settlement Administrator;
- E. Preliminarily approving this Settlement Agreement and its terms as fair, reasonable, and adequate;

- F. Approving the form and content of the Notice Packet (which is comprised of the Class Notice and Notice of Estimated Individual Settlement Payment, and which is attached hereto as **Exhibits A and B**, respectively), and directing the mailing of same; and
- G. Scheduling a Final Approval hearing.

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

- A. Within ten (10) business days after entry of an order preliminarily approving this Agreement, Defendant will provide the Settlement Administrator with the names, last known addresses, phone numbers, social security numbers, and Workweek information for each Settlement Class member employed during the Class Period (the “Class Data”). The Class Data shall be provided to the Settlement Administrator in a readable Microsoft Office Excel spreadsheet.
- B. Within ten (10) business days from receipt of the information provided for in Paragraph 9(A), the Settlement Administrator shall: (i) run the names of all Settlement Class members through the National Change of Address (“NCOA”) database to determine any updated addresses for Settlement Class members; (ii) update the address of any Settlement Class member for whom an updated address was found through the NCOA search; (iii) calculate the estimated Individual Settlement Payment for each Settlement Class member; and (iv) mail a Notice Packet to each Settlement Class member at his or her last known address or at the updated address found through the NCOA search, and retain proof of mailing.
- C. Requests for Exclusion. Any Settlement Class member who wishes to opt-out of the class portion of the settlement must complete and mail a Request for Exclusion (defined below) to the Settlement Administrator within sixty (60) calendar days of the date of the initial mailing of the Notice Packets (the “Response Deadline”).
 - i. The Notice Packet shall state that Settlement Class members who wish to exclude themselves from the class portion of the settlement must submit a Request for Exclusion Form by the Response Deadline. The Request for Exclusion must: (1) contain the name, address, telephone number and the last four digits of the Social Security number of the Settlement Class member; (2) contain a statement that the Settlement Class member wishes to be excluded from the settlement; (3) be signed by the Settlement Class member; and (4) be postmarked by the Response Deadline and mailed to the Settlement Administrator at the address specified in the Class Notice. If the Request for Exclusion does not contain the information listed in (1)-(3), it will not be deemed valid for exclusion from the settlement, except a Request for Exclusion not containing a Settlement Class member’s telephone number and/or last four digits of the Social Security number will be deemed valid. The date of the postmark on the Request for Exclusion Form shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any

Settlement Class member who requests to be excluded from the Settlement Class will not be entitled to any recovery under this Settlement Agreement (except for any amount due to him or her from the PAGA Amount) and will not be bound by the terms of the Settlement (except for the PAGA Release, if applicable) or have any right to object, appeal or comment thereon.

- ii. At no time will the Parties or their counsel seek to solicit or otherwise encourage any Settlement Class member to object to the settlement or opt out of the Settlement Class or encourage any Settlement Class member to appeal from the final judgment.
 - iii. Notwithstanding any other provisions of this Agreement, in the event that five percent (5%) or more of the total Settlement Class members exclude themselves and opt out of the settlement, Defendant may, in its sole discretion, unilaterally withdraw from and terminate the settlement no later than five (5) days prior to the date of the Final Approval Hearing. In the event of Defendant's withdrawal, no party may use the fact that the Parties agreed to the settlement for any reason. In the event that Defendant elects to terminate this Settlement under this provision, Defendant shall pay all of the Administrative Costs incurred by the Settlement Administrator up to that point.
- D. Objections. Settlement Class members who do not request exclusion may object to this Settlement Agreement as explained in the Class Notice by mailing a written objection to the Settlement Administrator (who shall serve all objections as received on Class Counsel and Defendant's counsel via e-mail, who will file all such objections with the Court). Defendant's counsel and Class Counsel shall file any responses to objections no later than the deadline to file the Motion for Final Approval, unless the objections are filed within ten (10) days of the Motion for Final Approval filing deadline, in which case Defendant's counsel and Class Counsel shall have ten (10) days from the date of service to the objections by the Settlement Administrator to file a response to the objections. All objections should contain the objecting Settlement Class member's full name and current address, as well as contact information for any attorney representing the objecting Settlement Class member for purposes of the objection, include all objections and the factual and legal bases for same, include any and all supporting papers, briefs, written evidence, declarations, and/or other evidence, and be postmarked no later than the Response Deadline. Settlement Class members may also appear at the final approval hearing to orally object, even if they have not submitted a written objection.
- E. Notice of Estimated Individual Settlement Payment / Disputes. Each Notice Packet mailed to a Settlement Class member shall disclose the amount of the Settlement Class member's estimated Individual Settlement Payment as well as all of the information that was used from Defendant's records in order to calculate the Individual Settlement Payment. Settlement Class members will have the opportunity, should they disagree with Defendant's records regarding the information stated in the Notice of Estimated Individual Settlement Payment, to

provide documentation and/or an explanation to show contrary information. Any such dispute, including any supporting documentation, must be mailed to the Settlement Administrator, and postmarked by the Response Deadline. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Settlement Payments under the terms of this Agreement. The Settlement Administrator's determination of the eligibility for and amount of any Settlement Payment shall be binding upon the Settlement Class member and the Parties.

- F. Any Notice Packets returned to the Settlement Administrator as non-deliverable on or before the Response Deadline shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a "skip trace," to obtain an updated mailing address within five (5) business days of receiving the returned Notice Packet. If an updated mailing address is identified, the Settlement Administrator shall resend the Notice Packet to the Settlement Class member immediately, and in any event within five (5) business days of obtaining the updated address. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Settlement Class member. It will be conclusively presumed that, if an envelope so mailed has not been returned within thirty (30) days of the mailing, the Settlement Class member received the Notice Packet. Settlement Class members to whom Notice Packets are re-mailed after having been returned as undeliverable to the Settlement Administrator shall have fourteen (14) calendar days from the date of re-mailing, or until the Response Deadline has expired, whichever is later, to submit a Request for Exclusion, Objection, or dispute. Notice Packets that are re-mailed shall inform the recipient of this adjusted deadline. If a Settlement Class member's Notice Packet is returned to the Settlement Administrator more than once as non-deliverable, then an additional Notice Packet shall not be mailed. Nothing else shall be required of, or done by, the Parties, Class Counsel, or Defendant's Counsel to provide notice of the proposed settlement.

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

- A. Granting final approval to the Settlement Agreement and adjudging its terms to be fair, reasonable, and adequate;
- B. Approving Plaintiff's and Class Counsel's application for attorneys' fees and costs, Class Representative enhancement award, LWDA payment, and settlement administration costs; and
- C. Entering judgment pursuant to California Rule of Court 3.769. Said judgment shall be posted on the website of the Settlement Administrator.

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

12. **Non-disclosure and Non-publication.** Plaintiff and Class Counsel agree that they have not and will not publish the Settlement Agreement, except to Settlement Class members and as shall be contractually required to effectuate the terms of the Settlement Agreement as set forth herein. Class Counsel shall not report the Settlement Agreement in any medium or in any publication, shall not post or report anything regarding the claims of Plaintiff, the Settlement Class, or the settlement on their website, and shall not contact any reporters or media regarding the settlement. However, for the limited purpose of allowing Class Counsel to prove adequacy as class counsel in other actions, Class Counsel may disclose the names of the Parties in this Action, the venue/case number of this Action, and a general description of the Action, to a court in a declaration by Class Counsel.

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

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

if to Defendant: Katherine C. Den Bleyker, Lewis Brisbois Bisgaard & Smith LLP,
633 West 5th Street, Suite 4000, Los Angeles, California 90071;
Katherine.DenBleyker@lewisbrisbois.com.

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

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

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

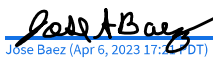
17. **Enforcement and Continuing Jurisdiction of the Court.** To the extent consistent with class action procedure, this Settlement Agreement shall be enforceable by the Court pursuant to California Code of Civil Procedure section 664.6. The Court shall retain continuing jurisdiction over this Lawsuit and over all Parties and Settlement Class members, to the fullest extent to enforce and effectuate the terms and intent of this Settlement Agreement, and to adjudicate any claimed breaches of this Settlement Agreement. In the event that one more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this settlement or to declare rights and/or obligations under this settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

DATED: Defendant Insua Graphics Incorporated

By: _____
Its: _____

DATED: Apr 6, 2023

Plaintiff Jose Baez

By: 
Jose Baez (Apr 6, 2023 17:24 DT)
Plaintiff and Settlement Class Representative

APPROVED AS TO FORM:

DATED: LEWIS BRISBOIS BISGAARD & SMITH LLP

By: _____
Katherine C. Den Bleyker
Samuel Knecht
Attorneys for Defendant

DATED: April 6, 2023

HAINES LAW GROUP, APC

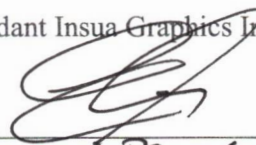
By: 
Paul K. Haines
Sean M. Blakely
Attorneys for Plaintiff

17. **Enforcement and Continuing Jurisdiction of the Court.** To the extent consistent with class action procedure, this Settlement Agreement shall be enforceable by the Court pursuant to California Code of Civil Procedure section 664.6. The Court shall retain continuing jurisdiction over this Lawsuit and over all Parties and Settlement Class members, to the fullest extent to enforce and effectuate the terms and intent of this Settlement Agreement, and to adjudicate any claimed breaches of this Settlement Agreement. In the event that one more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this settlement or to declare rights and/or obligations under this settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

DATED:

4/7/23

Defendant Insua Graphics Incorporated

By: 

Its: President

DATED:

Plaintiff Jose Baez

By: _____

Plaintiff and Settlement Class Representative

APPROVED AS TO FORM:

DATED: April 3, 2023

LEWIS BRISBOIS BISGAARD & SMITH LLP

By: 

Katherine C. Den Bleyker

Samuel Knecht

Attorneys for Defendant

DATED:

HAINES LAW GROUP, APC

By: _____

Paul K. Haines

Sean M. Blakely

Attorneys for Plaintiff

EXHIBIT 1

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

JOSE BAEZ, on behalf of himself and all others
similarly situated,

Plaintiff,

vs.

INSUA GRAPHICS INCORPORATED, a California
Corporation; and DOES 1 through 100,

Defendants.

Case No. 21STCV25092

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

To: All current and former non-exempt employees who worked for Defendant Insua Graphics Incorporated in California from July 8, 2017 until November 1, 2022. Collectively, these employees will be referred to as “Settlement Class members.”

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

Why should you read this notice?

The Los Angeles County Superior Court has granted preliminary approval of a proposed class action settlement (the “Settlement”) in the case of *Jose Baez v. Insua Graphics Incorporated*, Los Angeles Superior Court Case No. 21STCV25092 (the “Action”). Because your rights may be affected by the Settlement, it is important that you read this notice carefully.

You may be entitled to money from this Settlement. Defendant Insua Graphics Incorporated’s (“Insua Graphics”) records show that you were employed at Insua Graphics in California as a non-exempt employee in California between July 8, 2017 and November 1, 2022 (the “Class Period”). The Court ordered that this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

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

What is this case about?

Plaintiff Jose Baez (“Plaintiff”) brought this Action against Insua Graphics, seeking to assert claims on behalf of a class of current and former non-exempt employees who worked for Insua Graphics in California at any time from July 8, 2017 until November 1, 2022. Plaintiff is known as the “Class Representative,” and his attorneys, who also represent the interests of all Settlement Class members, are known as “Class Counsel.”

Plaintiff alleges that Insua Graphics failed to provide Settlement Class members with all required meal and rest periods. The Action also alleges that Insua Graphics failed to provide Settlement Class members with accurate and complete wage statements and failed to timely pay all final wages at the time of separation of employment, and as a result of the foregoing alleged violations, engaged in unfair business practices and is liable for civil penalties under the Labor Code Private Attorneys General Act (“PAGA”).

Insua Graphics denies all liability to Settlement Class members, denies the factual and legal allegations in the case and believes that it has valid defenses to Plaintiff's claims. Insua Graphics has entered into the Settlement solely for the purposes of resolving this dispute and has agreed to settle the case as part of a compromise with Plaintiff. Accordingly, the Settlement constitutes a compromise of disputed claims and should not be construed as an admission of liability on the part of Insua Graphics, which expressly denies all liability.

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

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

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

Who are the Attorneys?

Attorneys for the Plaintiff/Settlement Class members: HAINES LAW GROUP, APC Paul K. Haines phaines@haineslawgroup.com Sean M. Blakely sblakely@haineslawgroup.com 2155 Campus Drive, Suite 180 El Segundo, California 90245 Tel: (424) 292-2350 Fax: (424) 292-2355 haineslawgroup.com	Attorneys for Defendant Insua Graphics: O'HAGAN MEYER Katherine Den Bleyker kdenbleyker@ohaganmeyer.com 550 S. Hope Street, Suite 2400 Los Angeles, California 90071 Tel: (312) 422-6100 OHaganMeyer.com
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What are the terms of the Settlement?

On <<PRELIM APPROVAL DATE>>, the Court preliminarily certified a class, for settlement purposes only, of all current and former non-exempt employees who worked for Insua Graphics in California between July 8, 2017 until November 1, 2022. Settlement Class members who do not opt out of the Settlement pursuant to the procedures set forth in this Notice will be bound by the Settlement and will release their claims against Insua Graphics as described below.

Insua Graphics has agreed to pay \$600,000.00 (the "Maximum Settlement Amount") to fully resolve all claims in the Action, including payments to Settlement Class members, requested attorneys' fees and expenses, settlement administration costs, payment to the California Labor and Workforce Development Agency ("LWDA") for its share of civil penalties under the PAGA, and the Class Representative's Enhancement Award.

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

Settlement Administration Costs. The Court has approved ILYM Group, Inc. to act as the "Settlement Administrator," who is sending this Notice to you and will perform many other duties relating to the

Settlement. The Court has approved setting aside up to \$8,000.00 from the Maximum Settlement Amount to pay the settlement administration costs.

Attorneys' Fees and Expenses. Class Counsel have been prosecuting the Action on behalf of the Settlement Class members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses. The Court will determine the actual amount awarded to Class Counsel as attorneys' fees, which will be paid from the Maximum Settlement Amount. Settlement Class members are not personally responsible for any of Class Counsel's attorneys' fees or expenses. Class Counsel will ask for fees of up to one-third of the Maximum Settlement Amount, which is currently estimated to be \$200,000.00, as reasonable compensation for the work Class Counsel performed and will continue to perform in this Action through Settlement finalization. Class Counsel also will ask for reimbursement of up to \$30,000.00 for verified costs Class Counsel incurred in connection with the Action.

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

PAGA Payment to State of California. \$15,000.00 will be paid to the LWDA, representing 75% of the \$20,000.00 the parties have agreed to allocate to the settlement of Plaintiff's claim on behalf of the Settlement Class members under the PAGA. The remaining \$5,000.00 will be payable to certain Settlement Class members as the "PAGA Amount," as described below.

Calculation of Settlement Class Members' Individual Settlement Payments. After deducting the Court-approved amounts above, the balance of the Maximum Settlement Amount will form the Net Settlement Amount ("NSA"), which will be distributed to all Settlement Class members who do not submit a valid and timely Request for Exclusion (described below). The NSA is estimated at approximately \$339,500.00 and will be divided as follows:

- (i) Payments to All Participating Settlement Class Members: The Settlement Administrator will calculate payments from the NSA based on each participating Settlement Class member's proportionate Workweeks worked during the Class Period. Specifically, each participating Settlement Class member's payment from the NSA will be calculated by multiplying the NSA by a fraction, the numerator of which is the participating Settlement Class member's number of Workweeks worked during the Class Period, and the denominator of which is the total Workweeks worked by all participating Settlement Class members during the Class Period.
- (ii) PAGA Amount: \$5,000 has been designated as the "PAGA Amount" and will be allocated to all PAGA Aggrieved Employees who were employed by Insua Graphics at any time from July 21, 2020, until November 1, 2022 (the "PAGA Period") (regardless of whether they opt out of the Settlement Class) in proportion to the number of workweeks that he or she worked between July 21, 2020 until November 1, 2022.

Payments to Settlement Class Members. If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to all Settlement Class members who did not submit a valid and timely Request for Exclusion. Settlement checks will be valid for 180 days from the date the Settlement Administrator mails it. Any funds payable to Settlement Class members whose checks were not cashed within 180 days after mailing shall be distributed to Legal Aid at Work, as a *cy pres* beneficiary pursuant to Cal. Code Civ. Proc. § 384.

Allocation and Taxes. For tax purposes, each Individual Settlement Payment will be treated as follows: one-third (1/3) as "wages," for which an IRS form W-2 will be issued; one-third (1/3) as penalties and one-third (1/3) as interest, for which an IRS form 1099 will be issued. Any payment from the PAGA Amount shall be designated as 100% penalties. Settlement Class members are responsible for the proper income tax treatment of the Individual Settlement Payments. The Settlement Administrator, Insua Graphics and its counsel, and

Class Counsel cannot provide tax advice. Accordingly, Settlement Class members should consult with their tax advisors concerning the tax consequences and treatment of payments they receive under the Settlement.

Release. If the Court approves the Settlement, and upon the complete funding of the Maximum Settlement Amount, all Settlement Class members who did not submit a timely and valid Request for Exclusion, will release and discharge Insua Graphics and each of its parent companies, subsidiaries, related companies, affiliates, dbas, current and former management companies, shareholders, members, agents (including any investment bankers, accountants, insurers, reinsurers, attorneys and any past, present or future officers, directors and employees) predecessors, successors, and assigns (collectively, the “Released Parties”) from all claims, rights, demands, liabilities, causes of action, and legal theories alleged or which could have been alleged or otherwise raised based on the facts in the Action, including: (1) Labor Code §§ 204, 210, 226.7, 512, 558, and 1198 (meal period violations); (2) Labor Code §§ 226.7, 516, 558, and 1198 (rest period violations); (3) Labor Code § 226, et seq. (wage statement penalties); (4) Labor Code §§ 201-204 (waiting time penalties); and (5) Violation of California Business & Professions Code §§ 17200, et seq. (unfair business practices), and applicable Wage Orders of the Industrial Welfare Commission, including but not limited to Industrial Welfare Commission Wage Order Nos. 1-2001 and 4-2001, and all related claims for attorneys’ fees and costs (“Class Member Released Claims”).

In addition, all Settlement Class members (regardless of whether they opt out) who worked for Insua Graphics at any time from July 21, 2020 through November 1, 2022 (the “PAGA Period”) are “Aggrieved Employees” and shall release the Released Parties from liability for all claims for civil penalties under California Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code § 2698 et seq.) arising during the PAGA Period that were alleged or which could have been alleged or otherwise raised based on the facts alleged in the Action and in Plaintiff’s July 21, 2021 Notification Letter to the Labor and Workforce Development Agency (“LWDA”), including but not limited to claims for civil penalties for violations of California Labor Code §§ 201, 202, 203, 204, 210, 226, 226.7, 512, 516, 558, 1174, 1198 and 1199, and applicable Wage Orders of the Industrial Welfare Commission, including but not limited to Industrial Welfare Commission Wage Order Nos. 1-2001 and 4-2001, and all related claims for attorneys’ fees and costs (“the PAGA Released Claims”).

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

How can I claim money from the Settlement?

Do Nothing. If you do nothing, you will be entitled to your share of the Settlement based on the proportionate number of workweeks you worked during the Class Period and the proportionate number of workweeks you worked during the PAGA Period, as stated in the accompanying Notice of Estimated Settlement Payment. You also will be bound by the Settlement, including the release of claims stated above.

What other options do I have?

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

The Parties and the Settlement Administrator will evaluate the evidence submitted and discuss in good faith how to resolve any disputes submitted by Settlement Class members. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Individual Settlement Payments under the terms of this

Settlement Agreement. The Settlement Administrator's determination of the eligibility for and amount of any Settlement Payment will be binding on the Settlement Class member and the Parties.

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

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

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

You may also appear at the Final Approval Hearing scheduled for <<FINAL APPROVAL HEARING DATE/TIME>> in Department SSC-9 of the Los Angeles County Superior Court, located at 312 North Spring Street, Los Angeles, California 90012. You have the right to appear either in person or through your own attorney at this hearing. Any attorney who intends to represent an individual objecting to the Settlement must file a notice of appearance with the Court and serve counsel for all parties on or before <<RESPONSE DEADLINE>>. All objections or other correspondence must state the name and number of the case, which is *Jose Baez v. Insua Graphics Incorporated*, Los Angeles Superior Court Case No. 21STCV25092. You do not need to object in writing to be heard at the Final Approval Hearing.

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

What is the next step?

The Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement on <<FINAL APPROVAL HEARING DATE/TIME>>, in Department SSC-9 of the Los Angeles County Superior Court, located at 312 North Spring Street, Los Angeles, California 90012. The Court also will be asked to rule on Class Counsel's request for attorneys' fees and reimbursement of documented costs and expenses and the Enhancement Award to the Class Representative. The Final Approval Hearing may be postponed without further notice to the Settlement Class. You may contact Class Counsel using the contact information provided above to confirm the address and time of the hearing. **You are not required to attend the Final Approval Hearing, although any Settlement Class member is welcome to attend the hearing.**

How can I get additional information?

This Notice is only a summary of the Action and the Settlement. For more information, you may inspect the Court's files and the Settlement Agreement at the Office of the Clerk of the Los Angeles County Superior Court, located at 312 North Spring Street, Los Angeles, California 90012, during regular court hours. You may also contact Class Counsel using the contact information listed above for more information.

**PLEASE DO NOT CALL OR WRITE THE COURT, INSUA GRAPHICS, OR ITS ATTORNEYS FOR
INFORMATION ABOUT THIS SETTLEMENT OR THE SETTLEMENT PROCESS**

REMINDER AS TO TIME LIMITS

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

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

EXHIBIT 2

NOTICE OF ESTIMATED SETTLEMENT PAYMENT

JOSE BAEZ v. INSUA GRAPHICS INCORPORATED
LOS ANGELES COUNTY SUPERIOR COURT CASE NO. 21STCV25092

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

(I) Please type or print your name:

(First, Middle, Last)

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

Former Names (if any)

New Street Address

City

State

Zip Code

(III) Information Used to Calculate Your Settlement Payment:

According to Insua Graphics Incorporated's ("Insua Graphics") records:

- (a) you worked [REDACTED] workweeks for Insua Graphics in California from July 8, 2017 until November 1, 2022;
and
- (b) you worked [REDACTED] workweeks for Insua Graphics in California from July 21, 2020 until November 1, 2022.

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

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

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

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

Signature: _____

Date: _____

EXHIBIT B

HAINES LAW GROUP
EMPLOYMENT ATTORNEYS

July 21, 2021

VIA LWDA WEBSITE

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

Re: *Jose Baez v. Insua Graphics Incorporated*

To Whom It May Concern:

Please be advised that this law firm represents Jose Baez (“Mr. Baez”) in claims arising from his employment with Insua Graphics Incorporated and DOES 1-100 (“Insua Graphics”). Mr. Baez is an “aggrieved employee” as defined by Labor Code Section 2698, *et seq.* (“PAGA”), due to Insua Graphics’ numerous violations of the Labor Code as set forth below. The purpose of this letter is to comply with Labor Code Section 2699.3, which requires aggrieved employees to notify their employer and the Labor & Workforce Development Agency (“LWDA”) of the specific provisions of the Labor Code allegedly violated.

Pursuant to California Judicial Council Emergency Rule 9, statutes of limitations of more than 180 days were suspended for 178 days, from April 6, 2020 through October 1, 2020. Accordingly, the relevant time period for the violations described herein is one year plus 178 days prior to the date of this letter. Thus, the “aggrieved employees” whom Mr. Baez seeks to represent include all non-exempt employees who worked for Insua Graphics in California at any time from one year plus 178 prior to the date of this letter through the present.

Insua Graphics is in the printing and packaging business. Mr. Baez was employed by Insua Graphics as a non-exempt employee in the position of Operator (or similar job title) from approximately January 2008 to approximately March 2021, working out of Insua Graphics’ location in Los Angeles County, California.

During Mr. Baez’s employment with Insua Graphics, Insua Graphics failed to provide Mr. Baez and other aggrieved employees with all legally compliant meal periods due to Insua Graphics’ meal period policies/practices, which have frequently resulted in late (commencing after the fifth hour of work), short (less than 30 minutes), and/or missed meal periods. For example, although Mr. Baez’s shift generally began at 6:00 a.m., he was frequently not provided a meal period until after 1:00 p.m. In addition, Insua Graphics failed to provide Mr. Baez or other non-exempt employees with second meal periods when they worked over 10.0 hours in a workday. On those occasions Mr. Baez was not provided

with all legally-required meal periods to which he was entitled, Insua Graphics failed to compensate Mr. Baez the required meal period premium for each workday in which he experienced a meal period violation as mandated by Labor Code § 226.7. Upon information and belief, during at least a portion of the relevant time period, Insua Graphics maintained no payroll code for paying meal period premiums under Labor Code § 226.7.

Insua Graphics has also failed to authorize and permit all required rest periods for Mr. Baez and other aggrieved employees. Specifically, on shifts over 6.0 hours where two rest periods are required, Insua Graphics unlawfully combined Mr. Baez's and other non-exempt employees' rest periods, providing one longer rest period during the first 4 or 5 hours of the shift, and failing to authorize and permit a second rest period in the latter part of the shift. This practice violates Wage Order 1 as well as *Rodriguez v. E.M.E., Inc.*, 246 Cal.App.4th 1027 (2016), which held that employers generally may not combine employee rest periods. In addition, on shifts over 10.0 hours, where three rest periods are required, Insua Graphics failed to authorize and permit a third rest period for Mr. Baez or other aggrieved employees. Despite failing to authorize and permit Mr. Baez and other aggrieved employees to take all rest periods to which they are entitled, upon information and belief, during at least a portion of the relevant time period, Insua Graphics maintained no mechanism for the payment of rest period premium payments as required by Labor Code section 226.7 and did not pay Mr. Baez or other aggrieved employees any rest period premiums.

As a result of the above violations, Insua Graphics has issued inaccurate wage statements to Mr. Baez and other aggrieved employees because, among other things, the wage statements issued fail to reflect meal and rest period premium pay to which Mr. Baez and other aggrieved employees were entitled for meal and rest period violations.

As a result of the above violations, Insua Graphics also failed to timely pay Mr. Baez and other aggrieved former employees all wages owed at the time of their respective separations from employment. In addition, Insua Graphics paid Mr. Baez his final wages several days late, in violation of Labor Code § 201. Specifically, although Insua Graphics terminated Mr. Baez's employment on March 26, 2021, Insua Graphics did not make Mr. Baez's final wages available until at least a week later, on April 2, 2021.

As described above, Insua Graphics committed, and continues to commit, the following violations of the Labor Code and Industrial Welfare Commission Wage Order No. 1 ("Wage Order 1"):

Meal Period Violations

As alleged above, Insua Graphics failed, and continues to fail, to provide Mr. Baez and other aggrieved employees with all required and compliant meal periods, due to Insua Graphics' meal period policies/practices that often fail to provide legally compliant 30-minute first meal periods before the end of the fifth hour of work, and which fail to provide second meal periods for shifts of over 10.0 hours. *See* Labor Code §§ 226.7, 512, 1198; Wage Order 4, § 11. As a result, Mr. Baez and other aggrieved employees are owed an

additional hour of wages at their regular rate of compensation for each workday they experienced a meal period violation. *See* Labor Code § 226.7 (“If an employer fails to provide an employee a meal or rest or recovery period in accordance with...[an] order of the Industrial Welfare Commission...the employer shall pay the employee one additional hour of pay at the employee’s regular rate of compensation for each workday that the meal or rest period is not provided.”). As alleged above, Insua Graphics has failed to pay them the premium wages to which they are legally entitled.

Rest Period Violations

As alleged above, Insua Graphics failed, and continues to fail, to authorize and permit Mr. Baez and other aggrieved employees to take all rest periods to which they are legally entitled. *See* Labor Code §§ 226.7, 516, 1198; Wage Order 4, § 12. As a result, Mr. Baez and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday that they were not authorized and permitted to take all legally required rest periods. *See* Labor Code § 226.7 (“If an employer fails to provide an employee a meal period or rest period in accordance with an applicable order of the Industrial Welfare Commission, the employer shall pay the employee one additional hour of pay at the employee’s regular rate of compensation for each workday that the meal or rest period is not provided.”). As alleged above, Insua Graphics has failed to pay them the premium wages to which they are legally entitled.

Wage Statement Violations

As alleged herein, Insua Graphics knowingly and intentionally, as a matter of uniform policy and practice, failed to furnish Mr. Baez and other aggrieved employees with complete and accurate wage statements with respect to their total gross wages earned, total net wages earned, and meal and rest period premium wages earned, in violation of Labor Code § 226.

Failure to Pay All Final Wages at Termination

Labor Code §§ 201 and 202 require that employees receive all of their final wages at the time of their separation of employment. As alleged herein, Insua Graphics failed to timely pay Mr. Baez and other aggrieved former employees all of their final wages at the time of separation. Pursuant to Labor Code § 203, Insua Graphics’ failure to pay all final wages due to aggrieved former employees was willful and, consequently, entitles aggrieved former employees to waiting time penalties equal to one day of wages for each day Insua Graphics failed to pay their final wages after separation, up to a maximum of thirty days.

Mr. Baez is informed and believes, and based thereon alleges, that the violations alleged herein are continuing to the present. As an “aggrieved employee,” Mr. Baez will initiate a civil action on behalf of himself, the State of California, and other aggrieved employees to recover civil penalties resulting from the wage and hour violations alleged herein. Based on Mr. Baez’s own investigation, and on information and belief, Insua Graphics has committed the following Labor Code violations:

- a. Insua Graphics has violated Labor Code §§ 204, 210, 226.7, 512, 558, and 1198 by failing to provide all legally required meal periods and by failing to pay meal period premiums to Mr. Baez and other aggrieved employees at these employees' respective regular rates of compensation for meal period violations;
- b. Insua Graphics has violated Labor Code §§ 226.7, 516, 558, and 1198 by failing to authorize and permit all legally required rest periods and by failing to pay rest period premiums to Mr. Baez and other aggrieved employees at these employees' respective regular rates of compensation for rest period violations;
- c. Insua Graphics has violated Labor Code § 226 by failing to furnish Mr. Baez and other aggrieved employees with accurate and complete itemized wage statements;
- d. Insua Graphics has violated Labor Code §§ 201-203 by failing to pay Mr. Baez and other aggrieved former employees all final wages owed at the termination of their employment;
- e. Insua Graphics has violated Labor Code § 204 by failing to pay Mr. Baez and other aggrieved employees all earned wages at least twice during each calendar month; and
- f. Insua Graphics has violated Labor Code §§ 1174, 1198 and 1199 by failing to maintain accurate records on behalf of Mr. Baez and other aggrieved employees.

Pursuant to Labor Code section 2699.3, please notify us and Insua Graphics if the LWDA intends to investigate these alleged violations of the Labor Code. Please contact me should you require additional information.

Very truly yours,
HAINES LAW GROUP, APC



Paul K. Haines

cc: Insua Graphics Incorporated, c/o Eric Insua, Agent for Service of Process (via certified mail)

From: [ConnectSuite e-Certify](#)
To: [Alma Hernandez](#)
Subject: USPS Shipment Info for 9214 8901 9403 8345 1750 14
Date: Wednesday, July 21, 2021 6:14:22 PM
Attachments: [Acceptance Scan Report.pdf](#)



Tracking Number: 9214 8901 9403 8345 1750 14

Hello Haines Law Group,

Thank you for using ConnectSuite. Below is your requested email notification.

INSUA GRAPHICS INCORPORATED
C/O: ERIC INSUA
9121 GLENOAKS BLVD
SUN VALLEY CA 91352-2612

Shipment Activity	Location	Date & Time
SHIPMENT RECEIVED ACCEPTANCE PENDING	EL SEGUNDO,CA 90245	7/21/2021 8:21:00 PM

Return Reference Number: AH

If you have any questions, please email us.SoftwareSupport@quadiant.com or call Neopost customer service at 888-267-9381 Monday - Friday 8:00 a.m. - 5:00 p.m. eastern time.

Sincerely,

ConnectSuite Support Team

From: [ConnectSuite e-Certify](#)
To: [Alma Hernandez](#)
Subject: USPS Signature for 9214 8901 9403 8345 1750 14
Date: Monday, July 26, 2021 10:26:08 AM
Attachments: [POD_901940383202107214209135226129214890194038345175014x.pdf.pdf](#)



Tracking Number: 9214 8901 9403 8345 1750 14

Hello Haines Law Group,

Thank you for using ConnectSuite. Attached is your POD!

INSUA GRAPHICS INCORPORATED
C/O: ERIC INSUA
9121 GLENOAKS BLVD
SUN VALLEY CA 91352-2612

Shipment Activity	Location	Date & Time
DELIVERED LEFT WITH INDIVIDUAL	SUN VALLEY,CA 91352	7/23/2021 8:21:00 PM

Return Reference Number: AH

If you have any questions, please email us.SoftwareSupport@quadient.com or call Neopost customer service at 888-267-9381 Monday - Friday 8:00 a.m. - 5:00 p.m. eastern time.

Sincerely,

ConnectSuite Support Team