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

MANUEL SALCEDO, individually, and on
behalf of other members of the general public
similarly situated and on behalf of other
aggrieved employees pursuant to the California
Private Attorneys General Act;

Plaintiff,

vs.

MAJCO, INC., a California corporation;
MAJCO, LLC, a California limited liability
company; BIG BRAND TIRES & SERVICES,
an unknown business entity; and DOES 1
through 100, inclusive,

Defendants.

Case No.: 56-2021-00551487-CU-OE-VTA

Honorable Benjamin Coats
Department 43

CLASS ACTION

**DECLARATION OF JARROD SALINAS
REGARDING NOTICE AND
SETTLEMENT ADMINISTRATION**

Date: March 23, 2023
Time: 8:30 a.m.
Department: 43

Complaint Filed: March 3, 2021
FAC Filed: November 7, 2022
Trial Date: None Set

DECLARATION OF JARROD SALINAS

I, Jarrod Salinas, declare as follows:

1. I am a Case Manager at Phoenix Settlement Administrators (“Phoenix”), the Court-appointed Class Action Settlement Administrator for *Salcedo v. Majco, Inc. et al.* (the “Action”). I have personal knowledge of the facts stated herein and, if called upon to testify, I could and would testify competently to such facts.

2. Phoenix was selected by the Parties and appointed by the Court to provide notice of the Settlement and perform class administration duties in this Action. Pursuant to the Joint Stipulation of Class Action and PAGA Settlement and Release (“Settlement Agreement” or “Settlement”) for this matter, Phoenix was responsible for: (i) preparing, translating, printing, and mailing the *Notice of Class Action Settlement* (“Class Notice”); (ii) responding to inquiries from Class Members; (iii) calculating the number of weeks each Class Member worked during the period from March 3, 2017 to March 8, 2022 (“Class Period”); (iv) determining the validity of letters indicating a request to be excluded from the Class Settlement (“Requests for Exclusion”), written objections to the Class Settlement (“Notices of Objection”), and/or dispute regarding the number of Workweeks submitted by Class Members; (v) calculating the Net Settlement Amount and the Individual Settlement Shares to Class Members; (vi) calculating and issuing the Individual Settlement Payments and distributing them to Settlement Class Members; (vii) issuing the payment to Class Counsel for attorneys’ fees and costs, the Enhancement Payment to Plaintiff, and the employer/employee payroll taxes to the appropriate taxing authorities; and (viii) such other tasks as set forth in the Settlement Agreement or as the Parties mutually agree, or as the Court orders.

3. On November 29, 2022, Phoenix received a data file from Defense Counsel that contained the last-known full names, mailing addresses, telephone numbers, Social Security numbers, and start and end dates worked as an hourly-paid or non-exempt employee of Defendant in California for each Class Member (“Class Data and List”) during the Class Period. The final mailing list contained one thousand three hundred seventeen (1,317) individuals identified as Class Members.

1 4. On November 29, 2022, Phoenix conducted a National Change of Address
2 (“NCOA”) search in an attempt to update the addresses on the Class Data and List as accurately as
3 possible. A search of the NCOA database provides updated addresses for any individual who has
4 moved in the previous four (4) years and notified the U.S. Postal Service of their change of address.

5 5. On December 6, 2022, Phoenix mailed the Class Notice via U.S. first class mail, in
6 English and Spanish, to all one thousand three hundred seventeen (1,317) Class Members on the
7 Class Data and List. A true and correct copy of the mailed Class Notice is attached hereto as **Exhibit**
8 **A.**

9 6. As of the date of this declaration, one hundred fifteen (115) Class Notices have been
10 returned to Phoenix. None were returned with a forwarding address. For the one hundred fifteen
11 (115) Class Notices returned from the Post Office without a forwarding address, Phoenix attempted
12 to locate a current mailing address using TransUnion TLOxp, one of the most comprehensive
13 address databases available for skip-tracing. Of the one hundred fifteen (115) Class Notices that
14 were skip-traced, one hundred nine (109) updated addresses were obtained and the Class Notice
15 was promptly re-mailed to those Class Members via first class mail.

16 7. As of the date of this declaration, twelve (12) Class Notices remain undeliverable,
17 specifically, six (6) are undeliverable since an updated address could not be obtained via skip-trace,
18 while six (6) are undeliverable since they were returned by the Post Office after a second mailing.

19 8. As of the date of this declaration, Phoenix has received one (1) Request for Exclusion
20 from a Class Member. The Class Member who requested exclusion is Xavier Estrada. The deadline
21 to request exclusion from the Class Settlement was January 20, 2023.

22 9. As of the date of this declaration, Phoenix has received zero (0) Notices of Objection
23 from Class Members. The deadline for objecting to the Class Settlement was January 20, 2023.

24 10. As of the date of this declaration, Phoenix has received zero (0) Workweek disputes
25 from Class Members. The deadline for submitting a dispute was January 20, 2023.

26 11. There are one thousand three hundred sixteen (1,316) Class Members who did not
27 submit timely and valid Requests for Exclusion and are therefore deemed Settlement Class
28 Members, representing 99.92% of the Class. Settlement Class Members have worked a collective

1 total of seventy-eight thousand eight hundred (78,800) Workweeks during the Class Period. Each
2 Workweek is valued at approximately \$6.67.

3 12. The Net Settlement Amount of \$525,500.00 available to pay Settlement Class
4 Members was determined by subtracting the requested Class Counsel attorneys' fees (\$420,000.00),
5 and Class Counsel costs (\$35,000.00), requested Enhancement Payment to Plaintiff Manuel Salcedo
6 (\$7,500.00), the PAGA Penalties (\$200,000.00), and the requested Settlement Administration Costs
7 (\$12,000.00) from the Gross Settlement Amount (\$1,200,000.00).

8 13. Based upon the calculations stipulated in the Settlement, the highest Individual
9 Settlement Share amount to be paid is approximately \$1,900.22, while the average Individual
10 Settlement Share amount to be paid is approximately \$434.70. Settlement Class Members will be
11 issued payment of their Individual Settlement Shares subject to reduction for the employee's share
12 of taxes and withholdings with respect to the wages portion of the Individual Settlement Share (the
13 net payment is their "Individual Settlement Payment").

14 14. Pursuant to the Settlement, Defendant has agreed to fund the employer-side taxes in
15 addition to the Maximum Settlement Amount.

16 15. Phoenix's costs associated with the administration of this matter are \$12,000.00.
17 This includes all costs incurred to date, as well as estimated costs involved in completing the
18 settlement distribution. A true and correct copy of the invoice from Phoenix is attached hereto as
19 **Exhibit B.**

20
21 I declare under penalty of perjury of the laws of the State of California that the foregoing is
22 true and correct.

23 Executed this 1st day of March 2023, at Orange, California.

24
25 
26 JARROD SALINAS

EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT

Salcedo v. Majco, Inc. et al.,
Superior Court of California for the County of Ventura
Case No. 56-2021-00551487-CU-OE-VTA

PLEASE READ THIS NOTICE CAREFULLY.

You have received this Notice because Defendant's records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced case.

You do not need to take any action to receive a settlement payment.

This Notice is designed to advise you of your rights and options with respect to the settlement, and how you can request to be excluded from the settlement, object to the settlement, and/or dispute the number of Workweeks that you are credited with, if you so choose.

YOU ARE NOTIFIED THAT: A class and representative action settlement has been reached between Plaintiff Manuel Salcedo ("Plaintiff") and Defendant Majco, LLC (d/b/a Big Brand Tire & Service, formerly known as Majco, Inc.) ("Defendant") (Plaintiff and Defendant are collectively referred to as the "Parties") in the case entitled *Manuel Salcedo vs. Majco, Inc. et al.*, Superior Court of California for the County of Ventura, Case No. 56-2021-00551487-CU-OE-VTA ("Action"). The settlement may affect your legal rights. On October 28, 2022, the Court granted preliminary approval of the settlement and scheduled a hearing on March 23, 2023, at 8:30 a.m. ("Final Approval Hearing") to determine whether or not the Court should grant final approval of the settlement.

I. IMPORTANT DEFINITIONS

"Class" means all current and former hourly-paid or non-exempt employees of Defendant in California at any time during the period from March 3, 2017, through March 8, 2022.

"Class Member" means a member of the Class.

"Class Period" means the time period from March 3, 2017, through March 8, 2022.

II. BACKGROUND OF THE LAWSUIT

On March 3, 2021, Plaintiff filed the Class Action Complaint for Damages in the Ventura County Superior Court, Case No. 56-2021-00551487-CU-OE-VTA. On November 7, 2022, Plaintiff filed the First Amended Class Action Complaint for Damages & Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, *Et Seq* ("Operative Complaint") alleging a cause of action under the Private Attorneys General Act of 2004 pursuant to California Labor Code Section 2698 *et seq.* ("PAGA"). Plaintiff alleges that Defendant failed to properly pay minimum and overtime wages, provide compliant meal and rest breaks and associated premiums, timely pay wages during employment and upon termination of employment and associated waiting-time penalties, provide accurate wage statements, keep requisite payroll records, and reimburse business expenses, and thereby engaged in unfair business practices in violation of California Business & Professions Code section 17200, *et seq.*, and conduct that gives rise to penalties under California Labor Code section 2698, *et seq.* ("PAGA"). Plaintiff seeks, among other things, recovery of unpaid wages and meal and rest period premiums, unreimbursed business expenses, restitution, penalties, interest, and attorneys' fees and costs.

Defendant denies all of the allegations in the Action or that it violated any law.

The Parties participated in mediation with a respected class action mediator, and as a result, the Parties reached a settlement. The Parties have since entered into the Joint Stipulation of Class Action and PAGA Settlement and Release ("Settlement" or "Settlement Agreement").

On October 28, 2022, the Court entered an order preliminarily approving the Settlement. The Court has appointed Phoenix Class Action Administration Solutions as the administrator of the Settlement ("Settlement Administrator"), Plaintiff as the representative of the Class ("Class Representative"), and the following Plaintiff's attorneys as counsel for the Class ("Class Counsel"):

Edwin Aiwarzian

Arby Aiwarzian

Joanna Ghosh

Annabel Blanchard

Lawyers for Justice, PC

410 West Arden Avenue, Suite 203

Glendale, California 91203

Telephone: (818) 265-1020 / Fax: (818) 265-1021

If you are a Class Member, you do not need to take any action to receive an Individual Settlement Payment, but you have the opportunity to request exclusion from the Settlement (in which case you will not receive an Individual Settlement Payment), object to the Settlement, and/or dispute the Workweeks credited to you, if you so choose, as explained more fully in Sections III and IV below. However, if you

are a Class Member, you cannot opt out of the PAGA portion of the Settlement and you will still receive your share of the PAGA Penalties.

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendant that the claims in the Action have merit or that Defendant has any liability to Plaintiff or to Class Members. Plaintiff and Defendant, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the Settlement is fair, reasonable, and adequate, and is in the best interests of Class Members. The Court has made no ruling on the merits of the claims asserted in the Action and has determined only that certification of the Class for settlement purposes is appropriate under California law.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The total maximum settlement amount is Six Hundred Thousand Dollars (\$1,200,000) (the “Maximum Settlement Amount”). The portion of the Maximum Settlement Amount that is available for payment to Settlement Class Members is referred to as the “Net Settlement Amount.” The Net Settlement Amount will be the Maximum Settlement Amount less the following payments which are subject to approval by the Court: (1) Attorneys’ Fees and Costs, consisting of attorneys’ fees of up to one-third (35%) of the Maximum Settlement Amount (i.e., \$420,000) and reimbursement of actual costs and expenses in an amount not to exceed Thirty-Five Thousand Dollars (\$35,000) to Class Counsel; (2) Enhancement Payment in an amount up to Seven Thousand Five Hundred Dollars (\$7,500) to Plaintiff for his services in the Action; (3) Settlement Administration Costs in an amount not to exceed Fifteen Thousand Dollars (\$15,000) to the Settlement Administrator; and (4) the amount of Two Hundred Thousand Dollars (\$200,000) allocated toward civil penalties under the Private Attorneys General Act (“PAGA Penalties”). Note: The PAGA Penalties will be distributed 75% (i.e., \$150,000) to the LWDA (“LWDA Payment”) and the remaining 25% (i.e., \$50,000) will be distributed to all Class Members on a *pro rata* basis, regardless of whether they submit a Request for Exclusion.

Class Members are eligible to receive payment under the Settlement of their *pro rata* share of the Net Settlement Amount (“Individual Settlement Share”) based on the number of weeks employed by Defendant as an hourly-paid or non-exempt employee in California during the Class Period (“Workweeks”).

The Settlement Administrator has divided the Net Settlement Amount by the Workweeks of all Class Members to yield the “Estimated Workweek Value,” and multiplied each Class Member’s individual Workweeks by the Estimated Workweek Value to yield his or her estimated Individual Settlement Share that he or she may be eligible to receive under the Settlement (which is listed in Section III.C below). Class Members who do not submit a valid and timely Request for Exclusion (“Settlement Class Members”) will be issued payment of their final Individual Settlement Payment.

Each Individual Settlement Share will be allocated as twenty-five percent (25%) wages, which will be reported on an IRS Form W2, and seventy-five percent (75%) penalties, interest, and non-wage damages, which will be reported on an IRS Form 1099 (if applicable). Each Individual Settlement Share will be subject to reduction for the employee’s share of taxes and withholdings with respect to the wages portion of Individual Settlement Shares, resulting in a net payment to the Settlement Class Member (“Individual Settlement Payment”). The employer’s share of taxes and contributions in connection with the wages portion of Individual Settlement Shares shall be paid by Defendant in addition to the Maximum Settlement Amount.

If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to Settlement Class Members at the address that is on file with the Settlement Administrator. **If the address to which this Notice was mailed is not correct, or if you move after you receive this Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure you receive any payment that you may be entitled to under the Settlement.**

B. Your Workweeks Based on Defendant’s Records

According to Defendant’s records, you have been credited with «Total_Weeks» Workweeks.

If you wish to dispute the Workweeks credited to you, you must submit a written letter to the Settlement Administrator that: (a) contains the case name and number of the Action (*Manuel Salcedo vs. Majco, Inc. et al.*, Case No. 56-2021-00551487-CU-OE-VTA); (b) is signed by you; (c) contains your full name, address, telephone number, and the last four digits of your Social Security Number; (d) clearly states that you dispute the number of Workweeks credited to you and what you contend is the correct number to be credited to you; (e) includes information and/or attaches documentation demonstrating that the number of Workweeks that you contend should be credited to you are correct; and (f) is returned by fax or mail to the Settlement Administrator at the address and/or facsimile number specified in Section IV.B below, postmarked or fax-stamped **on or before January 20, 2023**.

C. Your Estimated Individual Settlement Share

As explained above, your estimated Individual Settlement Share is based on the number of Workweeks credited to you.

Under the terms of the Settlement, your Individual Settlement Share is estimated to be «ESA_Before_Paga». The Individual Settlement Share is subject to reduction for the employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Share and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

The settlement approval process may take multiple months. Your Individual Settlement Share reflected in this Notice is only an estimate. Your actual Individual Settlement Share may be higher or lower.

D. Release of Claims

Upon the Effective Date, Plaintiff and all Class Members who do not submit a valid and timely Request for Exclusion (i.e., Settlement Class Members) will be deemed to have fully, finally and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Claims he or she may have or had.

“Released Claims” means all claims under state, federal, or local law, whether statutory, in tort, contract, or otherwise, pled in the Operative Complaint or that could have been pled based on the facts pled in the Operative Complaint, arising during the period March 3, 2017 through March 8, 2022, including but not limited to claims under the California Labor Code, California Industrial Welfare Commission Wage Orders, regulations, and/or other provisions of law, for failure to pay overtime wages, failure to pay minimum wages, failure to provide compliant meal periods and associated premium pay, failure to provide compliant rest periods and associated premium pay, failure to properly calculate the regular rate for purposes of calculating overtime pay, meal premiums and rest premiums, failure to provide one day of rest in a seven day work week, failure to provide compliant wage statements, failure to timely pay wages upon termination of employment, failure to timely pay wages during employment, failure to maintain requisite payroll records, failure to reimburse necessary business-related expenses, unfair or unlawful business practices pursuant California Business and Professions Code § 17200, *et seq.* based on the aforementioned, and civil penalties pursuant to California Labor Code § 2698, *et seq.* (“PAGA”) based on the aforementioned.

“Released Parties” means Defendant and any of their past and present parents, subsidiaries, and divisions, and their shareholders, officers, directors, employees, partners, attorneys, insurers and reinsurers, predecessors, successors, successors-in-interest, assigns, accountants, auditors, consultants, legal representatives, and any individual or entity that could be jointly or severally liable for any of the Released Claims.

E. Attorneys' Fees and Costs to Class Counsel

Class Counsel will seek attorneys’ fees of up to one-third (35%) of the Maximum Settlement Amount (i.e., \$420,000.00) and reimbursement of actual costs and expenses in an amount not to exceed Thirty-Five Thousand Dollars (\$35,000) (collectively, “Attorneys’ Fees and Costs”), subject to approval by the Court. All Attorneys’ Fees and Costs awarded by the Court will be paid from the Maximum Settlement Amount. Class Counsel has been prosecuting the Action on behalf of Plaintiff and Class Members on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

F. Enhancement Payment to Plaintiff

Plaintiff will seek the amount of Seven Thousand Five Hundred Dollars (\$7,500) (“Enhancement Payment”), in recognition of his services in connection with the Action. The Enhancement Payment will be paid from the Maximum Settlement Amount, subject to approval by the Court, and if awarded, will be paid to Plaintiff in addition to his Individual Settlement Payment that he is entitled to under the Settlement.

G. Settlement Administration Costs to Settlement Administrator

Payment to the Settlement Administrator is estimated not to exceed Fifteen Thousand Dollars (\$15,000) (“Settlement Administration Costs”) for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members of the Settlement, processing Requests for Exclusion, Notices of Objection, and disputes of Workweeks, calculating Individual Settlement Shares and Individual Settlement Payments, and distributing payments and tax forms under the Settlement, and shall be paid from the Maximum Settlement Amount, subject to approval by the Court.

IV. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?

A. Participate in the Settlement

If you want to participate in the Settlement and receive money from the Settlement, you do not have to do anything. You will automatically be included in the Settlement and issued your Individual Settlement Payment unless you decide to exclude yourself from the Settlement.

Unless you elect to exclude yourself from the Settlement, you will be bound by the terms of the Settlement and any judgment that may be entered by the Court based thereon, and you will release the claims described in Section III.D above. As a Class Member, you will not be separately responsible for the payment of attorney’s fees or litigation costs and expenses, unless you retain your own counsel, in

which event you will be responsible for your own attorney's fees and expenses.

B. Request Exclusion from the Settlement

If you do not wish to participate in the Settlement, you must submit a written letter indicating a request to be excluded from the Settlement ("Request for Exclusion") to the Settlement Administrator.

A Request for Exclusion must: (a) contain the case name and number of the Action (*Salcedo v. Majco, Inc., et al.*, Case No. 56-2021-00551487-CU-OE-VTA); (b) be signed by you; (c) contain your full name, address, telephone number, and the last four digits of your Social Security Number; (d) clearly state that you do not wish to be included in the Settlement; and (e) be returned by fax or mail the Settlement Administrator, postmarked or faxed **on or before January 20, 2023** at the following mailing address and/or facsimile number:

Phoenix Class Action Administration Solutions
P.O. Box 7208
Orange, CA 92863
Telephone: (800) 523-5773
Facsimile: (949) 209-2503

If the Court grants final approval of the Settlement, any Class Member who submits a valid and timely Request for Exclusion will not be entitled to receive an Individual Settlement Payment, will not be bound by the Settlement (and the release of claims described in Section III.D above), and will not have any right to object to, appeal, or comment on the Settlement. However, Class Members may not opt out of the PAGA portion of the Settlement and all Class Members will receive their share of the PAGA Penalties regardless of whether they submit a Request for Exclusion. Any Class Member who does not submit a valid and timely Request for Exclusion will be deemed a Settlement Class Member and will be bound by all terms of the Settlement, including those pertaining to the release of claims described in Section III.D above, as well as any judgment that may be entered by the Court based thereon.

C. Object to the Settlement

You can object to the terms of the Settlement as long as you have not submitted a Request for Exclusion, by submitting a valid and timely written objection to the Settlement ("Notice of Objection") to the Settlement Administrator.

A Notice of Objection must be in writing and include: (a) the case name and number of the Action (*Salcedo v. Majco, Inc., et al.*, Case No. 56-2021-00551487-CU-OE-VTA); (b) your full name, signature, address, and telephone number; (c) the full name, address, and telephone number of any legal representative representing you with respect to the objection (d) a written statement of all grounds for the objection accompanied by any legal support for such objection; (e) copies of any papers, brief, or other documents upon which the objection is based; and (f) be mailed or faxed to the Settlement Administrator at the address and/or facsimile number listed in Section IV.B above, postmarked or fax-stamped **on or before January 20, 2023**.

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department 43 of the Ventura County Superior Court, located at 800 South Victoria Avenue, Ventura, California 93009, on March 23, 2023, at 8:30 a.m., to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and award Attorneys' Fees and Costs to Class Counsel, Enhancement Payment to Plaintiff, and Settlement Administration Costs to the Settlement Administrator.

The hearing may be continued without further notice to Class Members. It is not necessary for you to appear at the Final Approval Hearing, although you may appear remotely if you wish to.

Please visit the Court's website for the most up-to-date information regarding the impact of COVID-19 on the operations of the Court and any requirements that may apply for accessing Court facilities: <https://www.ventura.courts.ca.gov/index.html>

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers which are on file with the Court.

You may view the Settlement Agreement and other court records in the Action for a fee by visiting the civil clerk's office, located at 800 South Victoria Avenue, Ventura, California 93009, during business hours, or by online by visiting the following website: <https://www.ventura.courts.ca.gov/case-inquiry.html>, expanding the Civil database drop-down menu, clicking on Civil & Probate Inquiries, and typing in the following portion of the Court Case Number "2021-00551487."

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT.

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER: (800) 523-5773, OR YOU MAY ALSO CONTACT CLASS COUNSEL.

AVISO DE ACUERDO DE DEMANDA COLECTIVA

**Salcedo contra Majco, Inc. y otros,
Tribunal Superior de California para el Condado de Ventura
Caso n° 56-2021-00551487-CU-OE-VTA**

LEA ATENTAMENTE ESTE AVISO.

Usted ha recibido este Aviso porque los registros del Demandado indican que usted puede ser elegible para participar en el acuerdo de acción colectiva alcanzado en el caso arriba referido.

No es necesario que realice ninguna acción para recibir un pago de liquidación.

Este aviso está diseñado para informarle de sus derechos y opciones con respecto al acuerdo, y de cómo puede solicitar ser excluido del acuerdo, objetar el acuerdo y/o disputar el número de semanas de trabajo que se le acreditan, si así lo desea.

SE LE NOTIFICA QUE: Se ha alcanzado un acuerdo de demanda colectiva y representativa entre el demandante Manuel Salcedo ("Demandante") y el demandado Majco, LLC (d/b/a Big Brand Tire & Service, antes conocido como Majco, Inc.) ("Demandado") (el Demandante y el Demandado se denominan colectivamente las "Partes") en el caso titulado *Manuel Salcedo vs. Majco, Inc. et al.*, Tribunal Superior de California para el Condado de Ventura, Caso No. 56-2021-00551487-CU-OE-VTA ("Acción"). El acuerdo puede afectar a sus derechos legales. El 28 de octubre de 2022, el Tribunal concedió la aprobación preliminar del acuerdo y programó una audiencia el 23 de marzo de 2023 a las 8:30 a.m. ("Audiencia de aprobación final") para determinar si el Tribunal debe conceder o no la aprobación final del acuerdo.

I. DEFINICIONES IMPORTANTES

"Clase" significa todos los empleados actuales y anteriores pagados por hora o no exentos del Demandado en California en cualquier momento durante el período comprendido entre el 3 de marzo de 2017 y el 8 de marzo de 2022.

"Miembro del Grupo" significa un miembro del Grupo.

"Período de la Clase" significa el período de tiempo desde el 3 de marzo de 2017 hasta el 8 de marzo de 2022.

II. ANTECEDENTES DE LA DEMANDA

El 3 de marzo de 2021, la Demandante presentó la Demanda Colectiva por Daños y Perjuicios en el Tribunal Superior del Condado de Ventura, Caso No. 56-2021-00551487-CU-OE-VTA. El 7 de noviembre de 2022, el Demandante presentó la Primera Demanda Colectiva Modificada por Daños y Perjuicios bajo la Ley de Abogados Generales Privados, Código Laboral de California § 2698, *Et Seq* ("Demanda Operativa") alegando una causa de acción bajo la Ley de Abogados Generales Privados de 2004 de acuerdo con el Código Laboral de California Sección 2698 *et seq.* ("PAGA"). El demandante alega que el demandado no pagó correctamente los salarios mínimos y las horas extraordinarias, no proporcionó las pausas para comer y descansar y las primas asociadas, no pagó oportunamente los salarios durante el empleo y al terminar el empleo y las sanciones por tiempo de espera asociadas, no proporcionó declaraciones salariales precisas, no mantuvo los registros de nóminas requeridos y no reembolsó los gastos de la empresa y, por lo tanto, incurrió en prácticas comerciales desleales en violación del Código de Negocios y Profesiones de California, sección 17200 y siguientes, y en una conducta que da lugar a sanciones en virtud de la sección 2698 y siguientes del Código Laboral de California ("PAGA"). El demandante solicita, entre otras cosas, la recuperación de los salarios no pagados y de las primas por períodos de comida y descanso, los gastos empresariales no reembolsados, la restitución, las sanciones, los intereses y los honorarios de abogados y costas.

El demandado niega todas las alegaciones de la Acción o que haya violado alguna ley.

Las Partes participaron en una mediación con un respetado mediador de demandas colectivas y, como resultado, las Partes llegaron a un acuerdo. Desde entonces, las Partes han suscrito la Estipulación Conjunta de Acción Colectiva y Acuerdo PAGA y Liberación ("Acuerdo" o "Acuerdo de Conciliación").

El 28 de octubre de 2022, el Tribunal emitió una orden de aprobación preliminar. El Tribunal ha designado a Phoenix Class Action Administration Solutions como administrador del Acuerdo ("Administrador del Acuerdo"), a la Demandante como representante del Grupo ("Representante del Grupo") y a los siguientes abogados de la Demandante como abogados del Grupo ("Abogados del Grupo"):

Edwin Aiwarzian

Arby Aiwarzian

Joanna Ghosh

Annabel Blanchard

Lawyers for Justice, PC

410 West Arden Avenue, Suite 203

Glendale, California 91203

Teléfono: (818) 265-1020 / Fax: (818) 265-1021

Si usted es un Miembro de la Clase, no necesita realizar ninguna acción para recibir un Pago Individual del Acuerdo, pero tiene la oportunidad de solicitar la exclusión del Acuerdo (en cuyo caso no recibirá un Pago Individual del Acuerdo), objetar el Acuerdo, y/o disputar las Semanas de Trabajo que se le acrediten, si así lo desea, como se explica más detalladamente en las Secciones III y IV a continuación. Sin embargo, si usted es un Miembro de la Clase, no puede optar por no participar en la porción PAGA del Acuerdo y seguirá recibiendo su parte de las Sanciones PAGA.

El Acuerdo representa un compromiso y un arreglo de reclamaciones muy disputadas. Nada en el Acuerdo pretende o se interpretará como una admisión por parte del Demandado de que las reclamaciones en la Acción tienen mérito o de que el Demandado tiene alguna responsabilidad ante el Demandante o los Miembros de la Clase. El Demandante y el Demandado, y sus respectivos abogados, han llegado a la conclusión y están de acuerdo en que, a la luz de los riesgos e incertidumbres para cada parte de la continuación del litigio, el Acuerdo es justo, razonable y adecuado, y es en el mejor interés de los Miembros de la Clase. El Tribunal no se ha pronunciado sobre el fondo de las reclamaciones planteadas en la Demanda y sólo ha determinado que la certificación del Grupo a efectos de la conciliación es apropiada según la legislación de California.

III. RESUMEN DEL ACUERDO PROPUESTO

A. Fórmula de liquidación

El importe máximo total del acuerdo es de seiscientos mil dólares (\$1,200,000) (el "Importe máximo del acuerdo"). La parte del Monto Máximo del Acuerdo que está disponible para el pago a los Miembros de la Clase del Acuerdo se denomina "Monto Neto del Acuerdo". El Monto Neto del Acuerdo será el Monto Máximo del Acuerdo menos los siguientes pagos que están sujetos a la aprobación del Tribunal: (1) Los honorarios de los abogados y las costas, que consisten en los honorarios de los abogados de hasta un tercio (35%) del Importe Máximo del Acuerdo (es decir, \$420,000) y el reembolso de los costes y gastos reales por un importe que no supere los treinta y cinco mil dólares (\$35,000) a los Abogados del Grupo; (2) Pago de mejora por un importe de hasta siete mil quinientos dólares (7.500 dólares) al Demandante por sus servicios en la Demanda; (3) Costos de Administración del Acuerdo en una cantidad que no exceda los Quince Mil Dólares (\$15,000) al Administrador del Acuerdo; y (4) la cantidad de Doscientos Mil Dólares (\$200,000) asignada a las sanciones civiles bajo la Ley de Abogados Generales Privados ("Sanciones PAGA"). Nota: Las Sanciones PAGA se distribuirán en un 75% (es decir, \$150,000) a la LWDA ("Pago de la LWDA") y el 25% restante (es decir, \$50,000) se distribuirá a todos los Miembros del Grupo de forma *prorrateada*, independientemente de que presenten una Solicitud de Exclusión.

Los Miembros de la Clase son elegibles para recibir el pago bajo el Acuerdo de su parte *proporcional* del Monto Neto del Acuerdo ("Parte Individual del Acuerdo") basado en el número de semanas empleadas por el Demandado como un empleado pagado por hora o no exento en California durante el Período de la Clase ("Semanas de Trabajo").

El Administrador del Acuerdo ha dividido el Importe Neto del Acuerdo por las Semanas de Trabajo de todos los Miembros del Grupo para obtener el "Valor Estimado de la Semana de Trabajo", y ha multiplicado las Semanas de Trabajo individuales de cada Miembro del Grupo por el Valor Estimado de la Semana de Trabajo para obtener su Parte Individual del Acuerdo estimada que puede recibir en virtud del Acuerdo (que se indica en la Sección III. C más adelante). A los Miembros de la Clase que no presenten una Solicitud de Exclusión válida y oportuna ("Miembros de la Clase del Acuerdo") se les emitirá el pago de su Parte Individual del Acuerdo final.

Cada Participación Individual en el Acuerdo se asignará como un veinticinco por ciento (25%) de salarios, que se informará en un Formulario W2 del IRS, y un setenta y cinco por ciento (75%) de sanciones, intereses y daños no salariales, que se informará en un Formulario 1099 del IRS (si corresponde). Cada parte del acuerdo individual estará sujeta a una reducción por la parte de los impuestos y retenciones del empleado con respecto a la parte de los salarios de las partes del acuerdo individual, lo que resultará en un pago neto para el miembro de la clase del acuerdo ("pago del acuerdo individual"). La parte de impuestos y retenciones del empleador en relación con la porción de salarios de las Acciones del Acuerdo Individual será pagada por el Demandado además del Monto Máximo del Acuerdo.

Si el Tribunal concede la aprobación definitiva del Acuerdo, los Pagos Individuales del Acuerdo se enviarán por correo a los Miembros del Grupo del Acuerdo a la dirección que consta en los archivos del Administrador del Acuerdo. **Si la dirección a la que se envió esta Notificación no es correcta, o si se muda después de recibir esta Notificación, debe proporcionar su dirección postal correcta al Administrador del Acuerdo lo antes posible para asegurarse de recibir cualquier pago al que pueda tener derecho en virtud del Acuerdo.**

B. Sus semanas de trabajo basadas en los registros del demandado

Según los registros del demandado, se le han acreditado «Total_Weeks» semanas de trabajo.

Si desea impugnar las Semanas de Trabajo que se le han acreditado, debe presentar una carta escrita al Administrador del Acuerdo que (a) contenga el nombre del caso y el número de la Acción (*Manuel Salcedo vs. Majco, Inc. et al.*, Caso No. 56-2021-00551487-CU-OE-VTA); (b) esté firmada por usted; (c) contenga su nombre completo, dirección, número de teléfono y los últimos cuatro dígitos de su Número de Seguridad Social; (d) indique claramente que usted impugna el número de Semanas de Trabajo que se le han acreditado y cuál es, según usted, el número correcto que se le debe acreditar; (e) incluya información y/o adjunte documentación que demuestre que el número de Semanas de Trabajo que usted sostiene que se le debe acreditar es correcto; y (f) sea devuelta por fax o correo al Administrador del Acuerdo a la dirección y/o número de fax especificados en la Sección IV.B a continuación, con el matasellos o el sello de fax **a más tardar el 20 de enero de 2023.**

C. Su cuota de liquidación individual estimada

Como se ha explicado anteriormente, su cuota de liquidación individual estimada se basa en el número de semanas de trabajo acreditadas.

Según los términos del Acuerdo, su Parte Individual del Acuerdo se estima en «ESA_Before_Paga». La Parte Individual del Acuerdo está sujeta a una reducción por la parte de los impuestos y retenciones del empleado con respecto a la parte de los

salarios de la Parte Individual del Acuerdo y sólo se distribuirá si el Tribunal aprueba el Acuerdo y después de que éste entre en vigor.

El proceso de aprobación del acuerdo puede durar varios meses. Su parte del acuerdo individual reflejada en este aviso es sólo una estimación. Su parte de liquidación individual real puede ser mayor o menor.

D. Liberación de reclamaciones

En la Fecha de Entrada en Vigor, se considerará que el Demandante y todos los Miembros de la Clase que no presenten una Solicitud de Exclusión válida y oportuna (es decir, los Miembros de la Clase del Acuerdo) habrán liberado, transigido, comprometido, renunciado y eximido para siempre a las Partes Liberadas de todas las Reclamaciones Liberadas que pueda tener o tener.

"Reclamaciones liberadas" significa todas las reclamaciones en virtud de la ley estatal, federal o local, ya sean estatutarias, extracontractuales, contractuales o de otro tipo, alegadas en la Demanda Operativa o que podrían haberse alegado sobre la base de los hechos alegados en la Demanda Operativa, que surgieron durante el período del 3 de marzo de 2017 al 8 de marzo de 2022, incluyendo, pero sin limitarse a, las reclamaciones en virtud del Código Laboral de California, las Órdenes Salariales de la Comisión de Bienestar Industrial de California, los reglamentos y/o otras disposiciones de la ley, por no pagar los salarios de las horas extraordinarias, por no pagar los salarios mínimos, por no proporcionar períodos de comida conformes y el pago de primas asociado, no proporcionar períodos de descanso conformes y la prima asociada, no calcular correctamente la tarifa regular para calcular el pago de horas extras, las primas por comidas y las primas por descanso, no proporcionar un día de descanso en una semana laboral de siete días, no proporcionar declaraciones salariales conformes, no pagar a tiempo los salarios al terminar el empleo, no pagar a tiempo los salarios durante el empleo, no mantener los registros de nóminas requeridos, no reembolsar los gastos necesarios relacionados con el negocio, prácticas comerciales injustas o ilegales de acuerdo con el Código de Negocios y Profesiones de California § 17200, *et seq.* basadas en lo anterior, y sanciones civiles de acuerdo con el Código Laboral de California § 2698, *et seq.* ("PAGA") basadas en lo anterior.

"Partes Exoneradas" significa el Demandado y cualquiera de sus matrices, subsidiarias y divisiones pasadas y presentes, y sus accionistas, funcionarios, directores, empleados, socios, abogados, aseguradores y reaseguradores, predecesores, sucesores, sucesores en interés, cesionarios, contadores, auditores, consultores, representantes legales y cualquier individuo o entidad que pudiera ser conjunta o separadamente responsable de cualquiera de las Demandas Exoneradas.

E. Honorarios y costas de los abogados del grupo

Los Abogados del Grupo solicitarán unos honorarios de hasta un tercio (35%) del Importe Máximo del Acuerdo (es decir, \$420,000.00) y el reembolso de los costes y gastos reales por un importe que no exceda los Treinta y Cinco Mil Dólares (\$35,000) (colectivamente, "Honorarios y Costes de los Abogados"), sujetos a la aprobación del Tribunal. Todos los Honorarios y Costes de los Abogados concedidos por el Tribunal se pagarán con el Monto Máximo del Acuerdo. El Abogado de la Clase ha estado llevando a cabo la Acción en nombre del Demandante y de los Miembros de la Clase sobre la base de honorarios contingentes (es decir, sin recibir ningún pago hasta la fecha) y ha estado pagando todos los costos y gastos del litigio.

F. Pago de mejora a Demandante

El Demandante solicitará la cantidad de siete mil quinientos dólares (\$7,500) ("Pago de Mejora"), en reconocimiento a sus servicios en relación con la Acción. El Pago de Mejora se pagará con el Monto Máximo del Acuerdo, sujeto a la aprobación del Tribunal, y si se concede, se pagará al Demandante además de su Pago Individual del Acuerdo al que tiene derecho en virtud del Acuerdo.

G. Costes de administración del acuerdo para el administrador del acuerdo

Se estima que el pago al Administrador del Acuerdo no superará los Quince Mil Dólares (\$15,000) ("Costos de Administración del Acuerdo") por los costos del proceso de notificación y administración del acuerdo, incluyendo y sin limitarse a, el gasto de notificar a los Miembros de la Clase del Acuerdo, procesar las Solicitudes de Exclusión, las Notificaciones de Objeción y las disputas de las Semanas de Trabajo, calcular las Participaciones Individuales del Acuerdo y los Pagos Individuales del Acuerdo, y distribuir los pagos y los formularios de impuestos bajo el Acuerdo, y se pagará del Monto Máximo del Acuerdo, sujeto a la aprobación del Tribunal.

IV. ¿CUÁLES SON SUS DERECHOS Y OPCIONES COMO MIEMBRO DE la clase?

A. Participar en el Acuerdo

Si desea participar en el Acuerdo y recibir dinero de este, no tiene que hacer nada. Se le incluirá automáticamente en el Acuerdo y se le emitirá su Pago Individual del Acuerdo, a menos que decida excluirse del mismo.

A menos que elija excluirse del Acuerdo, quedará obligado por los términos del Acuerdo y por cualquier sentencia que pueda dictar el Tribunal basada en el mismo, y liberará las reclamaciones descritas en la Sección III.D anterior. Como Miembro del Grupo, no será responsable por separado del pago de los honorarios de los abogados o de las costas y gastos del litigio, a menos que contrate a su propio abogado, en cuyo caso será responsable de sus propios honorarios y gastos.

B. Solicitar la exclusión del acuerdo

Si no desea participar en el Acuerdo, debe presentar una carta por escrito indicando una solicitud para ser excluido del Acuerdo ("Solicitud de Exclusión") al Administrador del Acuerdo.

Una solicitud de exclusión debe: (a) contener el nombre del caso y el número de la Acción (*Salcedo v. Majco, Inc.*, *et al.*, Caso No. 56-2021-00551487-CU-OE-VTA); (b) estar firmada por usted; (c) contener su nombre completo, dirección, número de teléfono y los cuatro últimos

dígitos de su número de la Seguridad Social; (d) indicar claramente que no desea ser incluido en el Acuerdo; y (e) ser devuelta por fax o por correo al Administrador del Acuerdo, con matasellos o por fax **antes del 20 de enero de 2023** a la siguiente dirección postal y/o número de fax:

Phoenix Class Action Administration Solutions
P.O. Box 7208
Orange, CA 92863
Teléfono: (800) 523-5773
Fax: (949) 209-2503

Si el Tribunal concede la aprobación final del Acuerdo, cualquier Miembro del Grupo que presente una Solicitud de Exclusión válida y oportuna no tendrá derecho a recibir un Pago Individual del Acuerdo, no estará obligado por el Acuerdo (y la liberación de reclamaciones descrita en la Sección III.D anterior), y no tendrá ningún derecho a objetar, apelar o comentar el Acuerdo. Sin embargo, los Miembros del Grupo no podrán optar por excluirse de la parte del Acuerdo correspondiente a PAGA y todos los Miembros del Grupo recibirán su parte de las Sanciones PAGA independientemente de que presenten una Solicitud de Exclusión. Cualquier Miembro de la Clase que no presente una Solicitud de Exclusión válida y oportuna será considerado un Miembro de la Clase del Acuerdo y estará obligado por todos los términos del Acuerdo, incluidos los relativos a la liberación de las reclamaciones descritas en la Sección III.D anterior, así como cualquier sentencia que pueda ser dictada por el Tribunal en base a la misma.

C. Objetar el acuerdo

Puede objetar los términos del Acuerdo siempre que no haya presentado una Solicitud de Exclusión, presentando una objeción válida y oportuna por escrito al Acuerdo ("Notificación de Objeción") al Administrador del Acuerdo.

La Notificación de Objeción debe ser por escrito e incluir (a) el nombre del caso y el número de la Acción (*Salcedo v. Majco, Inc. , et al. ,* Caso No. 56-2021-00551487-CU-OE-VTA); (b) su nombre completo, firma, dirección y número de teléfono; (c) el nombre completo, la dirección y el número de teléfono de cualquier representante legal que le represente con respecto a la objeción (d) una declaración por escrito de todos los motivos de la objeción, acompañada de cualquier apoyo legal para dicha objeción; (e) copias de cualquier documento, escrito u otros documentos en los que se base la objeción; y (f) ser enviada por correo o fax al Administrador del Acuerdo a la dirección y/o número de fax indicados en la Sección IV.B anterior, con el matasellos o el sello de fax **a más tardar el 20 de enero de 2023**.

V. AUDIENCIA DE APROBACIÓN FINAL

El Tribunal celebrará una Audiencia de Aprobación Definitiva en el Departamento 43 del Tribunal Superior del Condado de Ventura, ubicado en 800 South Victoria Avenue, Ventura, California 93009, el 23 de marzo de 2023 a las 8:30 a.m., para determinar si el Acuerdo debe ser aprobado definitivamente como justo, razonable y adecuado. También se solicitará al Tribunal que apruebe y otorgue los honorarios y costos de los abogados a los abogados del grupo, el pago de mejora al demandante y los costos de administración del acuerdo al administrador del acuerdo.

La audiencia puede continuar sin previo aviso a los miembros del grupo. No es necesario que usted comparezca en la Audiencia de Aprobación Final, aunque puede comparecer a distancia si lo desea.

Por favor, visite la página web del Tribunal para obtener la información más actualizada sobre el impacto del COVID-19 en las operaciones del Tribunal y cualquier requisito que pueda aplicarse para acceder a las instalaciones del Tribunal:

<https://www.ventura.courts.ca.gov/index.html>

VI. INFORMACIÓN ADICIONAL

Lo anterior es un resumen de los términos básicos del Acuerdo. Para conocer los términos y condiciones precisos del Acuerdo de Conciliación, debe revisar el Acuerdo de Conciliación detallado y otros documentos que se encuentran en los archivos del Tribunal.

Usted puede ver el Acuerdo de Conciliación y otros registros del tribunal en la Acción a cambio de una tarifa, visitando la oficina del secretario civil, ubicada en 800 South Victoria Avenue, Ventura, California 93009, durante el horario de atención, o en línea visitando el siguiente sitio web: <https://www.ventura.courts.ca.gov/case-inquiry.html>, expandiendo el menú desplegable de la base de datos Civil, haciendo clic en Civil & Probate Inquiries, y escribiendo la siguiente parte del Número de Caso del Tribunal "2021-00551487".

POR FAVOR, NO LLAME POR TELÉFONO AL TRIBUNAL O A LA OFICINA DEL SECRETARIO PARA OBTENER INFORMACIÓN SOBRE ESTE ACUERDO.

SI TIENE ALGUNA PREGUNTA, PUEDE LLAMAR AL ADMINISTRADOR DEL ACUERDO AL SIGUIENTE NÚMERO GRATUITO: (800) 523-5773, O TAMBIÉN PUEDE PONERSE EN CONTACTO CON EL ABOGADO DEL GRUPO.

EXHIBIT B



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

March 3, 2022

CASE ASSUMPTIONS

Class Members	1,100
Opt Out Rate	1%
Opt Outs Received	11
Total Class Claimants	1,089
Subtotal Admin Only	\$14,480.89

Not-to-Exceed Total \$12,000.00

For 1,100 Class Members

Pricing Good for Scope of Estimate Only

All Aspects of Escheating to the State of CA Included

Case: MS-MajCo, Inc.-1487, Opt-Out Administration

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

Requesting Attorney: Annabel Blanchard
Firm: Lawyers for Justice, PC
Contact Number: 818- Call Justice
Email: annabel@calljustice.com

Assumptions and Estimate are based on information provided by counsel. If class size changes, PSA will need to adjust this Estimate accordingly. Estimate is based on **1,100** Class Members. PSA assumes class data will be sent in Microsoft Excel or other usable format with no or reasonable additional formatting needed. A rate of \$150 per hour will be charged for any additional analysis or programming.

Case & Database Setup / Toll Free Setup & Call Center / NCOA (USPS)

Administrative Tasks:	Rate	Hours/Units	Line Item	Estimate
Programming Manager	\$100.00	2		\$200.00
Programming Database & Setup	\$100.00	2		\$200.00
Toll Free Setup*	\$150.00	1		\$150.00
Call Center & Long Distance	\$2.00	205		\$410.00
NCOA (USPS)	\$275.00	1		\$275.00
Total				\$1,235.00

* Up to 120 days after disbursement

Data Merger & Scrub / Notice Packet, Opt-Out Form & Postage / Website / Reminder Postcard

Project Action	Rate	Hours/Units	Line Item	Estimate
Notice Packet Formatting	\$100.00	2		\$200.00
Spanish Translation	\$800.00	1		\$800.00
Data Merge & Duplication Scrub	\$0.10	1,100		\$110.00
Notice Packet & Opt-Out Form	\$1.25	1,100		\$1,375.00
Estimated Postage (up to 2 oz.)*	\$0.50	1,100		\$550.00
Static Website	\$100.00	1		Included
Check Cashing Reminder Postcard	\$0.60	229		\$137.21
Postage Included				
Total				\$3,172.21

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



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CLASS ACTION ADMINISTRATION SOLUTIONS

Skip Tracing & Remailing Notice Packets / Tracking & Programming Undeliverables

Project Action:	Rate	Hours/Units	Line Item	Estimate
Case Associate	\$55.00	6		\$330.00
Skip Tracing Undeliverables	\$0.85	275		\$233.75
Remail Notice Packets	\$0.75	272		\$204.00
Estimated Postage	\$0.53	272		\$144.16
Programming Undeliverables	\$50.00	1		\$50.00
			Total	\$961.91

Database Programming / Processing Opt-Outs, Deficiencies or Disputes / Reporting

Project Action:	Rate	Hours/Units	Line Item	Estimate
Programming Claims Database	\$150.00	2		\$300.00
Non Opt-Out Processing	\$200.00	1		\$200.00
Case Associate	\$55.00	4		\$220.00
Opt-Outs/Deficiency/Dispute Letters	\$10.00	17		\$170.00
Case Manager	\$85.00	3		\$255.00
Reporting During the Response Period	\$150.00	1		Included
			Total	\$1,145.00

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	\$135.00	2		\$270.00
Check Run Setup & Printing	\$135.00	7		\$945.00
Mail Class Checks *	\$1.10	1,089		\$1,197.90
Estimated Postage	\$0.53	1,089		\$577.17
			Total	\$3,720.07

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



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CLASS ACTION ADMINISTRATION SOLUTIONS

Tax Reporting & Reconciliation / Re-Issuance of Checks / Conclusion Reports and Declarations				
Project Action:	Rate	Hours/Units	Line Item	Estimate
Case Supervisor	\$115.00	4		\$460.00
Remail Undeliverable Checks (Postage Included)	\$1.50	218		\$326.70
Case Associate	\$55.00	4		\$220.00
Reconcile Uncashed Checks	\$85.00	8		\$680.00
Conclusion Reports	\$115.00	4		\$460.00
Case Manager Conclusion	\$85.00	4		\$340.00
Final Reporting & Declarations	\$115.00	4		\$460.00
IRS & QSF Annual Tax Reporting * (1 State Tax Reporting Included)	\$1,000.00	1		\$1,000.00
Check to Cy-Pres	\$150.00	1		Included
Uncashed Checks to the State of California Controllers Office Estimated 89 Total Class Members	\$300.00	1		\$300.00
Total				\$4,246.70

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

Estimate Total: \$14,480.89



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

TERMS AND CONDITIONS

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

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

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

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

Tax Reporting Requirements

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

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