

Kane Moon (SBN 249834)
Lilit Ter-Astvatsatryan (SBN 320389)
Holly Williams (SBN 352269)
MOON LAW GROUP, PC
725 S. Figueroa St., 31st Floor
Los Angeles, California 90017
Telephone: (213) 232-3128
Facsimile: (213) 232-3125
E-mail: kmoon@moonlawgroup.com
E-mail: lilit@moonlawgroup.com
E-mail: hwilliams@moonlawgroup.com

Attorneys for Plaintiffs Marcos Segura and Miguel Segura

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SOLANO**

MARCOS SEGURA and MIGUEL SEGURA,
individually, and on behalf of all others similarly
situated,

Plaintiffs,

vs.

E.B. STONE & SON, INC., a California
corporation; and DOES 1 through 10, inclusive,
Defendants.

Case No.: FCS056951

CLASS AND REPRESENTATIVE ACTION

[Assigned for all purposes to the Honorable
Tim P. Kam, Department 22]

**DECLARATION OF KANE MOON IN
SUPPORT OF PLAINTIFFS' MOTION
FOR FINAL APPROVAL OF CLASS
AND PAGA ACTION SETTLEMENT**

*[Filed with the Plaintiffs' Notice of Motion
and Motion for Final Approval, Declarations
of Plaintiffs, Declaration of Mayra Gonzalez,
[Proposed] Order, and [Proposed]
Judgment]*

FINAL APPROVAL HEARING

Date: November 1, 2024
Time: 9:00 A.M.
Department: 22

Action Filed: August 10, 2021
Trial Date: Not Set

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1. I am an attorney at law duly licensed to practice as such before all of the Courts of the State of California and am one of the attorneys of record for Plaintiffs Marcos Segura (“Plaintiff Marcos”) and Miguel Segura (“Plaintiff Miguel,” and together with Plaintiff Marcos, “Plaintiffs”) and the putative Class.
2. I have personal knowledge of the matters set forth herein and could competently testify to the facts described herein.

3. This is a wage and hour class action and representative action for alleged Labor Code violations and claims for civil penalties pursuant to the California Private Attorneys General Act, Labor Code sections 2698, *et seq.* (“PAGA”). Plaintiffs seek to represent a class of all persons who worked for Defendant E.B. Stone & Son, Inc. (“Defendant,” and together with Plaintiffs, the “Parties”) in California as hourly non-exempt non-driver employees during the period from August 10, 2017, to January 1, 2024, for various alleged violations of the California Labor Code. Defendant is a fertilizer supplier based in Suisun, California. Defendant has employed Plaintiffs and other putative Class Members in California during the putative Class Period. Plaintiff Marcos worked for Defendant from approximately March 2019 to March 2021. Plaintiff Miguel worked for Defendant from approximately December 2019 to March 2021. Throughout their employment, Plaintiffs were employed in an hourly paid, non-exempt position. Plaintiffs contend they and their coworkers were subjected to the same unlawful labor practices, including failure to pay wages for all hours worked.

4. Plaintiffs' claims for unpaid minimum and overtime wages stem from allegations that Defendant rounded Class Members' timecards to their detriment, that Class Members were not compensated for time spent cleaning off-the-clock, and that Defendant failed to incorporate all remunerations into the regular rate of pay for purposes of paying Class members overtime wages. Plaintiffs' meal and rest period claims are based on allegations that due to the nature of their work, Class Members' breaks were often short, late, interrupted, and sometimes missed altogether, and

1 that Defendant did not pay premium wages for non-code-compliant breaks. Plaintiffs further bring
2 a claim for unreimbursed necessary business expenses based on allegations that Class Members
3 were required to use their personal cellphones for business purposes, without reimbursement for
4 the same. Finally, Plaintiffs also bring derivative claims for waiting time penalties, wage statement
5 violations, unfair business practices, and civil penalties under PAGA.

6 5. Because of the foregoing alleged violations of various provisions of the Labor Code,
7 Plaintiffs filed a class action on August 10, 2021, which, as amended, alleges Defendant
8 systematically: (1) failed to pay minimum wages, (2) failed to pay overtime compensation, (3) failed
9 to provide meal periods, (4) failed to authorize and permit rest breaks, (5) failed to indemnify
10 necessary business expenses, (6) failed to timely pay final wages at termination, (7) failed to provide
11 accurate itemized wage statements, (8) engaged in unfair business practices, and (9) violated civil
12 penalty provisions recoverable under PAGA.

13 6. Defendant ardently opposes the merits of this case and denies Plaintiffs' factual
14 allegations. Defendant argued that Plaintiffs and the putative Class Members were paid all
15 minimum and overtime wages owed, that Defendant did not permit or require Class Members to
16 work off-the-clock, and that the time records accurately reflect employees' time worked.
17 Defendant maintains compliance with all its meal and rest period obligations. As for the
18 unreimbursed business expenses, Defendant maintains it reimbursed Class Members for all
19 necessary business expenses incurred. To the extent Class Members received wage statements that
20 were allegedly inaccurate, Defendant asserts they suffered no actual damage or harm as a result.
21 For these reasons, Defendant claimed that they did not engage in any unfair business practices and
22 denied liability under PAGA. Defendant also maintained that Plaintiffs' claims were improper for
23 class treatment.

24 DISCOVERY AND INVESTIGATION

25 7. Plaintiffs and Defendant (the "Parties") agreed to mediate the instant action and
26 scheduled mediation with Kelly A. Knight, Esq. on October 19, 2023. In preparation for mediation,
27 the Parties agreed to a protocol for an informal exchange of documents and information before the
28 mediation. Prior to mediation, Plaintiffs obtained from Defendant, through informal discovery, a

1 sample of time and payroll records for roughly 27.6% of employees in the Class Period, Plaintiffs’
2 time and pay records and personnel file, Defendant’s human resource documents, and information
3 regarding the estimated number of current and former Class Members, workweeks, Aggrieved
4 Employees, PAGA pay periods, and average hourly pay.

5 8. After reviewing documents regarding Defendant’s wage and hour policies and
6 practices, and analyzing Defendant’s time and pay records, Class Counsel was able to evaluate the
7 probability of class certification, success on the merits, and Defendant’s maximum monetary
8 exposure for all claims. Class Counsel reviewed these records and prepared a damage analysis
9 prior to mediation. Class Counsel also investigated the applicable law regarding the claims and
10 defenses asserted in the litigation. Moreover, Class Counsel retained an expert to analyze the
11 records produced. Thus, Plaintiffs and their counsel’s familiarity with the facts of the case and the
12 legal issues raised by the pleadings allowed them to act intelligently in negotiating the settlement.

13 SETTLEMENT NEGOTIATIONS

14 9. On October 19, 2023, the Parties participated in a full day of private mediation
15 before Kelly Knight, Esq., an experienced, professional, neutral, class action mediator. The
16 settlement negotiations were at arm’s length and, although conducted in a professional manner,
17 were adversarial. The Parties went into the mediation willing to explore the potential for a
18 settlement of the dispute, but each side was also prepared to litigate their position through trial and
19 appeal if a settlement had not been reached. After extensive negotiations and discussions regarding
20 the strengths and weaknesses of Plaintiffs’ claims and Defendant’s defenses, the Parties reached a
21 settlement, the material terms of which are encompassed within the Joint Stipulation of Class and
22 PAGA Action Settlement Agreement (the “Settlement Agreement” or “Settlement”), a true and
23 correct copy of which is attached hereto as Exhibit 1.

24 10. Class Counsel submitted the proposed Settlement to the LWDA, and a true and
25 correct copy of the submission confirmation email is attached as Exhibit 2 to this declaration. The
26 LWDA was provided an original notice of the alleged Labor Code violations by Class Counsel on
27 August 6, 2021, before Class Counsel pursued the PAGA cause of action. A true and correct copy
28 of Class Counsel’s notice is attached to this declaration as Exhibit 3.

11. No claim form is required in order to receive a settlement payment. Each Class Member who does not opt-out will be entitled to his or her share of the Net Settlement Amount that is directly proportional to the number of workweeks during which the Class Member was employed with Defendant during the Class Period.

12. The Settlement includes a class representative service award to the named Plaintiffs. Subject to Court approval, Plaintiffs shall be paid an incentive award not to exceed \$7,500.00 to each Plaintiff. This amount is for Plaintiffs' time and effort, and exposure to substantial risk in bringing and presenting the action.

13. The Settlement provides that Defendant will not oppose a fee application of not more than thirty-three and a third percent (33.33%) (\$218,729.00) of the Gross Settlement Amount for attorneys' fees, plus out-of-pocket litigation costs not exceeding \$20,000.00. At this time, Plaintiffs' litigation costs are approximately \$16,983.50. A true and correct copy of Plaintiffs' litigation costs to the date is attached to this declaration as **Exhibit 4**.

14. Settlement administration costs are not to exceed \$7,000.00. Currently, settlement administration costs are estimated to be \$7,000.00. A true and correct copy of the settlement administration quote I received from Phoenix Class Action Administration Solutions is attached to this declaration as **Exhibit 5**.

KEY TERMS

15. “Gross Settlement Amount” means \$656,250.00 which is the total amount that Defendant agrees to pay under the Settlement Agreement, subject to the terms in Paragraph 7 below. The Gross Settlement Amount shall be used to satisfy all of Defendant’s liabilities arising from the settlement, including payment of all employee-side taxes on payments made to Participating Class Members, interest, Plaintiffs’ attorneys’ fees and costs, the incentive award for Plaintiffs, payments to all Participating Class Members, the payment to the California Labor and Workforce Development Agency (“LWDA”), and the payments to all Aggrieved Employees. Defendant will not pay more than the Gross Settlement Amount, plus employer-side taxes on the wage payments made to Participating Class Members. The Gross Settlement amount is non-reversionary, and non-claims made. (Settlement, ¶ 1.23.)

1 16. “Individual Class Payment” An Individual Class Payment calculated by (a) dividing
2 the Net Settlement Amount by the total number of Workweeks worked by all Participating Class
3 Members during the Class Period and (b) multiplying the result by each Participating Class
4 Member’s Workweeks. (Settlement, ¶ 3.1.4.)

5 17. The Settlement sets out the reasonable attorneys’ fees and litigation costs. A Class
6 Counsel Fees Payment of not more than thirty-three and one-third percent (33.33%) of the Gross
7 Settlement Amount, which is currently estimated to be \$218,729.00; and a Class Counsel Litigation
8 Expenses Payment of not more than \$20,000.00. (Settlement, ¶ 3.1.2.)

9 18. “Administration Expenses Payment” An Administrator Expenses Payment not to
10 exceed \$7,000.00, except for a showing of good cause and as approved by the Court. If the Court
11 approves payment less than the amount requested, or to the extent the Administration Expense
12 Payment is less than the amount requested, the Administrator will allocate the remainder to the Net
13 Settlement Amount. (Settlement, ¶ 3.1.3.)

14 19. “Net Settlement Amount” means the Gross Settlement Amount less the following
15 payments approved by the Court: Class Counsel Fees Payment, Class Counsel Expenses Payment,
16 Class Representative Service Payments, Administration Fees, Individual PAGA Payments, and
17 LWDA PAGA Payments. The remainder is to be paid to Participating Class Members as Individual
18 Class Payments. (Settlement, ¶ 1.28.)

19 20. “Claims released by Participating Class Members” Upon final approval of the
20 settlement and payment made by Defendant of the Gross Settlement Amount to the Third Party
21 Administrator chosen by the Parties, All Participating Class Members, on behalf of themselves and
22 their respective former and present spouses, family members, representatives, agents, attorneys,
23 heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were
24 alleged, or reasonably could have been alleged, based on the facts stated in the Operative
25 Complaint during the Class Period, including, e.g., any and all claims arising under California
26 Labor Code sections 201, 202, 203, 204, 218.5, 218.6, 226, 226.7, 510, 512, 1174(d), 1194, 1194.2,
27 1197, 1198, 2802 and the applicable Industrial Welfare Commission Wage Orders based on any
28 alleged failure to pay minimum wage; failure to pay overtime compensation; failure to pay paid

1 time off wages; failure to provide meal periods; failure to authorize and permit rest periods; failure
2 to indemnify necessary business expenses; failure to timely pay final wages; failure to timely pay
3 wages during employment; failure to provide accurate wage statements; failure to keep adequate
4 records; and unfair business practices arising under California Business and Professions Code
5 section 17200, et seq. Excluded from this portion of the release are claims for PAGA penalties that
6 were alleged, or reasonably could have been alleged, based on the facts stated in the Operative
7 Complaint and the Plaintiffs' PAGA Notice during the PAGA Period. Except as set forth in Section
8 6.3 of this Agreement, Participating Class Members do not release any other claims, including
9 claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing
10 Act, unemployment insurance, disability, social security, workers' compensation, or claims based
11 on facts occurring outside the Class Period. (Settlement, ¶ 6.2.)

12 21. "Released Parties" means Defendant, and each of their former, present, and future
13 owners, parents, and subsidiaries, and all of their current, former, and future officers, directors,
14 members, managers, employees, consultants, partners, shareholders, joint venturers, agents,
15 predecessors, successors, assigns, accountants, insurers, reinsurers, and/or legal representatives.
16 (Settlement, ¶ 1.42.)

17 THE PROPOSED SETTLEMENT IS FAIR, REASONABLE, AND ADEQUATE

18 22. Class Counsel have conducted a thorough investigation into the facts of this case.
19 Based on the foregoing discovery and their own independent investigation and evaluation, Class
20 Counsel is of the opinion that the Settlement is fair, reasonable, and adequate. Furthermore, in light
21 of all known facts and circumstances, the risk of significant delay, trial risk, appellate risk, the
22 defenses that could be asserted by Defendant both to certification and on the merits, the settlement
23 is in the best interests of the Class.

24 23. Based on my analysis of the time, payroll, and additional records provided by
25 Defendant, Plaintiffs' expert's analysis of the time and payroll records provided by Defendant, and
26 information from Plaintiffs, I evaluated Defendant's maximum exposure. I took into account the
27 risk of not having the claims certified and the risk of not prevailing at trial, even if the claims are
28 certified. According to the data Defendant provided at the time of mediation, there are 98 Class

Members, approximately 17,500 workweeks, 82,117 shifts, and the weighted average hourly rate is \$17.88 per hour. Based on Defendant's payroll data, there are 35 former employees who fall within the 3-year statute of limitations period for Labor Code § 203 penalties, and 88 employees that fall within the 1-year statute of limitations period for penalties under Labor Code § 226. Additionally, there are 9,760 pay periods within the 1-year statute of limitations period for PAGA penalties. Accordingly, I calculated Defendant's potential exposure as follows:

Claim	Relevant Time Period	Rate	Number of Violations	Realistic Exposure Amount
Unpaid Overtime (Due to Rounding)	17,500 workweeks	\$17.88 average hourly rate of pay	521.4 unpaid hours (includes overtime and double time)	\$9,516.50*
Unpaid Minimum + Overtime Wages (Due to Off the Clock Work)	17,500 workweeks	\$17.88 average hourly rate / \$26.82 average overtime rate	13,686 unpaid hours (assumes 10 minutes per shift) (71.5% overtime)	\$49,828.19****
Unpaid Overtime (Regular Rate Issue)	17,500 workweeks	\$18.16 average regular rate of pay	70 Employees with Overtime and 67 Employees with Sick Pay	\$2,176.00**
Meal Period Violations	17,500 workweeks	\$17.88 average hourly rate	44,041 unique meal break violations	\$196,863.27**
Rest Period Violations	17,500 workweeks	\$17.88 average hourly rate	81,647 unique rest break violations (assumes 100% violation rate for shifts of at least 3.5 hours)	\$364,962.09**
Unreimbursed Business Expenses	17,500 workweeks	Assumes \$25 per month	Based on information from Plaintiff	\$16,406.25***
Labor Code § 226	Based on approx. 88 employees within the 1-year SOL	\$50 per initial pay period /\$100 per subsequent pay periods /\$4,000 employee max.	Based on 9,760 pay periods within the 1-year SOL	\$15,475.00*****

Labor Code § 203	Based on approx. 35 terminated employees within the 3-year SOL	\$17.88 average hourly rate /30-day max.	Assumes 8.5 hours/day	\$7,978.95****
PAGA	Based on approx. 9,760 pay periods within the 1-year SOL	\$100 per pay period	Based on approx. 9,760 pay periods within the 1-year SOL	\$48,800.00****
Total				\$712,006.25
* These figures are discounted based on a 50% probability of prevailing at class certification and on the merits. ** These figures are discounted based on a 25% probability of prevailing at class certification and on the merits. *** These figures are discounted based on a 15% probability of prevailing at class certification and on the merits. ***** These figures are discounted based on a 5% probability of prevailing at class certification and on the merits. ¹				

24. Using these estimated figures, and more thoroughly discussed in my declaration submitted in support of Plaintiffs' Motion for Preliminary Approval that was granted by this Court on May 24, 2024, **Plaintiffs predicted that the *realistic* maximum recovery for all claims, including penalties, would be \$712,006.25. This means that the \$656,250.00 settlement figure represents approximately 92.17% of the realistic maximum recovery.** This is an excellent result for the Class. Indeed, because of the proposed Settlement, Class Members will receive timely, guaranteed relief and will avoid the risk of an unfavorable judgment.

25. While Plaintiffs are confident in the merits of their claims, a legitimate controversy exists as to each cause of action. Plaintiffs also recognize that proving the amount of wages due to each Class Member would be an expensive, time-consuming, and uncertain proposition.

26. I am also of the opinion that because the issues here are fairly contested, there is a possibility of the Court not awarding PAGA penalties even if Plaintiffs prevailed on the merits.

¹ A discount for risk at certification and trial is reasonable because the Judicial Council of California found that only 21.4% of all class actions were certified either as part of a settlement or as part of a contested certification motion. (See Findings of the Study of California Class Action Litigation, 2000-2006, available at [http:// www.courts.ca.gov/documents/class-action-lit-study.pdf](http://www.courts.ca.gov/documents/class-action-lit-study.pdf).) Moreover, discounting is particularly warranted in this case because of the individualized and testimony-intensive nature of the wage claims that could bar or limit the likelihood of any recovery whatsoever.

1 27. The Settlement obviates the significant risk that this Court may deny certification
2 of all or some of Plaintiffs' claims. Furthermore, even if Plaintiffs were able to pursue the claims
3 on a class-wide basis and thereafter obtained certification of all or some of the claims, continued
4 litigation would be expensive, involving a trial and possible appeals, and would substantially delay
5 and reduce any recovery by the Class Members.

6 28. This Settlement avoids the risks and the accompanying expense of further litigation.
7 Although the Parties had engaged in a significant amount of investigation, informal discovery and
8 class-wide data analysis, the Parties had not yet completed formal written discovery. Moreover,
9 preparation for class certification and a trial remained for the Parties as well as the prospect of
10 appeals in the wake of a disputed class certification ruling for Plaintiffs and/or adverse summary
11 judgment ruling. Had the Court certified any claims, Defendant could move to decertify the claims.
12 As a result, the Parties would incur considerably more attorneys' fees and costs through trial.

13 29. The Net Settlement Amount available for Class Members' settlement payments is
14 estimated to be **\$348,537.50**, for a class of 99 individuals.² (Declaration of Mayra Gonzalez of
15 Phoenix Class Action Administration Solutions with Respect to Notice and Settlement
16 Administration ("Gonzalez Decl."), ¶ 13.) **As a result, each Participating Class Member is**
17 **eligible to receive an average net benefit of approximately \$3,520.58.** (*Id.* at 14.) This amount
18 will vary based on the duration of employment during the Class Period. Thus, Class Members who
19 worked longer for Defendant during the Class Period will receive a net benefit greater than the
20 average amount.

21 30. The proposed Settlement of \$656,250.00 therefore represents a substantial recovery
22 when compared to Plaintiffs' reasonably forecasted recovery. When considering the risks of
23 litigation, the uncertainties involved in achieving class certification, the burdens of proof necessary
24 to establish liability, the probability of appeal of a favorable judgment, it is clear that the settlement
25 amount of \$656,250.00 is within the "ballpark" of reasonableness, and final settlement approval is

26
27 ² The Net Settlement Amount is: \$656,250.00 minus \$15,000.00 for class representative
28 service award, minus \$7,000.00 in administration costs, minus \$50,000.00 for PAGA penalties,
minus \$218,729.00 for attorneys' fees, and minus \$16,983.50 for Class Counsel's current
litigation expenses.

appropriate.

THE SERVICE AWARD FOR PLAINTIFFS IS REASONABLE

31. Throughout this litigation, Plaintiffs, who were former employees of Defendant, have cooperated immensely with my office and have taken many actions to protect the interests of the class. Plaintiffs provided valuable information regarding their hours worked, and what duties were performed during those hours. Plaintiffs also provided information regarding meal and rest periods taken and missed by Plaintiffs and the class. Plaintiffs participated in decisions concerning this action, assisted in preparation for the mediation, and provided my office with the names and contact information of potential witnesses in this action. Before we filed this case, Plaintiffs worked with my office to determine the viability of their claims. Plaintiffs also provided information and documents relating to their employment with Defendant. The information and documentation provided by Plaintiffs was instrumental in establishing the wage and hour violations alleged in this action, and the recovery provided for in the Settlement would have been impossible to obtain without his participation.

32. At the same time, Plaintiffs faced many risks in adding themselves as the class representatives in this matter. Plaintiffs faced actual risks with their future employment, as putting himself on public record in an employment lawsuit could also very well affect their likelihood for future employment.

33. In turn, Class Members will now have the opportunity to participate in a settlement, reimbursing them for wage violations they may have never known about on their own or been willing to pursue on their own. If these Class Members would have each tried to pursue their legal remedies on their own, that would have resulted in each having to expend a significant amount of their own monetary resources and time, which were obviated by Plaintiffs putting themselves on the line on behalf of these other Class Members.

34. In the final analysis, this class action would not have been possible without the aid of Plaintiffs, who put their own time and effort into this litigation and placed themselves at risk for the sake of the Class Members. The requested service award for Plaintiffs for their service as the class representatives is a relatively small amount of money considering the time and effort put into

1 the litigation and in comparison, to enhancements granted in other class actions. The requested
2 incentive award is therefore reasonable to compensate Plaintiffs for their active participation in
3 this lawsuit.

4 THE REQUEST FOR ATTORNEYS' FEES AND COSTS IS REASONABLE

5 35. The Settlement provides for attorneys' fees payable to Class Counsel in an amount
6 of not more than thirty-three and one-third (33.33%) of the Gross Settlement Amount, for a
7 maximum fees award of \$218,729.00, plus actual costs and expenses not to exceed \$20,000.00.
8 The proposed award of attorneys' fees to Class Counsel in this case can be justified under either
9 method – lodestar or percentage recovery. Class Counsel, however, intend to base the proposed
10 award of fees, costs, and expenses on the percentage method as many of the entries in the time
11 records will have to be redacted to preserve attorney-client and attorney work product privileges.

12 36. I am informed and believe that the fee and costs provision is reasonable. The fee
13 percentage requested is less than that charged by my office for most employment cases. My office
14 invested significant time and resources into the case, with payment deferred to the end of the case,
15 and then, of course, contingent on the outcome.

16 37. It is further estimated that my office will need to expend at least another 50 to 100
17 hours to monitor the process leading up to the final approval and payments made to the class.
18 My office also bears the risk of taking whatever actions are necessary if Defendant fails to pay.

19 38. The risk to my office has been very significant, particularly if we would not be
20 successful in pursuing this class action. In that case, we would have been left with no compensation
21 for all the time taken in litigating this case. Indeed, I have taken on a number of class action cases
22 that have resulted in thousands of attorney hours being expended and ultimately having the
23 defendant company going bankrupt. The contingent risk in these types of cases is very real and
24 occurs regularly. Furthermore, we were precluded from focusing on, or taking on, other cases
25 which could have resulted in a larger, and less risky, monetary gain.

26 39. Because most individuals cannot afford to pay for representation in litigation on an
27 hourly basis, Moon Law Group, PC represents virtually all of its employment law clients on a
28 contingency fee basis. Pursuant to this arrangement, we are not compensated for our time unless

1 we prevail at trial or successfully settle our clients' cases. Because Moon Law Group, PC is taking
2 the risk that we will not be reimbursed for our time unless our client settles or wins his or her case,
3 we cannot afford to represent an individual employee on a contingency basis if, at the end of our
4 representation, all we are to receive is our regular hourly rate for services. It is essential that we
5 recover more than our regular hourly rate when we win if we are to remain in practice so as to be
6 able to continue representing other individuals in civil rights employment disputes.

7 40. As of the drafting of this motion, my office has incurred \$16,983.50 in expenses
8 litigating this action, and we anticipate accruing additional costs up to Final Approval of the
9 Settlement. These expenses were reasonably necessary to the litigation and were actually incurred
10 by my office. They should be reimbursed in full, up to the maximum amount allowed in the
11 Settlement. In the event costs do not reach or exceed the maximum amount allowed in the
12 Settlement, the difference will revert to the Class Members.

13 MY EXPERIENCE AND QUALIFICATIONS

14 41. Moon Law Group, PC has been engaged in the practice of employment and labor
15 law for almost a decade, and presently focuses exclusively on plaintiffs' employment law. The
16 firm and its lawyers have successfully settled hundreds of cases during that time, including class
17 action cases. The firm and its lawyers have also tried both bench and jury trials (representing both
18 plaintiffs and defendants) relating to employment matters. Moon Law Group, PC has been
19 appointed lead or co-lead class counsel in federal and state courts in California. In addition to the
20 present case, I am also class counsel for dozens of other putative wage-and-hour class-action
21 lawsuits pending in various state and federal jurisdictions throughout California.

22 42. I received a B.A. in History in 1998 from UCLA. I received my J.D. from Loyola
23 Marymount Law School in 2006. I became an Active Member of the State Bar of California in
24 June 2007 and have been an Active Member in good standing continuously since then. I am a
25 current member of the California Employment Lawyers Association (CELA). I have been selected
26 to Super Lawyers for 2019 and 2020.

1 43. I co-founded Moon & Yang, APC- now Moon Law Group, PC- in March 2010. My
2 practice is focused exclusively on advocating for the rights of employees in wage-and-hour
3 litigation, almost entirely in class actions.

4 44. For the past decade, I have built my practice to have an emphasis on employment
5 and related civil litigation cases and have both prosecuted and defended employment-related
6 litigation cases. I have been heavily, successfully, and continuously involved in active litigation
7 and trial work, and have conducted bench and jury trials on behalf of both employees and
8 employers in wage and hour cases.

9 45. I am experienced in prosecuting and defending employment matters, particularly
10 class actions. My firm has focused a substantial percentage of its practice on wage, hour, and
11 working conditions violations. In addition to the present case, I am also class counsel for other
12 wage-and-hour class action lawsuits pending in various counties throughout California, including
13 in federal courts. The following is a list of some of our recent class action settlements that have
14 received preliminary and final approval: *Mark Brulee, et al. v. DAL Global Services, LLC* (C.D.
15 Cal. Dec. 20,2018) No. CV 17-6433 JVS(JCGx), 2018 WL 6616659 (class size approx. 2,650; lead
16 counsel) (In approving my \$650 hourly rate, the Court found: “Class Counsel's declarations show
17 that the attorneys are experienced and successful litigators. Other courts have approved the
18 attorneys' current rates for the Moon & Yang, APC attorneys.” (*Id.* at *10.); *Sison v. Cha*
19 *Hollywood Medical Center, L.P.*, LASC BC6441 29 (class size approx. 2,100; co-counsel); *Jones*
20 *v. Fitness Alliance, LLC*, Riverside Superior Court PSC1404079 (class size approx. 1,000; lead
21 counsel); *Gomez v. H Mart Companies, Inc.*, LASC BC671525 (class size approx. 2,500; co-
22 counsel); *Montoya v. Golden 1 Credit Union*, Sacramento Superior Court 34-2018-00228252 (class
23 size approx. 1,900; lead counsel); *Campa v. Bloomingdeals, Inc.*, LASC BC700366 (class size
24 approx. 1,500; lead counsel); *Black v. Mission Healthcare Services, Inc.*, LASC 19STCV04602
25 (class size approx. 1,000; lead counsel); *Onofre v. Caitac Garment Processing, Inc.*, LASC
26 BC702283 (class size approx. 750; lead counsel); *Martinez v. Bail Hotline Bail Bonds, Inc.*, LASC
27 BC700131 (class size approx. 173; lead counsel); *Jones v. Citiguard, Inc.*, LASC BC664890 (class
28 size approx. 587; lead counsel); *Slaughter v. ACA Security Stems, LP*, LASC BC699137 (class size

approx. 300; lead counsel); *Taylor v. Sherman's Delicatessen & Bakery, LLC*, LASC BC722765 (class size approx. 515; lead counsel); *Vertti v. Bagcraft Papercon III, LLC*, LASC 19STCV12729 (class size approx. 260; lead counsel); *Rodriguez v. Rossmoyne, Inc.*, LASC BC699137 (class size approx. 220; lead counsel); *Vargas v. AMS Paving, Inc.*, LASC BC722767 (case size approx. 260; lead counsel); *Garcia v. Comfy U.S.A. Apparel, Inc.*, LASC BC709630 (class size approx. 210; lead counsel); *Lagos v. ThyssenKrupp Elevator Corporation*, LASC BC682972 (\$750,000 for 79 class members; lead counsel); *Aparicio v. Lineage Logistics, LLC*, LASC BC722764 (class size approx. 155; lead counsel).

46. This experience is helpful in assessing the reasonableness of settlements such as the one at issue here, and from this experience Class Counsel concluded that this lawsuit could not have been settled on better terms than provided under the present Settlement.

LILIT TER-ASTVATSATRYAN'S EXPERIENCE AND QUALIFICATIONS

47. Lilit Ter-Astvatsatryan is a Senior Associate attorney at Moon Law Group, PC. Since she was admitted to the California Bar, her practice has exclusively focused on labor and employment class action lawsuits involving California and federal labor laws. Prior to her employment at Moon Law Group, PC, she worked at Setareh Law Group, where she worked with Senior Counsel and mentor H. Scott Leviant on over 80 class actions. During the pendency of this Action, Ms. Ter-Astvatsatryan's billing rate is 700.00 per hour, which is her usual hourly rate in wage and hour litigations.

48. Ms. Ter-Astvatsatryan received her Juris Doctorate from the University of California, Hastings College of the Law in 2017, where she served as a Symposium Editor for the Hastings Race and Poverty Law Journal and a Teaching Assistant to the Legal Research & Writing and Legal Analysis programs. In law school, she served as a Judicial Extern to the Honorable Patrick J. Walsh of the United States District Court, Central District of California.

49. Ms. Ter-Astvatsatryan received her undergraduate degree in 2014 from the University of California, Los Angeles with a Bachelor of Arts degree in Anthropology and a minor in English Literature.

50. Ms. Ter-Astvatsatryan is a current member of the California Employment Lawyers Association (CELA).

1 51. As an associate working solely on wage and hour class action cases, she has been
2 involved in all aspects of complex litigation, including assisting in class certification motions in the
3 following cases:

- 4 (a) *Macario Gonzalez v. Metcon TI, Inc., Alameda Superior Court*, Case No.
5 RG19015589 [after class certification motion was filed, the parties attended
6 mediation and ultimately resolved the matter on a class wide basis];
7 (b) *Miguel Angel Lopez Cuadras v. R.C. Wendt Painting, Inc.*, Los Angeles
8 Superior Court, Case No. BC705964 [after class certification motion was
9 entirely briefed, the parties attended mediation and ultimately resolved the
10 matter on class wide basis];
11 (c) *Noe Armendariz v. Kinkisharyo International, LLC*, United States District
12 Court, Central District of California, Case No. 2:19-cv-08757-JAK-KS
13 [motion for class certification filed, decision pending].

14 52. Additionally, the following is a list of cases where she briefed preliminary and final
15 approval motions of class action settlements that were ultimately granted by each respective Court:

- 16 (a) *Ana Rose De Jesus, et al. v. Philippine National Bank, et al*, Los Angeles
17 Superior Court, Case No. BC673024;
18 (b) *Andres De La Riva Sotelo v. Belfor USA Group, Inc.*, Los Angeles Superior
19 Court, Case No. BC688895;
20 (c) *Carlos Vertti v. Bagcraft Papercon III, LLC, et al.*, Los Angeles Superior
21 Court, Case No. 19STCV12729;
22 (d) *Christopher Thurman v. Wanton Group SP, LLC*, et al, Los Angeles Superior
23 Court, Case No. 19STCV18772;
24 (e) *Francisca Velasco v. Paige, LLC*, Los Angeles Superior Court, Case No.
25 19STCV12114;
26 (f) *Jose Montoya v. The Golden 1 Credit Union*, Sacramento Superior Court,
27 Case No. 34-2018-00228252
28 (g) *Malu Vaesau v. Double AA Corporation*, San Francisco Superior Court, Case

No. CGC-19-572598

(h) *Tyler Jones v. Citiguard, Inc.*, Los Angeles Superior Court, Case No. BC664890;

(i) *Venancio Miranda v. Maximum Nursery, Inc.*, Santa Barbara Superior Court, Case No. 19STCV06041;

53. In addition to her work on complex litigation matters and class actions, she has authored published articles on California labor laws, including:

(a) Lilit Ter-Astvatsatryan and H. Scott Leviant, *Where Troester Stops Not Even Troester Knows*, Daily Journal (Los Angeles & San Francisco), July 2, 2019;

(b) Lilit Ter-Astvatsatryan and H. Scott Leviant, *Unaccounted Time: Reading the Tea Leaves of Troester*, Daily Journal (Los Angeles & San Francisco), September 12, 2018.

54. Finally, Ms. Ter-Astvatsatryan was selected as a Southern California “Rising Star” by Super Lawyers in June 2022.

HOLLY WILLIAMS’ EXPERIENCE AND QUALIFICATIONS

55. Holly Williams is an associate attorney at Moon Law Group, PC and represents employees in all aspects of employment litigation, including wage-and-hour class and representative actions involving claims related to overtime and minimum wages, meal and rest break violations, improper wage statements, the California Private Attorneys General Act, and unfair business practices.

56. Ms. Williams received a Bachelor of Science in Environmental Science and Management from the University of California, Davis, and a Juris Doctorate from Chapman University Dale E. Fowler School of Law.

57. Ms. Williams became an Active Member of the State Bar of California in December 2023 and has been an Active Member in good standing continuously since. Ms. Williams is also a member in good standing with the United States District Court for the Central and Eastern District. Ms. Williams’ billing rate is \$350.00 per hour.

REASONABLENESS OF THE REQUESTED FEE AWARD

58. The Class Counsel Fee Award is 33 1/3% of the Gross Settlement Amount, or \$218,729.00. (Settlement, ¶ 3.1.2.) The proposed award of attorneys' fees to Class Counsel in this case can be justified under both the percentage and lodestar methods. Class Counsel, however, intends to base the proposed award of fees, costs, and expenses on the percentage method, as many of the entries in the time records would have to be redacted to preserve attorney-client and attorney work-product privileges if the lodestar method were utilized.

59. The total current lodestar for Moon Law Group, PC is not less than the following:

Attorney	Time	Rate	Total
Kane Moon	64.6	\$900.00	\$58,140.00
Lilit Ter-Astvatsatryan	105.3	\$700.00	\$73,710.00
Holly Williams	68.7	\$350.00	\$24,045.00
	238.6	Total:	\$155,895.00

60. There are additional hours devoted by me (and my office) to this litigation that are not reflected in Class Counsel's request for attorney's fees.

61. We can provide complete, detailed billing records in the event the Court requests them but would request the opportunity to redact attorney-client privileged information and any other privileged information. As discussed below, a positive multiplier of 1.40 is warranted in this case.

62. The lodestar method requires the Court to determine a "touchstone" or lodestar figure based on a compilation of time spent and reasonable hourly compensation for each attorney. *Graham v. DaimlerChrysler Corporation* (2004) 34 Cal.4th 553, 579. Generally, hours are reasonable if they were "reasonably expended in pursuit of the ultimate result achieved in the same manner that an attorney traditionally is compensated by a fee-paying client." *Hensley v. Eckerhart* (1983) 461 U.S. 424, 431. The Court "should defer to the winning lawyer's professional judgment as to how much time he was required to spend on the case." *Moreno v. City of Sacramento* (9th Cir. 2008) 534 F.3d 1106, 1112.

- 1 (a) Number of Hours Expended by Class Counsel are Reasonable: As set forth
2 in this declaration Class Counsel expended a significant amount of time
3 litigating the case to achieve an excellent result on behalf of the Class. To
4 date, Class Counsel has spent approximately 238.6 hours litigating this case.
5 If the Court grants final settlement approval, Class Counsel will spend
6 additional time monitoring the administration of the Settlement after final
7 approval. The number of hours that Class Counsel devoted to this case is
8 reasonable. *See, e.g., Ketchum v. Moses* (2001) 24 Cal.4th 1122, 1133 (fee
9 award should be “fully compensatory [and] absent circumstances rendering
10 the award unjust, an attorney fee award should ordinarily include
11 compensation for all the hours reasonably spent.”); *Serrano III*, 20 Cal. 3d
12 at 49 (counsel are entitled to compensation for all hours reasonably
13 expended); *Hensley*, 461 U.S. at 435-36; *Caudle v. Bristow Optical Co.*, 224
14 F.3d 1014, 1028 (9th Cir. 2000); *Cabrales v. County of Los Angeles*, 935
15 F.2d 1050, 1052-53 (9th Cir. 1991). As discussed above, Class Counsel were
16 required to expend considerable time and resources to investigate, litigate,
17 and successfully settle these claims for the benefit of the Class.
- 18 (b) Class Counsels’ Hourly Rates are Reasonable: The established standard
19 when determining a reasonable hourly rate is the “rate prevailing in the
20 community for similar work performed by attorneys of comparable skill,
21 experience, and reputation.” *Camacho v. Bridgeport Fin., Inc.* (9th Cir.
22 2008) 523 F.3d 973, 979 (*quoting Barjon v. Dalton* (9th Cir. 1997) 132 F.3d
23 496,502). This rule applies even when, as here, the attorneys representing
24 the named plaintiff performed the work on a contingent fee basis. *See, e.g.,*
25 *Robertson v. Fleetwood Travel Trailers* (2006) 144 Cal.App4th 78 5, 818;
26 *Blanchard v. Bergeron* (1989) 489 U.S. 87, 96. These hourly rates are
27 reasonable in light of the significant experience, expertise, and skill my firm
28 brought to this action. Rates are reasonable if they are “within the range of

1 reasonable rates charged by and judicially awarded comparable attorneys for
2 comparable work.” *Children’s Hosp. and Med. Ctr. v. Bonta* (2002) 97
3 Cal.App.4th 740, 783. The trial court may “find hourly rates reasonable
4 based on evidence of other courts approving similar rates.” *Parkinson v.*
5 *Hyundai Motor America* (C.D. Cal. 2010) 796 F.Supp.2d 1160, 1172. The
6 attorneys at Moon Law Group, PC are experienced litigators who specialize
7 in employment law, with a substantial wage and hour class action practice.
8 These rates are not opposed or challenged and have been approved by other
9 courts.

10 (c) Application of Positive Multiplier is Warranted: Once this lodestar figure
11 has been determined, the Court may take into account other “enhancement”
12 factors to adjust the lodestar award. As the California Supreme Court has
13 held, contingency fees should be higher than fees for the same legal services
14 paid concurrently with the provision of the services. *Ketchum*, 24 Cal.4th at
15 1132-33; *see also Fischel v. Equitable Life Assurance Soc’y of the United*
16 *States*, 307 F.3d 997,1008 (9th Cir. 2002). “A lawyer who both bears the risk
17 of not being paid and provides legal services is not receiving the fair market
18 value of his work if he is paid only for the second of these functions. If he is
19 paid no more, competent counsel will be reluctant to accept fee award
20 cases.” *Ketchum*, 24 Cal.4th at 1133. Application of that rule is particularly
21 appropriate where the case is brought to redress important rights of
22 vulnerable persons. *Id.* A risk enhancement is “earned compensation; unlike
23 a windfall, it is neither unexpected nor fortuitous. Rather it is intended to
24 approximate market-level compensation for such services which typically
25 pay a premium for the risk of nonpayment or delay in payment of attorney’s
26 fees.” *Id.* at 1138. Multipliers normally range from two to four or higher.
27 *Wershba*, 91 Cal.App.4th at 255; *see also Vizcaino*, 290 F.3d at 1051 n.6
28 (“most” common fund cases apply a multiplier of 1.0-4.0); *Been v. O.K.*

1 *Industries, Inc.*, 2011 WL 4478766, * 11 (E.D. Okla. 201 1) (citing a study
2 “reporting [an] average multiplier of 3.89 in survey of 1,120 class action
3 cases” and finding that a multiplier of 2.43 would be “per se reasonable”).
4 Factors considered in determining whether a lodestar multiplier is
5 appropriate generally include: (1) the risks presented by the contingent
6 nature of the case; (2) the novelty and difficulty of the questions involved
7 and the skill requisite to perform the legal service properly; (3) the nature of
8 the opposition; (4) the preclusion of other employment by the attorney due
9 to acceptance of the case; and (5) the result obtained and the importance of
10 the lawsuit to the public. *Serrano III*, 20 Cal. 3d at 48-49. All of these factors
11 favor approval of a multiplier along the lines of those approved in the cases
12 above. To date, Class Counsel have incurred \$155,895.00 in attorney’s fees
13 and advanced \$16,983.50 in litigation costs and expenses. After
14 reimbursement of their reasonable out-of-pocket expenses, the fee request
15 represents a positive multiplier of 1.40 of the lodestar fees incurred in
16 prosecuting this case.

- 17 i. *Risks Presented by Contingent Nature of Case*: The major
18 consideration in determining the necessity of a multiplier is the
19 contingent nature of the award. *Ketchum*, 24 Ca1.4th at 1132-33; *see*
20 *also Fischel*, at 1008. In determining what multiplier to award the
21 probability of success must be assessed ex ante, that is as viewed
22 from the outset of the case. *See e.g., Harman v. Lyphomed. Inc.*, 945
23 F.2d 969, 976 (7th Cir. 1991). Further, the possibility of no recovery
24 is only one of the uncertainties involved in taking on such a case.
25 Other uncertainties are the amount that will be recovered, uncertainty
26 as to the cost, both in effort and expenses, and uncertainty about how
27 much time will pass before the recovery is obtained. *See e.g.*
28 *Ketchum*, 24 Ca1.4th at 1132-1133, 1138. Class Counsel’s outlay of

1 time and money in this case has been significant. In all, Class
2 Counsel have spent approximately 238.6 hours investigating,
3 analyzing, researching, litigating, and negotiating a favorable
4 resolution of this case, and have incurred \$16,983.50 in necessary
5 litigation expenses. Unsettled legal issues also presented risks to the
6 claims in this case. Class Counsel bore the substantial risk of an
7 uncertain outcome in agreeing to prosecute this class action case on
8 a contingency fee basis, as well as the difficulties and delay inherent
9 in such litigation. There was the prospect of the enormous cost
10 inherent in class action litigation, as well as extensive negotiations
11 with corporate defendants who vigorously opposed Plaintiffs' claims
12 and resisted settlement from the outset. Class Counsel risked
13 significant time and expense to ensure the successful settlement. As
14 detailed above, the risks presented in this case were significant, and
15 Defendant's defenses posed serious risks to the success of this matter
16 on the merits. These risks illustrate the recognition by the California
17 Supreme Court in *Ketchum* that, if multipliers are not awarded to
18 class counsel in the cases that are successfully settled, counsel's fees
19 are essentially being cut because the lodestar in and of itself would
20 not account for contingent risk.

- 21 ii. *Difficulty of the questions involved and the skill required:* Class
22 Counsel are skilled attorneys who have had success in wage-and-
23 hour class actions. This case required experienced and competent
24 lawyers and expertise in the issues presented herein. To obtain such
25 an attorney on the free market, a client must pay the market rate.
26 While most class actions are complex and involve some risk, Class
27 Counsel had to overcome several major obstacles in prosecuting this
28 case. Defendant's contentions underscore the risk of prevailing at

1 class certification and trial, and any of these obstacles could have
2 prevented recovery completely.

3 iii. *Vigorous opposition by Defendant*: Counsel who skillfully overcome
4 difficult issues or uncompromising opposition in the litigation are
5 entitled to a fee enhancement. *Serrano III*, 20 Cal.3d at 49. Here,
6 before eventually agreeing to the Settlement, Defendant asserted a
7 vigorous defense. The settlement effort was protracted, with
8 extended discussions and instances in which it appeared the parties
9 would not reach a settlement. Further, proceeding to trial would have
10 added years to the resolution of this case because of the difficult legal
11 and factual issues raised and the likelihood of appeals. Indeed, even
12 if Plaintiffs prevailed at class certification and trial, Defendant may
13 be able to mount a credible appeal.

14 iv. *The extent to which litigation precluded other employment would*
15 *justify an enhancement*: There are only so many cases that Class
16 Counsel can take at any one time. Consequently, there were other
17 meritorious cases presented to Class Counsel that would have
18 generated substantial fees, but were declined, during the pendency of
19 this action in order to devote the attention necessary to achieve
20 favorable results.

21 v. *The result obtained would justify an enhancement*: The results
22 obtained in litigation can properly be used to enhance a lodestar
23 calculation where an exceptional effort produced excellent results.
24 *Graham*, 34 Cal.4th at 582. Here, class members will receive an
25 average payment of \$3,520.58 with the estimated highest gross
26 payment being approximately \$10,763.66. (Gonzalez Decl. ¶ 14).
27 Considered against the size of the class, the risks of continued
28 litigation, and the importance of the employment rights and a speedy

1 recovery, the relief provided under the Settlement represents a very
2 strong result for the Class.

3 63. Additional time will be required by Class Counsel to obtain final approval of the
4 Settlement and requested awards including monitoring the Settlement, responding to class member
5 inquiries, and overseeing administration of the Settlement and distribution of the fund. I estimate
6 that my office will commit no less than 10 hours to those tasks and have not included those hours
7 above. Given my firm's time spent on this case and the positive reaction by the class, the requested
8 fee award is reasonable and fair.

9 64. As of the drafting of this motion, my office has incurred \$16,983.50 in expenses
10 litigating this action. These expenses were reasonably necessary to the litigation and were actually
11 incurred by my office. They should be reimbursed in full, up to the maximum amount allowed in
12 the Settlement Agreement.

13 65. I am informed and believe that the fee and costs provision is reasonable. Not only
14 is the fee percentage requested less than that charged by my office for most employment cases, but
15 also, my office has invested significant time and resources into this case, with payment deferred to
16 the end of the case, and then, of course, contingent on the outcome.

17 66. Including myself, Moon Law Group, PC includes twenty-eight attorneys, all of
18 whom are actively and continuously practicing in employment litigation, exclusively representing
19 employee plaintiffs, in both individual and class actions, in this Superior Court, and other Superior
20 Courts throughout the state, in the Court of Appeal, and in various federal courts.

21 67. My office is qualified to handle this litigation because we are experienced in
22 litigating Labor Code violations in both individual and class actions. I have been appointed as lead
23 or co-lead counsel in numerous wage and hour class actions in state and federal courts, resulting
24 in millions of dollars in class action judgments or settlements.

25 68. My office invested significant time and resources into the case, with payment
26 deferred to the end of the case, and then, of course, contingent on the outcome. My office's efforts
27 included, without limitation, the following:
28

- (a) Numerous interviews with the Plaintiffs and review of documents provided by them;
- (b) Legal research and investigation regarding the Defendant's practices at numerous points in the litigation;
- (c) Preparation of multiple drafts of the original class action complaint and finalization and filing of the original class action complaint;
- (d) Extensive "meet and confer" correspondence and discussions with Defendant's counsel regarding settlement;
- (e) Extensive "meet and confer" correspondence and discussions with Defendant's counsel to obtain relevant documents and information through informal discovery;
- (f) Analysis of the audit results and preparation of a damages model with the aid of a statistics expert;
- (g) Research and preparation of Plaintiffs' mediation briefs;
- (h) Attendance at a mediation;
- (i) Drafting, negotiating, and reviewing multiple drafts of the Settlement Agreement and attachments; and
- (j) Preparation of the motion for preliminary approval; and
- (k) Drafting the motion for final approval.

69. The risk to my office has been significant, particularly if we would not be successful in pursuing this class action. In that case, we would have been left with no compensation for all the time taken in litigating this case. Indeed, we have taken on a number of class action cases that have resulted in thousands of attorney hours being expended and ultimately having certification denied or the defendant company going bankrupt. The contingent risk in these types of cases is very real and occurs regularly. Furthermore, we were precluded from focusing on, or taking on, other cases which could have resulted in a larger, and less risky, monetary gain.

1 70. In the high-risk, high-cost practice of class action litigation, Moon Law Group has
2 endured financial losses in several of its cases. I believe that the particular risk of taking on this
3 high-cost, high-risk case supports an upward adjustment of the lodestar calculation.

4 71. Because most individuals cannot afford to pay for representation in litigation on an
5 hourly basis, Moon Law Group, PC represents all of its employment law clients on a contingency
6 fee basis. Pursuant to this arrangement, we are not compensated for our time unless we prevail at
7 trial or successfully settle our clients' cases. Because Moon Law Group, PC is taking the risk that
8 it will not be reimbursed for our time unless our client settles or wins his or her case, we cannot
9 afford to represent an individual employee on a contingency basis if, at the end of our
10 representation, we receive less than the amount of attorneys' fees negotiated with defendants. It is
11 therefore essential that we recover our requested fees when we settle cases if we are to remain in
12 practice and continue representing other individuals in civil rights employment disputes.

13 72. I am informed and believe that the efforts of my office have resulted in substantial
14 benefits to the settlement Class, in the form of a substantial settlement fund established to
15 compensate Settlement Class Members for the wage-and-hour violations noted above. Through the
16 efforts of my office and Plaintiffs in this case, a fair and reasonable resolution has been reached. I
17 am informed and believe that, without the efforts of my office, the Labor Code and Wage Order
18 violations alleged in the Complaint would have gone completely unremedied. The attorneys' fees
19 award provided for in the settlement is therefore reasonable given the result achieved.

20 PLAINTIFFS' COUNSEL'S RELATIONSHIP TO THE *CY PRES* RECIPIENT

21 66. The Parties have selected Legal Aid at Work as the *cy pres* recipient in connection with
22 this Settlement because it is a non-profit organization that provides free legal services for workers
23 in California. (See <https://legalaidatwork.org>) I have not been involved Legal Aid at Work and
24 have never done work for them. I made a reasonable inquiry of other members of my law firm to
25 determine whether there is any relationship between Legal Aid at Work and my firm. I believe that
26 no attorney from my firm has any such relationship. I also made a reasonable inquiry of the
27 Plaintiffs to determine whether there is any relationship between Legal Aid at Work and Plaintiffs.
28 I believe that Plaintiffs have no form of relationship with Legal Aid at Work.

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

3 Executed on October 8, 2024, at Los Angeles, California.

4
5 
6 Kane Moon

EXHIBIT 1

Kane Moon (SBN 249834)
kmoon@moonlawgroup.com
Lilit Ter-Astvatsatryan (SBN 320389)
lilit@moonlawgroup.com
MOON LAW GROUP, PC
1055 W. Seventh St., Suite 1880
Los Angeles, California 90017
Telephone: (213) 232-3128
Facsimile: (213) 232-3125

*Attorneys for Plaintiffs Marcos Segura, and
Miguel Segura*

Gregory L. Spallas (SBN 129306)
gspallas@psalaw.net
PHILLIPS, SPALLAS & ANGSTADT LLP
560 Mission Street, Suite 1010
San Francisco, CA 94105
Telephone: 415-278-9400

Attorneys for Defendant E.B. STONE & SON, INC.

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SOLANO**

MARCOS SEGURA and MIGUEL SEGURA,
individually, and on behalf of all others similarly
situated,

Plaintiffs,

vs.

E. B. STONE & SON, INC., a California
corporation; and DOES 1 through 10, inclusive,

Defendants

Case No.: FCS056951

CLASS ACTION

Assigned for All Purposes to the Honorable Alesia
Jones, Department 22

**JOINT STIPULATION OF CLASS AND
PAGA ACTION SETTLEMENT
AGREEMENT**

Action Filed: September 21, 2021
Trial Date: Not Set

JOINT STIPULATION OF CLASS AND PAGA ACTION SETTLEMENT AGREEMENT

Subject to final approval of this Court, this Joint Stipulation of Class and PAGA Action Settlement Agreement (“Settlement,” “Agreement” or “Settlement Agreement”) is made and entered into by and between Plaintiffs Marcos Segura and Miguel Segura (“Plaintiffs”) and Defendant E.B. Stone & Son, Inc. (“Defendant”). The Agreement refers to Plaintiffs and Defendant collectively as “Parties” and individually as “Party.”

1. DEFINITIONS.

- 1.1. “Action” means *Marcos Segura, et al. v. E.B. Stone & Son, Inc.*, Solano Superior Court, Case No. FCS056951.
- 1.2. “Administrator” means Pheonix, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with its “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4. “Aggrieved Employee” means all persons who worked for Defendant in California as hourly, nonexempt non-driver employees during the PAGA Period.
- 1.5. “Class” means all persons who worked for Defendant in California as hourly, nonexempt non-driver employees during the Class Period.
- 1.6. “Class Counsel” means Kane Moon, and Lilit Ter-Astvatsatryan of Moon Law Group, PC.
- 1.7. “Class Counsel Fees Payment” means the amount allocated to Class Counsel for reimbursement of the reasonable attorneys’ fees incurred to prosecute the Action.
- 1.8. “Class Counsel Expenses Payment” means the amount allocated to Class Counsel for reimbursement of the reasonable attorneys’ expenses incurred to prosecute the Action.

- 1.9. “Class Data” means Class Member identifying information in Defendant’s possession, including the Class Member’s name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.
- 1.10. “Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member, including a Non-Participating Class Member who qualifies as an Aggrieved Employee.
- 1.11. “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods, and means, including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.
- 1.12. “Class Notice” means the court-approved Notice of Class and PAGA Action Settlement to be mailed to Class Members in English and Spanish, substantially in the form attached to this Settlement Agreement as **Exhibit A** and incorporated by reference herein.
- 1.13. “Class Period” means the period from August 10, 2017, to January 1, 2024.
- 1.14. “Class Representatives” means Marcos Segura and Miguel Segura, the named Plaintiffs in the Action seeking Court Approval to serve as Class Representatives.
- 1.15. “Class Representative Service Payment” means the up to \$7,500.00 payment for each of the named Class Representatives for initiating the Action and providing services in support of the Action.
- 1.16. “Court” means the Superior Court of California, County of Solano.
- 1.17. “Defendant” means Defendant E.B. Stone & Son, Inc.
- 1.18. “Defense Counsel” means Gregory L. Spallas of Phillips, Spallas & Angstadt LLP.

1.19. “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters its Order Granting Final Approval; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

1.20. “Final Approval” means the Court Order Granting Final Approval of the Settlement.

1.21. “Final Approval Hearing” means the Hearing on Plaintiffs’ Motion for Final Approval of the Settlement.

1.22. “Judgment” means the Judgment Granting Final Approval of the Settlement.

1.23. “Gross Settlement Amount” means \$656,250.00 which is the total amount that Defendant agrees to pay under the Settlement Agreement, subject to the terms in Paragraph 7 below. The Gross Settlement Amount shall be used to satisfy all of Defendant’s liabilities arising from the settlement, including payment of all employee-side taxes on payments made to Participating Class Members, interest, Plaintiffs’ attorneys’ fees and costs, the incentive award for Plaintiffs, payments to all Participating Class Members, the payment to the California Labor and Workforce Development Agency (“LWDA”), and the payments to all Aggrieved Employees. Defendant will not pay more than the Gross Settlement Amount, plus employer-side taxes on the wage payments made to Participating Class Members. The Gross Settlement amount is non-reversionary, and non-claims made.

1.24. “Individual Class Payment” means a Participating Class Member’s *pro rata* share of the Net Settlement Amount calculated according to the number of Workweeks he or she worked during the Class Period.

- 1.25. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of PAGA Pay Periods he or she worked during the PAGA Period, pursuant to Labor Code section 2699(i).
- 1.26. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled under Labor Code section 2699(i).
- 1.27. "LWDA PAGA Payment" means 75% of the PAGA Penalties paid to the LWDA, pursuant to Labor Code section 2699(i).
- 1.28. "Net Settlement Amount" means the Gross Settlement Amount less the following payments approved by the Court: Class Counsel Fees Payment, Class Counsel Expenses Payment, Class Representative Service Payments, Administration Fees, Individual PAGA Payments, and LWDA PAGA Payments. The remainder is to be paid to Participating Class Members as Individual Class Payments.
- 1.29. "Non-Participating Class Member" means any Class Member who opts out of the Settlement Agreement by sending the Administrator a valid and timely Request for Exclusion.
- 1.30. "Operative Complaint" means the First Amended Class and Representative Action Complaint.
- 1.31. "PAGA" means the California Labor Code Private Attorneys General Act of 2004.
- 1.32. "PAGA Notice" means the August 6, 2021, notice Plaintiffs submitted to the LWDA regarding potential Labor Code violations, pursuant to Labor Code section 2699.3(a).
- 1.33. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.
- 1.34. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount in settlement of the PAGA Claims. The PAGA Penalties will be allocated 25% to the Aggrieved Employees and the 75% to LWDA, pursuant to Labor Code section 2699(i).

- 1.35. "PAGA Period" means the period from August 10, 2020, to January 1, 2024.
- 1.36. "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.37. "Plaintiffs" mean the named Plaintiffs in the Action, Marcos Segura and Miguel Segura.
- 1.38. "Preliminary Approval" means the Court Order Granting Preliminary Approval of the Settlement.
- 1.39. "Preliminary Approval Order" means the Order Granting Preliminary Approval of the Class Settlement and Approval of PAGA Settlement.
- 1.40. "Released Class Claims" means the Release of Claims by Participating Class Members as described in Paragraph 6.2.
- 1.41. "Released PAGA Claims" means the Limited Release of Claims by Aggrieved Employees as described in Paragraph 6.3.
- 1.42. "Released Parties" means: Defendant, and each of their former, present, and future owners, parents, and subsidiaries, and all of their current, former, and future officers, directors, members, managers, employees, consultants, partners, shareholders, joint venturers, agents, predecessors, successors, assigns, accountants, insurers, reinsurers, and/or legal representatives.
- 1.43. "Request for Exclusion" means a Class Member's timely submission of a valid written request to be excluded from the Class Settlement signed by the Class Member.
- 1.44. "Response Deadline" means sixty (60) days after the Administrator mails the Class Notice to the Class Members and Aggrieved Employees and shall be the last date on which Class Members may: (a) fax, email, or mail a Request for Exclusion from the Settlement, or (b) fax, email, or mail an Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the

Administrator shall have an additional fourteen (14) days beyond the date the Response Deadline has expired.

1.45. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

1.46. “Workweek” may be based on either: (1) weeks during which at least one day was worked; or (2) hire dates and, where applicable, last dates worked or separation dates, re-hire dates, dates of any periods of leave, including but not limited to worker’s compensation related leaves, and dates of any transition between non-exempt and exempt status.

2. **RECITALS.**

2.0. On August 10, 2021, Plaintiffs commenced this Action by filing a Complaint alleging causes of action against Defendant for (1) failure to pay minimum wages; (2) failure to pay overtime compensation; (3) failure to provide meal periods; (4) failure to authorize and permit rest breaks; (5) failure to indemnify necessary business expenses; (6) failure to timely pay final wages at termination; (7) failure to provide accurate itemized wage statements; and (8) unfair business practices. On October 20, 2021, Plaintiffs filed a First Amended Complaint adding a ninth cause of action for PAGA civil penalties under California Labor Code § 2699, *et seq.*

2.1. Pursuant to Labor Code §2699.3(a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice on August 6, 2021.

2.2. On October 19, 2023, the Parties participated in private mediation with professional mediator, Kelly Knight, Esq. The Parties were ultimately able to reach a resolution, the terms of which are memorialized herein to settle the Action.

2.3. Prior to mediation, Plaintiffs obtained, in addition to other data, documents, and information, a sample of the time and corresponding payroll records of the Class, and the employee handbooks and relevant policies in effect during the Class Period and

overlapping PAGA Period. This investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.*, 48 Cal. App. 4th 1794, 1801 (1996) and *Kullar v. Foot Locker Retail, Inc.*, 168 Cal. App. 4th 116, 129-130 (2008), in that such information and investigation was sufficient to assess the merits of the Parties' respective positions and to reach a compromise in the Action on a fair and equitable basis.

2.4. The Court has not granted class certification.

2.5. The Parties, Class Counsel, and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by this Settlement.

3. **MONETARY TERMS.**

3.0. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant agrees to pay the total amount of \$656,250.00. Defendant has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 5.1 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit a claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

3.1. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount in the amounts specified by the Court in the Final Approval:

3.1.1. To Plaintiffs: A Class Representative Service Payment to the Class Representatives of not more than \$7,500.00 for each Plaintiff, in addition to any Individual Class Payment and Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member and Aggrieved Employee. Defendant will not oppose a request for this payment

provided it does not exceed this amount. As part of the motion for the Class Counsel Fees Payment and Class Counsel Expenses Payment, Plaintiffs will seek Court approval for the Class Representative Service Payment no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves the Class Representative Service Payment in an amount less than requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Class Representative Service Payment using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative Service Payment.

3.1.2. To Class Counsel: A Class Counsel Fees Payment of not more than thirty-three and one-third percent (33.33%) of the Gross Settlement Amount, which is currently estimated to be \$218,729.00; and a Class Counsel Litigation Expenses Payment of not more than \$20,000.00. Defendant will not oppose requests for these payments provided they do not exceed these amounts. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiffs' Counsel arising from any claim to any portion of any Class Counsel Fee Payment and/or Class Counsel Expenses Payment. The Administrator will report the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assume full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Expenses Payment, and shall hold Defendant harmless, and indemnify

1 Defendant from any dispute or controversy regarding any division or sharing of
2 the Class Counsel Fee Payment and/or Class Counsel Litigation Expenses
3 Payment.

4 3.1.3. To the Administrator: An Administrator Expenses Payment not to exceed
5 \$7,000, except for a showing of good cause and as approved by the Court. If the
6 Court approves payment less than the amount requested, or to the extent the
7 Administration Expense Payment is less than the amount requested, the
8 Administrator will allocate the remainder to the Net Settlement Amount.

9 3.1.4. To Each Participating Class Member: An Individual Class Payment calculated
10 by (a) dividing the Net Settlement Amount by the total number of Workweeks
11 worked by all Participating Class Members during the Class Period and (b)
12 multiplying the result by each Participating Class Member's Workweeks.

13 3.1.4.1. Tax Allocation of Individual Class Payments. 20% of each Participating
14 Class Member's Individual Class Payment will be allocated to
15 settlement of claims for wages (the "Wage Portion"). The Wage Portion
16 is subject to tax withholding and will be reported on an IRS W-2 Form.
17 80% of each Participating Class Member's Individual Class Payment
18 will be allocated to settlement of claims for interest and penalties (the
19 "Non-Wage Portion"). The Non-Wage Portion is not subject to wage
20 withholdings and will be reported on IRS 1099 Forms. Participating
21 Class Members assume full responsibility and liability for any employee
22 taxes owed on their Individual Class Payment.

23 3.1.4.2. Effect of Non-Participating Class Members on Calculation of Individual
24 Class Payments. Non-Participating Class Members will not receive any
25 Individual Class Payments. The Administrator will allocate amounts
26 equal to their Individual Class Payments to the Net Settlement Amount

for distribution to Participating Class Members on a pro rata basis.

3.1.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$50,000.00 to be paid from the Gross Settlement Amount, with 75% (\$37,500.00) allocated to the LWDA PAGA Payment and 25% (\$12,500.00) allocated to the Individual PAGA Payments. If the Court approves PAGA Penalties less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms. Aggrieved Employees assume full liability for any taxes owed on their Individual PAGA Payment.

3.1.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$12,500.00) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods.

4. MOTION FOR PRELIMINARY APPROVAL

4.0. Motion for Preliminary Approval. Plaintiffs will move for an order conditionally certifying the Class for settlement purposes only, giving Preliminary Approval of the Settlement, setting a date for the Final Approval Hearing, and approving the Class Notice. Defendant will be given a reasonable opportunity to review and provide comments on the proposed Motion for Preliminary Approval prior to its filing.

4.1. LWDA Notice. Concurrent with applying to the Court for the entry of an order granting Preliminary Approval of the Settlement, Class Counsel shall take all necessary steps to inform the LWDA of the Agreement in accordance with Labor Code section 2699(1)(2).

5. SETTLEMENT FUNDING AND PAYMENTS.

5.0. Class Data. Not later than fifteen (15) days after the Court grants Preliminary Approval

of the Settlement, Defendant will simultaneously deliver the Class Data to the Administrator in the form of a Microsoft Excel spreadsheet or equivalent electronic form. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Nothing in this confidentiality provision shall be construed or work to preclude Class Counsel from performing their fiduciary duties to the Class. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted Class Member Identifying Information and to provide corrected Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to resolve any issues related to missing or omitted Class Data.

5.1. Funding of Gross Settlement Amount. No later than thirty (30) days of Effective Date, the Court granting Final Approval, Defendant shall fully fund the Gross Settlement Amount and the amounts necessary to fully pay their share of payroll taxes by transmitting the funds to the Administrator.

5.2. Payments from the Gross Settlement Amount. No later than fourteen (14) days after Defendant funds the Gross Settlement Amount, the Administrator shall mail checks for the Individual Class Payments, Individual PAGA Payments, LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Expenses Payment, Class Representative Service Payment, and Administration Expenses Payment. Disbursement of the Class Counsel Fees Payment, Class Counsel Expenses Payment, and Class Representative Service Payment shall not precede disbursement of the Individual Class Payments and Individual PAGA Payments.

1 5.2.1. The Administrator will issue checks for the Individual Class Payments and/or
2 Individual PAGA Payments and send them to the Class Members via First Class
3 U.S. Mail, postage prepaid. The face of each check shall prominently state the
4 date (not less than 180 days after the date of mailing) when the check will be
5 voided. The Administrator will cancel all checks not cashed by the void date.
6 The Administrator will send checks for Individual Class Payments to all
7 Participating Class Members, including those for whom Class Notice was
8 returned undelivered. The Administrator will send checks for Individual PAGA
9 Payments to all Aggrieved Employees, including Non-Participating Class
10 Members who qualify as Aggrieved Employees and those for whom Class
11 Notice was returned undelivered. The Administrator may send Participating
12 Class Members a single check combining their Individual Class Payment and
13 Individual PAGA Payment. Before mailing any checks, the Settlement
14 Administrator must update the recipients' mailing addresses using the National
15 Change of Address Database. The Administrator must conduct a Class Member
16 Address Search for all other Class Members whose checks are returned
17 undelivered without USPS forwarding address.

18 5.2.2. No later than seven (7) days of receiving a returned check, the Administrator
19 must re-mail the check to the USPS forwarding address provided or to an
20 address ascertained through the Class Member Address Search. The
21 Administrator need not take further steps to deliver the check to the Class
22 Member whose re-mailed check is returned as undelivered. The Administrator
23 shall promptly send a replacement check to any Class Member whose original
24 check is lost or misplaced, requested by the Class Member prior to the void date.

25 5.2.3. For any Class Member whose Individual Class Payment check or Individual
26 PAGA Payment check is uncashed and cancelled after the void date, the

Administrator shall transmit the funds represented by such checks to Legal Aid at Work, in accordance with Code of Civil Procedure §384(b) (“Cy Pres Recipient”). The Parties, Class Counsel and Defense Counsel represent that they have no interest or relationship, financial or otherwise, with the intended Cy Pres Recipient.

5.2.4. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

6. RELEASES OF CLAIMS. Effective on the date when Defendant fully funds the entire Gross Settlement Amount and the Court enters an order granting Final Approval of this Settlement, Plaintiffs, Class Members, and Class Counsel will release claims against all Released Parties as follows:

6.1 Plaintiffs’ Release. Upon final approval of the settlement and payment made by Defendant of the Gross Settlement Amount to the Third Party Administrator chosen by the Parties, Plaintiffs will release the Released Parties from any and all claims Plaintiffs have or may have against them at this time and will waive any and all rights they have or may have under California Civil Code section 1542, including but not limited to California Labor Code §§ 201, 202.3, 202, 203, 204, 210, 226, 226.3, and 226.7, *et seq.*, Labor Code §§ 510, 512, 558, *et seq.*, Labor Code §§ 1194, 1197.1, 1198, 1199, *et seq.*, and 2698, *et seq.*, and the applicable sections of IWC Wage Orders.

6.1.1 Plaintiffs’ Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiffs’ Release, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of Section 1542 of the California Civil Code, which reads:

A general release does not extend to claims that the creditor or

1 **releasing party does not know or suspect to exist in his or her**
2 **favor at the time of executing the release and that, if known by**
3 **him or her, would have materially affected his or her settlement**
4 **with the debtor or Released Party.**

5 6.1.2 Plaintiffs' Release does not extend to any claims or actions to enforce this
6 Agreement or to any claims for alleged vested benefits, unemployment benefits,
7 disability benefits, social security benefits, workers' compensation benefits that
8 arose at any time.

9 6.1.3 Plaintiffs acknowledge that they may discover facts or law different from, or in
10 addition to, the facts or law that they now know or believe to be true but agrees,
11 nonetheless, that Plaintiffs' Release shall be and remain effective in all respects,
12 notwithstanding such different or additional facts, or Plaintiffs' discovery of
13 them.

14 6.2 Release of Claims by Participating Class Members: Upon final approval of the
15 settlement and payment made by Defendant of the Gross Settlement Amount to the
16 Third Party Administrator chosen by the Parties, All Participating Class Members, on
17 behalf of themselves and their respective former and present spouses, family members,
18 representatives, agents, attorneys, heirs, administrators, successors, and assigns, release
19 Released Parties from (i) all claims that were alleged, or reasonably could have been
20 alleged, based on the facts stated in the Operative Complaint during the Class Period,
21 including, e.g., any and all claims arising under California Labor Code sections 201,
22 202, 203, 204, 218.5, 218.6, 226, 226.7, 510, 512, 1174(d), 1194, 1194.2, 1197, 1198,
23 2802 and the applicable Industrial Welfare Commission Wage Orders based on any
24 alleged failure to pay minimum wage; failure to pay overtime compensation; failure to
25 pay paid time off wages; failure to provide meal periods; failure to authorize and
26 permit rest periods; failure to indemnify necessary business expenses; failure to timely
27 pay final wages; failure to timely pay wages during employment; failure to provide
28 accurate wage statements; failure to keep adequate records; and unfair business

practices arising under California Business and Professions Code section 17200, *et seq.* Excluded from this portion of the release are claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the Plaintiffs' PAGA Notice during the PAGA Period. Except as set forth in Section 6.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

6.3 Limited Release of Claims by Aggrieved Employees: Upon final approval of the settlement and payment made by Defendant of the Gross Settlement Amount to the Third Party Administrator chosen by the Parties, all Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present spouses, family members, representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and/or the Plaintiff's PAGA Notice during the PAGA Period, including any claim for PAGA penalties based on alleged violations of California Labor Code sections 201, 202, 203, 204, 218.5, 218.6, 226, 226.7, 510, 512, 1174(d), 1194, 1194.2, 1197, 1198, 2802 and the applicable Industrial Welfare Commission Wage Orders based on any alleged failure to pay minimum wage; failure to pay overtime compensation; failure to pay paid time off wages; failure to provide meal periods; failure to authorize and permit rest periods; failure to indemnify necessary business expenses; failure to timely pay final wages; failure to timely pay wages during employment; failure to provide accurate wage statements; and/or failure to keep adequate records.

1 **7. SETTLEMENT ADMINISTRATION.**

2 7.1 Selection of Administrator. The Parties have jointly selected Phoenix to serve as the
3 Administrator and verified that, as a condition of appointment, Phoenix agrees to be
4 bound by this Agreement and to perform, as a fiduciary, all duties specified in this
5 Agreement in exchange for payment of Administration Expenses. The Parties and their
6 Counsel represent that they have no interest or relationship, financial or otherwise, with
7 the Administrator other than potentially a professional relationship arising out of prior
8 experiences administering settlements.

9 7.2 Employer Identification Number. The Administrator shall have and use its own
10 Employer Identification Number for purposes of calculating payroll tax withholdings
11 and providing reports to state and federal tax authorities.

12 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that
13 meets the requirements of a Qualified Settlement Fund (“QSF”) under U.S. Treasury
14 Regulation section 468B-1.

15 7.4 Notice to Class Members.

16 7.4.1 No later than three (3) business days after receipt of the Class Data, the
17 Administrator shall notify Class Counsel that the list has been received and state
18 the number of Class Members, Aggrieved Employees, Workweeks, and PAGA
19 Pay Periods in the Class Data.

20 7.4.2 Using best efforts to perform as soon as possible, and in no event later than
21 fourteen (14) days after receiving the Class Data, the Administrator will send to
22 all Class Members identified in the Class Data, via first-class United States
23 Postal Service (“USPS”), the Class Notice, in English and Spanish and
24 substantially in the form attached to this Agreement as **Exhibit A**. The Class
25 Notice shall prominently estimate the dollar amounts of any Individual Class
26 Payment and/or Individual PAGA Payment payable to the Class Member, and

the number of Workweeks and PAGA Pay Periods used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

7.4.3 Not later than three (3) business days after its receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by USPS. If USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send the Class Notice to Class Members whose Class Notice is returned by USPS a second time.

7.4.4 The deadlines for Class Members' written Objections, challenges to Workweeks and/or pay periods, and Requests for Exclusion will be extended an additional fourteen (14) days beyond the sixty (60) days otherwise provided in the Class Notice for all Class Members whose notices are re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

7.4.5 If the Administrator, Defendant, Defense Counsel, or Class Counsel is contacted by or otherwise discovers any person who believe he or she should have been included in the Class Data and received a Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith, in an effort to agree on whether to include them as a Class Member. If the Parties agree, such person will be a Class Member entitled to the same rights as other Class Members and the Administrator will send, via email or overnight delivery, a Class Notice requiring him or her to exercise options under this Agreement no later than fourteen (14) days after receipt of Class Notice, or the deadline dates

in the Class Notice, whichever are later.

7.5 Requests for Exclusion (Opt-Outs).

7.5.1 No later than sixty (60) days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed), Class Members who wish to exclude themselves from the Class Settlement must fax, email, or mail the Administrator a signed written Request for Exclusion. A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, the last four digits of social security number, address, and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

7.5.2 If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be reviewed by the Court at the Final Approval Hearing. The Court's determination shall be final and not appealable or otherwise susceptible to challenge.

7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Limited Release of Claims by Participating Class Members and PAGA Group Members under Paragraph 6.2 and 6.3 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class

1 Payment or have the right to object to the class action components of the
2 Settlement. Because future PAGA claims are subject to claim preclusion upon
3 entry of the Judgment, Non-Participating Class Members who are Aggrieved
4 Employees are deemed to release the claims identified in Paragraph 6.3 of this
5 Agreement and are eligible for an Individual PAGA Payment.

6 7.6 Challenges to Calculation of Workweeks. Each Class Member shall have sixty (60) days
7 after the Administrator mails the Class Notice (plus an additional fourteen (14) days for
8 Class Members whose Class Notice is re-mailed) to challenge the number of Class
9 Workweeks and PAGA Pay Periods allocated to the Class Member in the Class Notice.
10 The Class Member may challenge the allocation by communicating with the
11 Administrator via fax, email, or mail. Defendant's business records will be presumed
12 determinative, but the Class Member may produce evidence to the Administrator
13 supporting documentation or evidence indicating the dates contended to have been
14 worked. The Administrator shall review the challenge and reach a conclusion. The
15 Administrator shall promptly provide copies of all challenges to calculation of
16 Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the
17 Administrator's determination of the challenges. Class Counsel and Defense Counsel
18 shall submit the Administrator's decision to the Court for the Court's review. The
19 Court's decision shall be final and not appealable or otherwise susceptible to challenge.
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1 7.7 Objections to Settlement.

2 7.7.1 No later than sixty (60) days after the Administrator's mailing of the Class
3 Notice (plus an additional fourteen (14) days for Class Members whose Class
4 Notice was re-mailed), Participating Class Members who elect to send a written
5 objection to the Administrator must send a written objection to the
6 Administrator, by fax, email, or mail. In the alternative, Participating Class
7 Members may appear in Court (or hire an attorney to appear in Court) to present
8 verbal objections at the Final Approval Hearing.

9 7.7.2 Only Participating Class Members may object to the class action components of
10 the Settlement and/or this Agreement, including contesting the fairness of the
11 Settlement and/or amounts requested for the Class Counsel Fees Payment, Class
12 Counsel Expenses Payment and/or Class Representative Service Payment. Non-
13 Participating Class Members have no right to object to any of the class action
14 components of the Settlement.

15 7.8 Administrator Duties. The Administrator has a duty to perform or observe all tasks to
16 be performed or observed by the Administrator contained in this Agreement or
17 otherwise.

18 7.8.1 Website, Email Address and Toll-Free Number. The Administrator will
19 establish, maintain, and use an internet website to post information of interest to
20 Class Members, including the date, time and location for the Final Approval
21 Hearing and copies of the Agreement, Motion for Preliminary Approval,
22 Preliminary Approval, Class Notice, Motion for Final Approval, Motion for
23 Class Counsel Fees Payment, Class Counsel Expenses Payment, and Class
24 Representative Service Payment, Final Approval and Judgment. The
25 Administrator will also maintain and monitor an email address and toll-free
26 telephone number to receive Class Member calls, faxes and emails.

1 7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will
2 promptly review on a rolling basis Requests for Exclusion to ascertain their
3 validity.

4 7.8.2.1 Not later than five (5) days after the expiration of the deadline for
5 submitting a Request for Exclusion, the Administrator shall email a list
6 to Class Counsel and Defense Counsel containing (a) the names and
7 other identifying information of Class Members who have timely
8 submitted valid Requests for Exclusion (“Exclusion List”); (b) the names
9 and other identifying information of Class Members who have submitted
10 an invalid Request for Exclusion; (c) copies of all Requests for Exclusion
11 submitted (whether valid or invalid).

12 7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written
13 reports to Class Counsel and Defense Counsel that, among other things, tally the
14 number of: Class Notices mailed or re-mailed, Class Notices returned
15 undelivered, Requests for Exclusion (whether valid or invalid) received,
16 objections received, challenges to Workweeks and/or PAGA Pay Periods
17 received and/or resolved, and checks mailed for Individual Class Payments and
18 Individual PAGA Payments (“Weekly Report”). The Weekly Reports must
19 include the Administrator’s assessment of the validity of any Requests for
20 Exclusion and attach copies of all Requests for Exclusion and objections
21 received.

1 7.8.4 Administrator's Declaration. Not later than seven (7) days before the date by
2 which Plaintiffs are required to file the Motion for Final Approval of the
3 Settlement, the Administrator will provide Class Counsel and Defense Counsel
4 a signed declaration suitable for filing in Court attesting to its due diligence and
5 compliance with all of its obligations under this Agreement, including, but not
6 limited to, its mailing of Class Notice, the Class Notices returned as undelivered,
7 the re-mailing of Class Notices, attempts to locate Class Members, the total
8 number of Requests for Exclusion from Settlement it received (both valid or
9 invalid), the number of written objections and attach the Exclusion List. The
10 Administrator will supplement its declaration as needed or requested by the
11 Parties and/or the Court. Class Counsel is responsible for filing the
12 Administrator's declaration(s) in Court.

13 7.8.5 Final Report by Settlement Administrator. No later than ten (10) days after the
14 Administrator disburses all funds in the Gross Settlement Amount, the
15 Administrator will provide Class Counsel and Defense Counsel with a final
16 report detailing its disbursements by employee identification number, only of all
17 payments made under this Agreement. At least fifteen (15) days before any
18 deadline set by the Court, the Administrator will provide Class Counsel and
19 Defense Counsel a signed declaration suitable for filing in Court attesting to its
20 disbursement of all payments required under this Agreement. Class Counsel is
21 responsible for filing the Administrator's declaration in Court.

22 **8. CLASS SIZE ESTIMATES AND ESCALATOR CLAUSE**

23 8.1 Based on a review of its business records to date, Defendant estimates there are
24 approximately 17,500 workweeks at issue during the Class Period, as of the date of
25 mediation (October 19, 2023). If the number of workweeks is ten percent (10%) higher,
26 or 19,250 workweeks worked during the Class Period, then Plaintiffs shall have the right

to request, at Defendant's election, either: (1) a pro rata increase in the Gross Settlement Amount equal to the percentage increase in workweeks above 19,250 (i.e., if the total workweeks increases by 12%, then a 2% increase to the Gross Settlement Amount); or (2) a cut-off of the Class Period to end on the date that total workweeks reaches 19,250. Workweeks may be based on either: (1) weeks during which at least one day was worked; or (2) hire dates and, where applicable, last dates worked or separation dates, re-hire dates, dates of any periods of leave, including but not limited to worker's compensation related leaves, and dates of any transition between nonexempt and exempt status.

9. DEFENDANT'S RIGHT TO WITHDRAW.

If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 5% of the total of all Class Members, Defendant may, but are not obligated to, elect to withdraw from the Settlement within thirty (30) days of the expiration of the Response Deadline. The Parties agree that, if Defendant withdraws, the Settlement shall be void *ab initio*, have no force or effect whatsoever, and neither Party will have any further obligation to perform under this Agreement; except, however, Defendant will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw no later than seven (7) days after the Administrator sends the final Exclusion List to Defense Counsel. Late elections will have no effect.

10. MOTION FOR FINAL APPROVAL.

No later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiffs will file a Motion for Final Approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699(l) and a Proposed Final Approval Order and Judgment.

10.1 Review rights. Defendant will be given a reasonable opportunity to review and provide comments on the proposed Motion for Final Approval prior to its filing.

1 10.2 Response to Objections. Each Party retains the right to respond to any objection raised
2 by a Participating Class Member, including the right to file responsive documents in
3 Court no later than five (5) court days prior to the Final Approval Hearing, or as
4 otherwise ordered or accepted by the Court.

5 10.3 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final
6 Approval on any material change to the Settlement, including, but not limited to, the
7 scope of release to be granted by Class Members, the Parties will expeditiously work
8 together in good faith to attempt to address the Court's concerns by revising the
9 Agreement as necessary to obtain Final Approval. The Court's decision to award less
10 than the amounts requested for the Class Representative Service Payment, Class
11 Counsel Fees Payment, Class Counsel Expenses Payment, and/or Administration
12 Expenses Payment shall not constitute a material modification to the Agreement within
13 the meaning of this paragraph.

14 10.4 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the
15 Court will retain jurisdiction over the Parties, Action, and Settlement solely for purposes
16 of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement
17 administration matters, and (iii) addressing such post-Judgment matters as are permitted
18 by law.

19 10.5 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and
20 conditions of this Agreement, specifically including the Class Counsel Fees Payment
21 and Class Counsel Expenses Payment set forth in this Settlement, the Parties, their
22 respective counsel, and all Participating Class Members who did not object to the
23 Settlement as provided in this Agreement, waive all rights to appeal from the Judgment,
24 including all rights to post-judgment and appellate proceedings, the right to file motions
25 to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver
26 of appeal does not include any waiver of the right to oppose such motions, writs or

appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

10.6 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement, including, but not limited to, the scope of release to be granted by Class Members, this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to attempt to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Settlement Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Expenses Payment, and/or Administration Expenses Payment shall not constitute a material modification to the Agreement within the meaning of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

11. AMENDED JUDGMENT.

If any amended Judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit and file a proposed amended Judgment.

12. ADDITIONAL PROVISIONS.

12.1 No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be

intended or construed as an admission by Plaintiffs that Defendant's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does not grant Preliminary Approval, Final Approval or enter Judgment, Defendant reserves the right to contest certification of any class for any reasons, and Defendant reserves all available defenses to the claims in the Action, and Plaintiffs reserve the right to move for class certification on any grounds available and to contest Defendant's defenses. The Settlement, this Agreement, and the Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation, except for proceedings to enforce or effectuate the Settlement and this Agreement. The Parties agree that, if approved, certification of the Class is a conditional certification for settlement purposes only, and that if, for any reason, the Court does not grant final approval of the Settlement, or if final approval is not given following the appeal of any order by the Court, or if for any reason the Settlement Effective Date does not occur, the certification of the Class for settlement purposes shall be deemed null and void without further action by the Court or any of the Parties, each Party shall retain all of their respective rights and shall be returned to their relative legal positions as they existed prior to execution of this Agreement, and neither this Agreement, nor any of its accompanying exhibits or any orders entered by the Court in connection with this Agreement shall be admissible or used for any purpose in this Action or any other legal proceeding, except for the enforcement of same.

12.2 Confidentiality Prior to Preliminary Approval. Plaintiffs, Class Counsel, Defendant, and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person,

corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) to counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information.

12.2.1 Plaintiffs, Class Counsel, Defendant, and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, with any third party regarding this Agreement or the matters giving rise to this Agreement, except to respond only that "the matter was resolved" or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

12.3 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

12.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement, together with its attached exhibits, shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

12.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendant, respectively, to take all

appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement, including any amendments to this Agreement.

12.6 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

12.7 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

12.8 No Tax Advice. Neither Plaintiffs, Class Counsel, Defendant, nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

12.9 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.

12.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

12.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be

governed by and interpreted according to the internal laws of the State of California, without regard to conflict of law principles.

12.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

12.13 Confidentiality. To the extent permitted by law, all agreements made and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

12.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to Evidence Code section 1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court.

12.14.1 Not later than ninety (90) days after the date the Court discharges the Administrator's obligation to provide a declaration confirming the final pay out of all Settlement funds, Plaintiffs shall destroy all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destruction, of Class Data.

1 12.15 Recitals. The representations, covenants, and recitations set forth in the Recitals section
2 of this Agreement are material to this Agreement and are hereby incorporated into and
3 made a part of this Agreement as though they were fully set forth herein.

4 12.16 Headings. The descriptive heading of any section or paragraph of this Agreement is
5 inserted for convenience of reference only and does not constitute a part of this
6 Agreement.

7 12.17 Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement shall
8 be to calendar days. In the event any date or deadline set forth in this Agreement falls
9 on a weekend or federal legal holiday, such date or deadline shall be on the first business
10 day thereafter.

11 12.18 Notice. All notices, demands or other communications between the Parties in connection
12 with this Agreement will be in writing and deemed to have been duly given as of the
13 third business day after mailing by United States mail, or the day sent by email or
14 messenger, addressed as follows:

15
16 To Plaintiffs:

17 MOON LAW GROUP, PC
18 Kane Moon
19 Lilit Ter-Astvatsatryan
20 1055 West Seventh Street, Suite 1880
21 Los Angeles, California 90017
22 Telephone: (213) 232-3128

23 To Defendant:

24 PHILLIPS, SPALLAS & ANGSTADT LLP
25 Gregory L. Spallas (SBN 129306)
26 560 Mission Street, Suite 1010
27 San Francisco, CA 94105
28 Telephone: 415-278-9400

1 12.19 Execution in Counterparts. This Agreement may be executed in one or more
2 counterparts by facsimile, electronically (i.e., DocuSign), or email which for purposes

of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

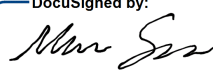
12.20 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that, pursuant to California Code of Civil Procedure section 583.330, to extend the date to bring a case to trial under California Code of Civil Procedure section 583.310 for the entire period of this settlement process.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Agreement between Plaintiffs and Defendant as of the date(s) set forth below:

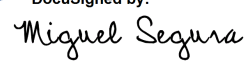
(Signature Page Follows)

Plaintiffs & Class Representatives:

Dated: 1/11/2024

DocuSigned by:

By: 25187A8811004AF...
Marcos Segura

Dated: 1/19/2024

DocuSigned by:

By: 4EC7527D3A4A443...
Miguel Segura

Plaintiffs' Counsel:

Dated: 1/19/2024

MOON LAW GROUP, PC

By: 
Kane Moon
Lilit Ter-Astvatsatryan
Attorneys for Plaintiffs Marcos Segura and
Miguel Segura

Defendant:

Dated:

E.B. STONE & SON, INC.

By: _____
Print Name

Signature

Title

Defendant's Counsel:

Dated:

PHILLIPS, SPALLAS & ANGSTADT LLP

By: _____
Gregory L. Spallas

Attorneys for Defendant E.B. Stone & Son,
Inc.

1 **Plaintiffs & Class Representatives:**

2 Dated:

By:

Marcos Segura

4 Dated:

By:

Miguel Segura

6 **Plaintiffs' Counsel:**

7 Dated:

MOON LAW GROUP, PC

8 By:

9 Kane Moon
Lilit Ter-Astvatsatryan
10 Attorneys for Plaintiffs Marcos Segura and
11 Miguel Segura

12 **Defendant:**

13 Dated:

1/11/2024

E.B. STONE & SON, INC.

15 By:

Brad Crandall Jr.

Print Name

17 Brad Crandall, Jr.

Signature

19 C.E.O.

Title

21 **Defendant's Counsel:**

22 Dated:

1/11/2024

PHILLIPS, SPALLAS & ANGSTADT LLP

24 By:

Gregory L. Spallas

25 Attorneys for Defendant E.B. Stone & Son,
26 Inc.

EXHIBIT 2

Subject: Thank you for your Proposed Settlement Submission
Date: Monday, March 11, 2024 at 4:24:15 PM Pacific Daylight Time
From: DIR PAGA Unit
To: Lannie Pham

03/11/2024 04:23:56 PM

Thank you for your submission to the Labor and Workforce Development Agency.

Item submitted: Proposed Settlement

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

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: https://urldefense.proofpoint.com/v2/url?u=http-3A__labor.ca.gov_Private-5FAttorneys-5FGeneral-5FAct.htm&d=DwIFaQ&c=euGZstcaTDllvimEN8b7jXrwqOf-v5A_Cdp gnVfiMM&r=R19LI5INPMSu9DDlbn6ujm1aiCuzNQHF-wb_-dr rWzE&m=qnbX1hDCImQjRzOTuTcueRqpsclwmke5gc077RaWNn1Nxe3S4yvaDM-DpL7C7jVX&s=wN9zlGlrYqNV-F9yp7IePEoVlUR5blDRqEoHp2FNNDs&e=

Exhibit 3

MOON & YANG, APC

ATTORNEYS AT LAW
WWW.MOONYANGLAW.COM

1055 W. SEVENTH ST., SUITE 1880
LOS ANGELES, CALIFORNIA 90017
TELEPHONE: (213) 232-3128
FACSIMILE: (213) 232-3125

Allen Feghali, Esq.
Allen.Feghali@moonyanglaw.com

August 6, 2021

VIA ONLINE SUBMISSION

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

VIA CERTIFIED MAIL

E. B. Stone & Son, Inc.
6111 Lambie Road
Suisun, CA 94585

Amended Notice of Labor Code Violations and PAGA Penalties

Re: ***Marcos Segura and Miguel Segura v. E. B. Stone & Son, Inc.***

To Whom It May Concern:

Please be advised that my office has been retained by Marcos Segura and Miguel Segura (collectively referred herein as “Plaintiff”) to pursue a Labor Code Private Attorney General Act (PAGA) representative action (Cal. Lab. Code §§ 2699, *et seq.*) against his former employer, E. B. Stone & Son, Inc. (“Defendant”). The purpose of this letter is to comply with PAGA and set forth the facts and theories of California Labor Code violations which we allege Defendant engaged in with respect to Plaintiff and all of Defendant’s aggrieved employees.

Plaintiff wishes to pursue a PAGA representative action on behalf of Plaintiff as an aggrieved employee, on behalf of the State of California, and on behalf of all other current and former aggrieved employees who worked for Defendant in California as an hourly paid, non-exempt employee at any time within the applicable statutory period (hereafter, the “Aggrieved Employees”).

Plaintiff and the Aggrieved Employees of Defendant suffered the Labor Code violations described below.

Factual Background Regarding Plaintiff's Employment with Defendant

Defendant owns and operates an industry, business, and establishment within the State of California, including Solano County. As such, Defendant is subject to the California Labor Code and the Wage Orders issued by the Industrial Welfare Commission ("IWC").

Marcos Segura worked for Defendant as a general laborer from approximately March 2019 to March 2021, primarily in Solano County. Miguel Segura worked for Defendant as a forklift driver from approximately December 2019 to March 2015, primarily in Solano County. Defendant classified Plaintiff as non-exempt from overtime. During the time period that Plaintiff was employed by Defendant, Plaintiff typically worked 5 to 6 days per week, and in excess of 10 hours each workday.

Throughout Plaintiff's employment, Defendant committed numerous labor code violations under state law. As discussed below, Plaintiff's experience working for Defendant was typical and illustrative.

Failure to Pay for All Hours Worked, Including Overtime

Under California law, an employer must pay for all hours worked by an employee. "Hours worked" is the time during which an employee is subject to the control of an employer, and includes all the time the employee is suffered or permitted to work, whether or not required to do so.

In addition, Labor Code § 510 provides that employees in California shall not be employed more than eight (8) hours in any workday or forty (40) hours in a workweek unless they receive additional compensation beyond their regular wages in amounts specified by law.

Labor Code §§ 1194 and 1198 also provide that employees in California shall not be employed more than eight hours in any workday unless they receive additional compensation beyond their regular wages in amounts specified by law. Additionally, Labor Code § 1198 states that the employment of an employee for longer hours than those fixed by the Industrial Welfare Commission is unlawful.

Throughout the statutory period, Defendants maintained a policy and practice of not paying Plaintiff and the Aggrieved Employees for all hours worked, including all overtime wages. Defendants regularly use a system of time rounding in a manner that resulted, over a period of time, in failing to compensate Plaintiff and the Aggrieved Employees properly for all the time they have actually worked, even though the realities of Defendants' operations are such that it is possible, practical, and feasible to count and pay for work time to the minute. Also throughout the statutory period, Plaintiff and the Aggrieved Employees were paid non-discretionary bonuses. However, Defendants failed to incorporate all remuneration when determining the

correct overtime rate of pay, leading to underpayment of overtime compensation. Additionally, Plaintiff and the Aggrieved Employees were required to work off the clock, specifically waiting in line in order to clock into work each workday and to work additional time after clocking out. Finally, Plaintiff and the Aggrieved Employees did not receive double-time compensation at the correct rate of pay when working in excess of 12 hours in a single day. In maintaining a practice of not paying all wages owed, Defendants failed to maintain accurate records of the hours Plaintiff and the Aggrieved Employees worked.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210, 558, 1197.1, and 2699(f)(2) for failing to pay for all hours worked, including overtime.

Failure to Provide Meal Periods

Under California law, employers have an affirmative obligation to relieve employees of all duty in order to take their first 30-minute, duty-free meal periods no later than the start of sixth hour of work in a workday, and to allow employees to take their second 30-minute, duty-free meal period no later than the start of the eleventh hour of work in the workday. Further, employees are entitled to be paid one hour of additional wages for each workday they were not provided with all required meal period(s).

Despite these legal requirements, Defendant wrongfully failed to provide Plaintiff and the Aggrieved Employees with legally compliant meal periods. Defendant regularly required Plaintiff and the Aggrieved Employees to work in excess of five consecutive hours a day without providing a 30-minute, continuous and uninterrupted, duty-free meal period for every five hours of work, or without compensating Plaintiff and the Aggrieved Employees for meal periods that were not provided by the end of the fifth hour of work or tenth hour of work. Defendant did not adequately inform Plaintiff and the Aggrieved Employees of their right to take a meal period by the end of the fifth hour of work, or, for shifts greater than 10 hours, by the end of the tenth hour of work. Moreover, Defendant did not have adequate written policies or practices providing meal periods for Plaintiff and the Aggrieved Employees, nor did Defendant have adequate policies or practices regarding the timing of meal periods. Defendant also did not have adequate policies or practices to verify whether Plaintiff and the Aggrieved Employees were taking their required meal periods. Accordingly, Defendant's policy and practice was to not provide meal periods to Plaintiff and the Aggrieved Employees in compliance with California law.

Plaintiff and the Aggrieved Employees are thus entitled to be paid one hour of additional wages for each workday he or she was not provided with all required meal period(s). Defendant, however, regularly failed to pay Plaintiff and the Aggrieved Employees the additional wages to which they were entitled for meal periods and that were not provided.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210, 558, and 2699(f)(2) for failing to provide meal periods and pay meal period premium wages.

Failure to Authorize and Permit Rest Periods

Employers are required by California law to authorize and permit breaks of 10 uninterrupted minutes for each four hours of work or major fraction of four hours (i.e. more than two hours). Thus, for example, if an employee's work time is 6 hours and ten minutes, the employee is entitled to two rest breaks. Each failure to authorize rest breaks as so required is itself a violation of California's rest break laws.

Defendant, however, wrongfully failed to authorize and permit Plaintiff and the Aggrieved Employees to take timely and duty-free rest periods. Defendant regularly required Plaintiff and the Aggrieved Employees to work in excess of four consecutive hours a day without Defendant authorizing and permitting them to take a 10 minute, continuous and uninterrupted, rest period for every four hours of work (or major fraction of four hours), or without compensating Plaintiff and the Aggrieved Employees for rest periods that were not authorized or permitted. Defendant did not adequately inform Plaintiff and the Aggrieved Employees of their right to take a rest period. Moreover, Defendant did not have adequate policies or practices permitting or authorizing rest periods for Plaintiff and the Aggrieved Employees, nor did Defendant have adequate policies or practices regarding the timing of rest periods. Defendant also did not have adequate policies or practices to verify whether Plaintiff and the Aggrieved Employees were taking their required rest periods. Further, Defendant did not maintain accurate records of employee work periods, and therefore Defendant cannot demonstrate that Plaintiff and the Aggrieved Employees took rest periods during the middle of each work period. Accordingly, Defendant's policy and practice was for Plaintiff and the Aggrieved Employees to work through rest periods and to not authorize or permit them to take any rest periods.

Plaintiff and the Aggrieved Employees are thus entitled to be paid one hour of additional wages for each workday he or she was not authorized and permitted to take all required rest period(s). Defendant, however, regularly failed to pay Plaintiff and the Aggrieved Employees the additional wages to which they were entitled for rest periods and that they were not authorized and permitted to take.

As a result, Defendant are liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210, 558, and 2699(f)(2) for failing to authorize and permit rest periods and pay rest period premium wages.

Failure to Maintain Accurate Records of Hours Worked and Meal Periods

Plaintiff seeks penalties under Labor Code § 1174(d). Pursuant to Labor Code § 1174.5, any person, including any entity, employing labor who willfully fails to maintain accurate and complete records required by Labor Code § 1174 is subject to a penalty under § 1174.5. Pursuant to the applicable IWC Order § 7(A)(3), every employer shall keep time records showing when the employee begins and ends each work period. Meal periods and total hours worked daily shall also be recorded.

Defendant, however, failed to maintain accurate records of hours worked and all meal periods taken or missed by Plaintiff and the Aggrieved Employees.

Defendant's failure to provide and maintain records required by the Labor Code IWC Wage Orders deprived Plaintiff and the Aggrieved Employees the ability to know, understand and question the accuracy and frequency of meal periods, and the accuracy of their hours worked stated in Defendant's records. Therefore, Plaintiff and the Aggrieved Employees had no way to dispute the resulting failure to pay wages, all of which resulted in an unjustified economic enrichment to Defendant. As a direct result, Plaintiff and the Aggrieved Employees have suffered and continue to suffer, substantial losses related to the use and enjoyment of such wages, lost interest on such wages and expenses and attorney's fees in seeking to compel Defendant to fully perform its obligation under state law, all to their respective damage in amounts according to proof at trial. As a result of Defendant's knowing failure to comply with the Labor Code and applicable IWC Wage Orders, Plaintiff and the Aggrieved Employees have also suffered an injury in that they were prevented from knowing, understanding, and disputing the wage payments paid to them.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 1174.5 for failing to maintain accurate records of hours worked and meal periods.

Failure to Timely Pay All Wages at Termination

Labor Code §§ 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and that if an employee voluntarily leaves his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

Within the applicable statute of limitations, the employment of Plaintiff and many other Aggrieved Employees ended, i.e. was terminated by quitting or discharge, and the employment

of others will be. However, during the relevant time period, Defendant failed, and continues to fail to pay Plaintiff and terminated Aggrieved Employees, without abatement, all wages required to be paid by Labor Code sections 201 and 202 either at the time of discharge, or within seventy-two (72) hours of their leaving Defendant's employ. These unpaid wages include wages for unpaid work time (including minimum and straight time wages), missed meal periods, and missed rest periods.

Defendant's conduct violates Labor Code §§ 201 and 202. Labor Code § 203 provides that if an employer willfully fails to pay wages owed, in accordance with sections 201 and 202, then the wages of the employee shall continue as a penalty wage from the due date, and at the same rate until paid or until an action is commenced; but the wages shall not continue for more than thirty (30) days.

Accordingly, Plaintiff and the Aggrieved Employees are entitled to recover from Defendant their additionally accruing wages for each day they were not paid, at their regular hourly rate of pay, up to 30 days maximum pursuant to Labor Code § 203.

Moreover, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 2699(f)(2) for failing to timely pay all wages at termination.

Failure to Furnish Accurate Itemized Wage Statements

Labor Code § 226(a) provides that every employer shall furnish each of his or her employees an accurate itemized wage statement in writing showing nine pieces of information, including: (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. An employee is presumed to suffer an injury if this information is missing. (Lab. Code § 226(e)(2)(B)(iii).)

The statute further provides: "An employee suffering injury as a result of a knowing and intentional failure by an employer to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period in which a violation occurs and one hundred dollars (\$100) per employee for each violation in a subsequent pay period, not to exceed an aggregate penalty of four thousand dollars (\$4,000), and is entitled to an award of costs and reasonable attorney's fees." (Lab. Code § 226(e)(1).)

Defendant intentionally and willfully failed to provide employees with complete and accurate wage statements. The deficiencies include, among other things, the failure to correctly identify hourly rates, the failure to correctly list gross wages earned, and the failure to list the true net wages earned, including wages for meal periods that were not provided in accordance with California law, wages for rest periods that were not authorized and permitted to take in accordance with California law, and correct wages earned for all hours worked.

As a result of Defendant violating Labor Code § 226, Plaintiff and similarly Aggrieved Employees suffered injury and damage to their statutorily protected rights.

Accordingly, Plaintiff and similarly Aggrieved Employees are entitled to recover from Defendant the greater of their actual damages caused by Defendant's failure to comply with Labor Code § 226(a), or an aggregate penalty not exceeding \$4,000 dollars per employee.

Moreover, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 226.3 for failing to furnish accurate itemized wage statements.

Failure to Reimburse and Indemnify Expenses

California Labor Code § 2802 requires employers to reimburse employees for their necessary expenditures and losses incurred in direct consequence of the discharge of their duties or of their obedience to directions of the employer.

Throughout the statutory period, Defendant wrongfully required Plaintiff and the Aggrieved Employees to pay expenses that they incurred in direct discharge of their duties for Defendant without reimbursement, which included the use of their personal cellular telephones for work purposes. For example, Plaintiff and the Class received phone calls and text messages both while they were clocked into work and while clocked out for work. Some of these text messages included being notified regarding breaks or other information. Plaintiff and the Aggrieved Employees incurred these substantial expenses as a direct result of performing their job duties for Defendant, and Defendant has failed to indemnify Plaintiff and the Aggrieved Employees for these employment-related expenses.

Failure to Pay All Earned Wages Twice Per Month

Based on its failure to pay Plaintiff and the Aggrieved Employees for all wages as discussed above, Defendant also violated Labor Code § 204.

Labor Code § 204 requires employers to pay employees all earned wages two times per month. Throughout the statute of limitations period applicable to this cause of action, employees were entitled to be paid twice a month at their regular rates, including all meal period premium wages owed, rest period premium wages owed, and wages owed for hours worked. However, during all

such times, Defendant systematically failed and refused to pay the employees all wages due, and failed to pay those wages twice a month, in that employees were not paid all wages for all meal periods not provided by Defendant, all wages for all rest periods not authorized and permitted by Defendant, and all wages for all hours worked. As a result, Defendant owes employees the legally required wages for unpaid wages, and Plaintiff and the Aggrieved Employees suffered damages in those amounts.

Moreover, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 210 for failing to pay all earned wages twice per month.

Action for Civil Penalties Under PAGA

In light of the above, Plaintiff alleges that Defendant violated the following provisions of the Labor Code with respect to the Aggrieved Employees:

1. Labor Code § 204, 510, 1194, 1197, and 1198 by failing to pay for all hours worked, including minimum wages, straight time wages and overtime wages;
2. Labor Code § 226.7, 512 and applicable Wage Orders by failing to provide meal periods;
3. Labor Code § 226.7 and applicable Wage Orders by failing to authorize and permit rest periods;
4. Labor Code § 1174.5 and applicable Wage Orders by failing to maintain accurate records of hours worked and meal periods taken or missed;
5. Labor Code § 2802 by failing to reimburse and indemnify employees for expenses and losses in the direct consequence and discharge of their duties;
6. Labor Code §§ 201 to 203 by willfully failing to pay all wages owed at termination;
7. Labor Code § 226 by failing to provide accurate itemized wage statements; and
8. Labor Code § 204 by failing to pay all earned wages two times per month.

Therefore, on behalf of all Aggrieved Employees, Plaintiff seeks applicable penalties related to the violations alleged above pursuant to the PAGA. These include, but are not limited to, penalties under Labor Code §§ 210, 226.3, 558, 1174.5, 1197.1, 2802, and 2699(f)(2).

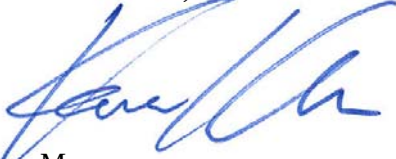
Plaintiff has placed Defendant on notice by mailing a certified copy of this correspondence to its corporate address, as indicated on the first page.

LWDA
Notice of Labor Code Violations and PAGA
August 6, 2021
Page 9 of 9

Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me.

Sincerely,

MOON & YANG, APC

A handwritten signature in blue ink, appearing to read 'Kane Moon', with a stylized flourish at the end.

Kane Moon
Attorney at Law

Exhibit 4

Activities Export

10/07/2024

5:02 PM

Date ▼	Type	Description	Matter	User	Qty	Rate (\$)	Non-billable (\$)	Billable (\$)
07/15/2024	\$	One Legal - Notice ● Unbilled	01361-Segura Segura v. E.B. Stone & Son Inc. (ED)	Support Account	1.00	\$16.12	-	\$16.12
03/27/2024	\$	One Legal ● Unbilled	01361-Segura Segura v. E.B. Stone & Son Inc. (ED)	Andrea Marin	1.00	\$16.12	-	\$16.12
03/27/2024	\$	One Legal Motion, Declaration proposed order ● Unbilled	01361-Segura Segura v. E.B. Stone & Son Inc. (ED)	Andrea Marin	1.00	\$77.89	-	\$77.89
03/26/2024	\$	One Legal ● Unbilled	01361-Segura Segura v. E.B. Stone & Son Inc. (ED)	Andrea Marin	1.00	\$16.12	-	\$16.12
10/28/2023	\$	Berger Consulting Group ● Unbilled	01361-Segura Segura v. E.B. Stone & Son Inc. (ED)	Andrea Marin	14.10	\$450.00	-	\$6,345.00
06/06/2022	\$	Mediation fee (p) ● Unbilled	01361-Segura Segura v. E.B. Stone & Son Inc. (ED)	Seung Yang	1.00	\$7,250.00	-	\$7,250.00
12/28/2021	\$	One Legal ● Unbilled	01361-Segura Segura v. E.B. Stone & Son Inc. (ED)	Seung Yang	1.00	\$62.54	-	\$62.54
12/28/2021	\$	One Legal ● Unbilled	01361-Segura Segura v. E.B. Stone & Son Inc. (ED)	Seung Yang	1.00	\$62.54	-	\$62.54
12/17/2021	\$	Courtcall ● Unbilled	01361-Segura Segura v. E.B. Stone & Son Inc. (ED)	Seung Yang	1.00	\$94.00	-	\$94.00
							\$0.00 0.00h	\$16,983.50 0.00h

Activities Export

10/07/2024
5:02 PM

Date	Type	Description	Matter	User	Qty	Rate (\$)	Non-billable (\$)	Billable (\$)
11/15/2021	\$	Admin fee ● Unbilled	01361-Segura Segura v. E.B. Stone & Son Inc. (ED)	Seung Yang	1.00	\$750.00	-	\$750.00
11/15/2021	\$	Complaint fee ● Unbilled	01361-Segura Segura v. E.B. Stone & Son Inc. (ED)	Seung Yang	1.00	\$1,660.33	-	\$1,660.33
11/15/2021	\$	Courtcall ● Unbilled	01361-Segura Segura v. E.B. Stone & Son Inc. (ED)	Seung Yang	1.00	\$94.00	-	\$94.00
11/08/2021	\$	One Legal ● Unbilled	01361-Segura Segura v. E.B. Stone & Son Inc. (ED)	Seung Yang	1.00	\$155.59	-	\$155.59
11/01/2021	\$	Ace ● Unbilled	01361-Segura Segura v. E.B. Stone & Son Inc. (ED)	Seung Yang	1.00	\$308.25	-	\$308.25
08/20/2021	\$	LWDA ● Unbilled	01361-Segura Segura v. E.B. Stone & Son Inc. (ED)	Seung Yang	1.00	\$75.00	-	\$75.00
							\$0.00 0.00h	\$16,983.50 0.00h



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

CASE ASSUMPTIONS

Class Members	100
Opt Out Rate	1%
Opt Outs Received	1
Total Class Claimants	99
Subtotal Admin Only	\$7,000.00

Not-to-Exceed Total \$7,000.00

For 100 Members

Pricing Good for Scope of Estimate Only

November 17, 2023

Case: Segura v EB Stone Opt-Out Admin wTranslation

Phoenix Contact: Jodey Lawrence
Contact Number: 949.566.1455
Email: Jodey@phoenixclassaction.com

Requesting Attorney: Lilit Ter-Astvatsatryan, Esq.
Firm: MOON LAW GROUP
Contact Number: (213) 232-3128
Email: lilit@moonlawgroup.com

Assumptions and Estimate are based on information provided by counsel. If class size changes, PHX will need to adjust this Estimate accordingly.
Estimate is based on 100 Aggrieved Members. Class data **Must** be sent in Microsoft Excel or uploaded in the same format. Class Data Must be sent in one spreadsheet, with no additional programming needed. A rate of \$150 per hour will be charged for any additional analysis or programming. Pricing good for 90 days.

Case & Database Setup / Toll Free Setup & Call Center / NCOA (USPS)			
Administrative Tasks:	Rate	Hours/Units	Line Item Estimate
Programming Manager	\$100.00	2	\$200.00
Programming Database & Setup	\$100.00	2	\$200.00
Toll Free Setup*	\$106.73	1	\$106.73
Call Center & Long Distance	\$2.00	16	\$32.00
NCOA (USPS)	\$50.00	2	\$100.00
Total			\$638.73

* Up to 120 days after disbursement

Data Merger & Scrub / Notice Packet, Opt-Out Form & Postage / Spanish Translation / Reporting			
Project Action	Rate	Hours/Units	Line Item Estimate
Notice Packet Formatting	\$100.00	2	\$200.00
Data Merge & Duplication Scrub	\$0.50	100	\$50.00
Notice Packet & Opt-Out Form	\$1.50	100	\$150.00
Estimated Postage (up to 2 oz.)*	\$0.84	100	\$84.00
Static Website	\$250.00	1	\$250.00
Language Translation	\$1,000.00	1	\$1,000.00
Total			\$1,734.00

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



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Skip Tracing & Remailing Notice Packets / Tracking & Programming Undeliverables

Project Action:	Rate	Hours/Units	Line Item Estimate
Case Associate	\$55.00	2	\$110.00
Skip Tracing Undeliverables	\$2.00	20	\$40.00
Remail Notice Packets	\$1.50	20	\$30.00
Estimated Postage	\$0.84	20	\$16.80
Programming Undeliverables	\$50.00	3	\$150.00
Total			\$346.80

Database Programming / Processing Opt-Outs, Deficiencies or Disputes

Project Action:	Rate	Hours/Units	Line Item Estimate
Programming Claims Database	\$135.00	2	\$270.00
Non Opt-Out Processing	\$200.00	1	\$200.00
Case Associate	\$55.00	3	\$165.00
Opt-Outs/Deficiency/Dispute Letters	\$10.00	1	\$10.00
Case Manager	\$85.00	2	\$170.00
Total			\$815.00

Calculation & Disbursement Programming/ Create & Manage QSF/ Mail Checks

Project Action:	Rate	Hours/Units	Line Item Estimate
Programming Calculations	\$135.00	2	\$270.00
Disbursement Review	\$135.00	2	\$270.00
Programming Manager	\$95.00	2	\$190.00
QSF Bank Account & EIN	\$100.00	2	\$200.00
Check Run Setup & Printing	\$135.00	2	\$270.00
Mail Class Checks *	\$1.50	99	\$148.50
Estimated Postage	\$0.64	99	\$63.36
Total			\$1,411.86

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



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Tax Reporting & Reconciliation / Re-Issuance of Checks / Conclusion Reports and Declarations			
Project Action:	Rate	Hours/Units	Line Item Estimate
Case Supervisor	\$100.00	2	\$200.00
Remail Undeliverable Checks (Postage Included)	\$2.89	10	\$28.61
Case Associate	\$55.00	2	\$110.00
Reconcile Uncashed Checks	\$85.00	2	\$170.00
Conclusion Reports	\$100.00	2	\$200.00
Case Manager Conclusion	\$85.00	2	\$170.00
Final Reporting & Declarations	\$100.00	2	\$200.00
IRS & QSF Annual Tax Reporting * (1 State Tax Reporting Included)	\$975.00	1	\$975.00
Total			\$2,053.61

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

Estimate Total: \$7,000.00



TERMS AND CONDITIONS

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

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

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

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

Tax Reporting Requirements

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

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