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Attorneys for Plaintiff ERIC CHABEZ,
On behalf of the general public as private attorney general

Additional Counsel Listed On Next Page

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**

ERIC CHABEZ on behalf of the general
public as private attorney general,

Plaintiff,

v.

AIT WORLDWIDE LOGISTICS, INC., an
Illinois Corporation; REAL TIME
STAFFING SERVICES, LLC dba
SELECT STAFFING, a California Limited
Liability Company; and DOES 1-50,
inclusive,

Defendants.

Case No.: 21STCV41522

Assigned to the Hon. Elaine Lu, Dept. 26

**STIPULATION AND [PROPOSED] ORDER
APPROVING SETTLEMENT OF PRIVATE
ATTORNEYS GENERAL ACT CLAIMS,
AND ENTERING JUDGMENT THEREON**

Action Filed: November 10, 2021

Trial Date: October 30, 2023

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STIPULATION

IT IS HEREBY STIPULATED BY AND BETWEEN THE PARTIES AS FOLLOWS:

1. Plaintiff Eric Chabez (“Plaintiff”) and Defendants AIT Worldwide Logistics, Inc., and Real Time Staffing Services LLC dba Select Staffing (“Defendants”) (collectively the “Parties”), through their respective undersigned counsel, hereby submit the following Joint Stipulation and Order Approving Settlement of Private Attorneys General Act Claims.

2. On August 2, 2021 Plaintiff transmitted a letter to the California Labor & Workforce Development Agency (“LWDA”) and Defendant in compliance with the exhaustion requirements of the California Labor Code Private Attorneys General Act (“PAGA”), articulating claims related to the failure to (a) accurately pay wages including overtime wage, (b) failure to provide meal periods for every work period exceeding more than ten (10) hours per day and failure to pay an additional hour’s of pay or accurately pay an additional hour’s of pay in lieu of providing a meal period; (c) failure to authorize and permit rest breaks for every four hours or major fraction thereof worked and failure to pay an additional hour’s of pay or accurately pay an additional hour’s of pay in lieu of providing a rest period; (d) failing to pay all wages earned and owed upon separation from Defendant’s employ, (e) failing to provide accurate itemized wage statements, (f) for issuing payment of wages in the form of a non-Labor Code-compliant instrument, and (g) failure to reimburse business expenses. *See* Declaration of James Hawkins (“Hawkins Decl.”) at ¶ 3, Exh. B.

3. On November 10, 2021, Plaintiff filed a Representative Action Complaint in the Superior Court of the State of California for the County of Los Angeles, entitled *Eric Chabez v. AIT Worldwide Logistics Inc., et al*, case number 21STCV41522. Plaintiff filed the Complaint on behalf of the State of California and other aggrieved employees as a PAGA action based on violations of Labor Code 201-203, 212, 213, 510, 512, 558, 226, 226.3, 226.7, 1174, 1174.5, 1175, 1194, 1197, 1197.1, 1198, 28028, and 2698. Hawkins Decl. at ¶ 4.

4. Defendants disputes and denies the allegations and claims asserted in this action. It was also Defendants’ position that Plaintiff could not maintain this PAGA Action because there is no evidence of a common policy or practice that makes a trial manageable. Hawkins Decl. at ¶ 8.

5. During the course of the litigation, the Parties engaged in an informal discovery and fully shared the information necessary for all sides to conduct a legitimate investigation into the allegations of the action and potential defenses thereto including payroll and time keeping sampling for approximately 10% of the purported Aggrieved Employees along with policies and relevant data points. The Parties have reached this settlement only after discovery and investigation was performed. Hawkins Decl. at ¶ 5.

6. On January 24, 2023, the Parties participated in a day-long mediation with the mediator Steve Serratore, a well-respected wage and hour class action and PAGA action mediator. In preparation for the mediation, Plaintiff's counsel requested and Defendants' counsel provided sample time and payroll data for the purported Aggrieved Employees, personnel and employment documents. With Mr. Serratore's assistance, the Parties agreed to fully and finally resolve the Action and the PAGA Released Claims as to Plaintiff, the State of California, the LWDA and the Aggrieved Employees. Hawkins Decl. at ¶ 6.

7. Being fully apprised of the value and strength of the PAGA theories alleged in the action, counsel for Plaintiff and Defendants successfully negotiated a settlement through arm's-length negotiations. The terms and conditions of the settlement are set forth in the Settlement Agreement ("Settlement" or "Settlement Agreement"). Hawkins Decl. at ¶¶ 2, 7 Exhibit A. The Settlement Agreement resolves all claims asserted in the Complaint and contemplates that the settlement will be approved and the Court will enter judgment.

8. Counsel for Plaintiff and Defendants also considered the fact that the existence of numerous disputes of fact in this case make the outcome uncertain. In the estimation of counsel for the Parties, the delay, inconvenience, distraction, and uncertainty imposed by the litigation demands would far outweigh the potential benefits of additional litigation. Hawkins Decl. at ¶ 10,

9. Based on the information and documents obtained through discovery, Plaintiff assessed the maximum value of the limited PAGA claims to be released by the settlement to be approximately \$213,600.00 (at the reasonable rate of a \$100 penalty for approximately 2,136 pay periods at issue for approximately 266 purported Aggrieved Employees). Hawkins Decl. at ¶ 10.

1 10. Plaintiff's Counsel also took into account that even if Plaintiff prevailed on the
2 merits of the PAGA claim, Defendants could persuasively argue that the Court should exercise its
3 discretion, under Labor Code § 2699(e), to reduce the amount of civil penalties assessed. A court
4 in a PAGA action has the same discretion "to assess a civil penalty" that the Labor Commissioner
5 would have, as well as complete discretion to "award a lesser amount than the maximum civil
6 penalty amount specified [by PAGA] if, based on the facts and circumstances of the particular case,
7 to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory."
8 And indeed, it is common for courts to reduce the penalties. *See e.g., Ghrdilyan v. RJ Financial,*
9 *et al.*, Los Angeles Superior Court, Case No. BC430633 (94% reduction); *Parr v. Golden State*
10 *Overnight Delivery Service, Inc.*, Alameda County Superior Court, Case No. RG12-618103 (94%
11 reduction); *Fleming v. Covidien, Inc.*, 2011 U.S. Dist. LEXIS 154590 (C.D. Cal. Aug. 12, 2011)
12 (82% reduction); *Gola v. University of San Francisco*, Case No. CGC-18-565018 (Sup. Ct.
13 Decision dates July 21, 2020) (85% reduction of PAGA penalties).

14 11. As set forth in the Settlement Agreement, the amount of the settlement sum is
15 \$100,000.00 or approximately 46% of the reasonable maximum assessed recoverable penalties, and
16 includes an apportionment of attorneys' fees and costs, payment to the settlement administrator,
17 and a general release payment/incentive award to Plaintiff. Hawkins Decl. at ¶ 28.

18 12. Based on Plaintiff's counsel extensive experience litigating over 200 representative
19 actions, counsel for Plaintiff believe the settlement here is fair and reasonable and warrants
20 approval by the Court. Hawkins Decl. at ¶ 29;

21 13. The parties agree that upon entry of the Order approving this settlement, Plaintiff
22 and all purported Aggrieved Employees, as defined in the Settlement Agreement will be forever
23 barred from pursuing against Defendants, and any of the Released Parties, as defined in the
24 Settlement Agreement. Released Claims shall mean all claims and theories that were set forth, or
25 that could have been set forth based on the facts alleged in the Action during the PAGA Period,
26 including but not limited to under California Labor Code sections 201-203, 212, 213, 510, 512,
27 558, 226, 226.3, 226.7, 1174, 1174.5, 1175, 1194, 1197.1, 1198, 2802, 2698, 2699, 2699.5 and
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1 related IWC Wage Orders, based on the various theories of liability, including, but not limited to,
2 Defendants' alleged failure to: accurately pay wages, including overtime, provide meal periods,
3 provide rest periods, pay all wages earned and owed upon separation, provide accurate written wage
4 statements, allegedly issuing payment of wages in the form of a non-Labor Code compliant
5 instrument and reimburse business expenses ("Released Claims") from November 10, 2020
6 through March 25, 2023 ("PAGA Period"). (Settlement Agreement §§ 1.17, 1.22)

7 14. The settlement is intended to fully and finally resolve the PAGA claims asserted
8 by Plaintiff on behalf of the State of California and aggrieved employees. . After deducting the
9 Attorneys' Fees of 33% (\$33,000.00) and Costs \$16,067.98, Settlement Administration Expenses
10 not to exceed (\$5,990.00) APEX Class Action Administration (the Settlement Administrator), and
11 Plaintiff's separate Enhancement Payment (\$7,500.00), the remaining Net Settlement Amount is
12 estimated to be \$37,108.69 and will be distributed to the LWDA and Aggrieved Employees. An
13 estimated \$9,277.17 (25% of the NSA) will be distributed to the Aggrieved Employees on a pro
14 rata basis, amounting to an average of \$34.87 per Aggrieved Employee. The remaining \$27,831.51
15 (75% of the NSA) is to be distributed to the LWDA. Hawkins Decl. at ¶ 27;

16 15. The Parties agree that this stipulation should be sufficient for purposes of approving
17 the PAGA Settlement of the Complaints as set out in the Settlement Agreement pursuant to the
18 requirements set out in Labor Code section 2699(1)(2).

19 16. The Parties request that the Court enter the accompanying order, as permitted by
20 Labor Code § 2699(1), and entering Judgment in accordance with the terms and conditions of the
21 Settlement Agreement.

22 **IT IS SO STIPULATED.**

23 Dated: August 28, 2023

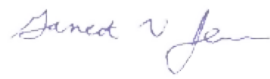
JAMES HAWKINS APLC

24
25 By:


JAMES R. HAWKINS

1 Dated: August 28, 2023

CDF LABOR LAW LLP

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By: _____

3 GARRETT V. JENSEN
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PROOF OF SERVICE, COUNTY OF ORANGE

I am a resident of the State of California, County of Orange. I am over the age of eighteen years and not a party to the within action. My business address is 9880 Research Drive., Suite 200, Irvine, California 92618.

On August 23, 2023, I served on the interested parties in this action the following document(s) entitled:

STIPULATION AND [PROPOSED] ORDER APPROVING SETTLEMENT OF PRIVATE ATTORNEYS GENERAL ACT CLAIMS, AND ENTERING JUDGMENT THEREON

DECLARATION OF JAMES HAWKINS IN SUPPORT OF STIPULATION AND [PROPOSED] ORDER APPROVING SETTLEMENT OF PRIVATE ATTORNEYS GENERAL ACT CLAIMS, ENTERING JUDGMENT THEREON

[XX] BY MAIL: I enclosed the document(s) in a sealed envelope or package addressed to the persons at the addresses listed in the Service List below and placed the envelope for collection and mailing, following our ordinary business practices. I am readily familiar with the firm's practice for collecting and processing correspondence for mailing. On the same day that the correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service, in a sealed envelope with postage fully prepaid.

[XX] BY ELECTRONIC SERVICE: Based on a court Order or an agreement by the parties to accept service by e-mail or electronic transmission, I caused the document(s) to be sent from the email address Alma@jameshawkinsaplc.com to the persons at the e-mail addresses listed in the Service List below. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.

SERVICE LIST

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REAL TIME STAFFING SERVICES, LLC dba
SELECT STAFFING

[XX] STATE: I declare under penalty of perjury, under the laws of the State of California, that the above is true and correct.

Executed on August 23, 2023, at Irvine, California.

Alma Chavarin
Alma Chavarin