

1 JAMES HAWKINS APLC
2 James R. Hawkins, Esq. (#192925)
3 Gregory Mauro, Esq. (#222239)
4 Michael Calvo, Esq. (#314986)
5 9880 Research Drive, Suite 200
6 Irvine, CA 92618
7 Tel.: (949) 387-7200
8 Fax: (949) 387-6676
9 Email: James@jameshawkinsaplc.com
10 Email: Greg@jameshawkinsaplc.com
11 Email: Michael@jameshawkinsaplc.com

12 Attorneys for Plaintiff ELIZABETH ANN O'REILLY
13 on behalf of the general public as private attorney general

14 ***Additional Counsel List On Next Page

15
16
17
18
19
20
21
22
23
24
25
26
27
28

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

ELIZABETH ANN O'REILLY, and on
behalf of all others similarly situated,

Plaintiffs,

v.

REEL SECURITY CALIFORNIA, INC., a
California Corporation; and DOES 1-10,
inclusive,

Defendants.

Case No.: 22STCV06095
Assigned for all purposes to the
Honorable Monica Bachner, Dept. 71

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

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28

2

3
4
5
6
7
8
9

10
11
12
13
14

15
16
17
18
19
20
21
22
23
24
25
26
27

1 4. On February 16, 2022, Plaintiff filed a Representative Action Complaint in the
2 Superior Court of the State of California for the County of Los Angeles, entitled *O-Reilly v. Reel*
3 *Security California, Inc.* case number 22STCV06095. Plaintiff filed his Complaint on behalf of the
4 State of California and other aggrieved employees as a PAGA action based on violations of Labor
5 Code §§ 201-203, 510, 511, 512, 558, 226, 226.3, 226.7, 1174, 1174.5, 1175, 1182.12, 1194, 1197,
6 1197.1, 1198, 2802, 2698 *et seq.*, 2699, and all applicable Industrial Welfare Commission (“IWC”) *et seq.*
7 Orders and California Code of Regulations, Title 8, section 11000 *et seq.*

8 5. During the course of the litigation, the Parties engaged in both formal and informal
9 discovery and fully shared the information necessary for all sides to conduct a legitimate
10 investigation into the allegations of the action and potential defenses thereto including payroll and
11 time keeping sampling of the purported Aggrieved Employees along with policies and relevant data
12 points. The Parties have reached this settlement only after discovery and investigation was
13 performed, including an assessment regarding Defendant’s financial condition conducted by a
14 forensic accountant.

15 6. From approximately June through mid-October 2024, Defendant produced numerous
16 records to attempt settlement in this matter. These records included: (a) Financial records from 2021
17 through 2024, including tax returns, balance sheets, and profit & loss statements; (b) applicable
18 written policies and procedures that applied to the proposed PAGA class; and (c) voluminous
19 sampling of time and pay records amounting to thousands of pages of records.

20 7. Being fully apprised of the value and strength of the PAGA theories alleged in the
21 action, and based on the sampling of information (notably the financial condition of Defendant), the
22 Parties successfully negotiated a settlement through arm’s-length negotiations. The terms and
23 conditions of the settlement are set forth in the Joint Stipulation re Settlement and Release of PAGA
24 Action (“Settlement” or “Settlement Agreement”). The Settlement Agreement resolves all claims
25 asserted in the *O’Reilly* and *Cervantes* Complaints and contemplates that the settlement will be
26 approved and the Court will enter judgment.

27 8. Counsel for Plaintiffs and Defendant also considered the fact that the existence of
28 numerous disputes of fact in this case make the outcome uncertain. In the estimation of counsel for

1 the Parties, the delay, inconvenience, distraction, and uncertainty imposed by the litigation demands
2 would far outweigh the potential benefits of additional litigation.

3 9. Based on the information and documents obtained through both formal and informal
4 discovery, Plaintiffs assessed the maximum value of the PAGA claims to be released by the
5 settlement to be approximately \$1,625,000.00 (at the rate of a \$50.00 penalty for approximately
6 32,500 pay periods at issue for approximately 1,200 Aggrieved Employees).

7 10. The Aggrieved Employees recovery compares favorably to the estimated amount
8 of PAGA penalties given the evidence provided and the risks of liability and then penalty awards
9 at trial. As discussed further herein, California Labor Code Section 2699(e) (1) permits a Court to
10 award a lesser amount than the maximum civil penalty if based on the facts and circumstances to
11 do otherwise would result in an award that is "unjust, arbitrary and oppressive or confiscatory."

12 11. Plaintiff and Plaintiff's Counsel believe that the Settlement is a fair, adequate, and
13 reasonable resolution of this matter. Plaintiff and his counsel recognize the expense and length
14 of continued proceedings necessary to litigate the matter through trial and any possible appeals and
15 have also considered the uncertainty and risk of the outcome of further litigation, and the difficulties
16 and delays inherent in such litigation based upon the burdens of proof. Plaintiff and his counsel are
17 also aware of the burdens of proof necessary to establish liability, both generally and in response to
18 Defendant's defenses thereto, and the difficulties in establishing Defendant's liability for, and the
19 right to recover, penalties on behalf of Plaintiff, the State of California, and the other purported
20 aggrieved employees.

21 12. The settlement is a compromise of highly disputed claims and to recover any
22 PAGA penalties, Plaintiff would be required at trial to prove each of the underlying Labor Code
23 violations. *See Cardenas v. McLane Foodservice, Inc.*, No. SACV 10-473 DOC (FFMx), 2011 U.S.
24 Dist. LEXIS 13126, *10 (C.D. Cal. 2011) ("Given the statutory language [of PAGA], a plaintiff
25 cannot recover on behalf of individuals whom the plaintiff has not proven suffered a violation of the
26 Labor Code by the defendant."). Here, Plaintiff would need to prove each Aggrieved Employee
27 suffered a violation for each period the employee worked in relation to Defendant's failure to (a)
28 accurately pay minimum wages, (b) failure to provide meal periods for every work period exceeding

1 more than ten (10) hours per day and failure to pay an additional hour's of pay or accurately pay an
2 additional hour's of pay in lieu of providing a meal period; (c) failure to authorize and permit rest
3 breaks for every four hours or major fraction thereof worked and failure to pay an additional hour's
4 of pay or accurately pay an additional hour's of pay in lieu of providing a rest period; (d) failing to
5 pay all wages earned and owed upon separation from Defendant's employ, (e) failing to provide
6 accurate itemized wage statements, and (f) failure to reimburse business expenses.

7 13. The result achieved in this case, and the monetary recovery provided by this
8 Settlement, are well-within the range of an acceptable settlement under the circumstances, especially
9 when compared to the settlement of PAGA claims in other cases. *See, e.g., DCH Auto Wage and*
10 *Hour Cases*, Los Angeles Superior Court, Case No. JCCP4833 (May 2017) (approving the amount
11 of \$15,000 out of \$4 million toward settlement of PAGA claims); *Flores v. Dart Container Corp.*,
12 No. 2:19-cv-00083 WBS JDP, 2021 U.S. Dist. LEXIS 6897, at *3 (E.D. Cal. Jan. 12, 2021)
13 (approving the amount of \$15,000 out of \$411,000 towards settlement of PAGA claims); *Dawson*
14 *v. Hitco Carbon Composites, Inc.*, No. CV 16-07337 PSG (FFMx), 2019 U.S. Dist. LEXIS 226687,
15 at *6-7 (C.D. Cal. Nov. 25, 2019) (approving the amount of \$10,000 of \$1.1 million toward
16 settlement of PAGA claims); *Brown v. CVS Pharmacy, Inc.*, No. CV15-7631 PSG (PJWx), 2017
17 U.S. Dist. LEXIS 182309, at *3 (C.D. Cal. Apr. 24, 2017) (approving the amount of \$20,000 of \$3
18 million gross settlement towards settlement of PAGA claims); *Nordstrom Commissions Case*, 186
19 Cal.App.4th 576, 589 (2010) (finding no abuse of discretion by the trial court in approving a
20 settlement that allocates \$0 toward the settlement of PAGA claims that were at issue in the lawsuit);
21 *Alcala v. Meyer Logistics, Inc.*, No. CV 17-7211 PSG (AGRx), 2019 U.S. Dist. LEXIS 166879, at
22 *26 (C.D. Cal. June 17, 2019) (finding that courts approve PAGA settlements that fall within zero
23 to two percent of gross settlement recovery). Here, the value obtained for settlement of the PAGA
24 claims is very significant, and it will be distributed in accordance with and in fulfillment of the
25 objectives of the PAGA statute.

26 14. A crucial factor in evaluating the value of a PAGA-only case is that all PAGA
27
28

1 awards are discretionary and can be reduced by the Court.¹ California Labor Code Section
2 2699(e)(1) permits a Court to award a lesser amount than the maximum civil penalty if, based on
3 the facts and circumstances, to do otherwise would result in an award that is “unjust, arbitrary and
4 oppressive or confiscatory.” For example, in *Carrington v. Starbucks Corp.*, 30 Cal. App. 5th 504
5 (2018), the Court of Appeal affirmed a judgment after trial that only provided for a PAGA penalty
6 of \$5 per pay period. Given this precedent, there is a risk at trial that any PAGA penalties awarded
7 could be significantly less than Plaintiff’s calculation even where Plaintiff prevailed on the PAGA
8 claim. If the amount of \$5 per pay period from *Carrington v. Starbucks* is used, the potential
9 recovery of civil penalties would be only \$229,000.

10 15. The settlement is also supported by other PAGA settlement previously approved
11 by other courts. See, e.g., *DCH Auto Wage and Hour Cases*, Los Angeles Superior Court, Case No.
12 JCCP4833 (May 2017) (approving the amount of \$15,000 out of \$4 million toward settlement of
13 PAGA claims); *Flores v. Dart Container Corp.*, No. 2:19-cv-00083 WBS JDP, 2021 U.S. Dist.
14 LEXIS 6897, at *3 (E.D. Cal. Jan. 12, 2021) (approving the amount of \$15,000 out of \$411,000
15 towards settlement of PAGA claims); *Dawson v. Hitco Carbon Composites, Inc.*, No. CV 16-07337
16 PSG (FFMx), 2019 U.S. Dist. LEXIS 226687, at *6-7 (C.D. Cal. Nov. 25, 2019) (approving the
17 amount of \$10,000 of \$1.1 million toward settlement of PAGA claims); *Brown v. CVS Pharmacy,*
18 *Inc.*, No. CV15-7631 PSG (PJWx), 2017 U.S. Dist. LEXIS 182309, at *3 (C.D. Cal. Apr. 24, 2017)
19 (approving the amount of \$20,000 of \$3 million gross settlement towards settlement of PAGA
20 claims); *Nordstrom Commissions Case*, 186 Cal.App.4th 576, 589 (2010) (finding no abuse of
21

22 ¹ Under PAGA, courts have considerable discretion to reduce the penalty award. In *Thurman v.*
23 *Bayshore Transit Management, Inc.*, 203 Cal.App.4th 1112, 1135-1136 (2012), the court found no
24 abuse of discretion when the trial court reduced the penalty by 30 percent based on the facts of the
25 case, ruling that “[t]o do otherwise under the particular facts and circumstances of this case would
26 be unjust, arbitrary, oppressive, and confiscatory.” Some trial courts have actually awarded no civil
27 penalties, even when Labor Code violations are established. See *Makabi v. Gedalia*, 2016 Cal. App.
28 Unpub. 1489, *5-7 (2nd Dist. Ct. of App. Mar. 6, 2016) (no PAGA penalties were awarded by the
Los Angeles County Superior Court) (unpublished decision); *In re Taco Bell Wage & Hour Actions*,
No. 1:07-cv-01314-SAB, 2016 U.S. Dist. LEXIS 48557, *40-43 (E.D. Cal. Apr. 6, 2016) (PAGA
penalties denied after trial).

1 discretion by the trial court in approving a settlement that allocates \$0 toward the settlement of
2 PAGA claims that were at issue in the lawsuit); *Alcala v. Meyer Logistics, Inc.*, No. CV 17-7211
3 PSG (AGRx), 2019 U.S. Dist. LEXIS 166879, at *26 (C.D. Cal. June 17, 2019) (finding that courts
4 approve PAGA settlements that fall within zero to two percent of gross settlement recovery). Here,
5 the value obtained for settlement of the PAGA claims is reasonable, and it will be distributed in
6 accordance with and in fulfillment of the objectives of the PAGA statute.

7 16. Had the case not settled, the Parties would have been required to conduct extensive
8 formal written discovery, and multiple depositions of party and percipient witnesses all over the
9 State of California, to prepare the case for trial. From the inception of this litigation, Defendants
10 indicated that it would aggressively litigate this case. Even if Defendants failed to succeed on their
11 defenses, litigating a complex PAGA action is inherently expensive, and the litigation could
12 continue beyond entry of judgment if either party were to appeal adverse rulings. Additionally, there
13 is a real possibility that Plaintiff would recover nothing, either for himself or on behalf of the State
14 of California or other Aggrieved Employees, after years of costly and labor-intensive litigation.
15 Avoiding these risks and the likelihood of future contentious litigation, which would involve
16 significant costs, favors settlement.

17 17. Defendant argued that no penalties prior to the PAGA notification should be
18 awarded because the violations were not intentional. Defendant could also argue that the
19 subsequent violations under PAGA only start to accrue after employers receive notice through a
20 citation from the Labor Commissioner, which would have significantly decreased Defendants'
21 exposure. *See Amaral v. Cintas Corp. No. 2*, 163 Cal. App. 4th 1157, 1209 (2008) (holding “[u]ntil
22 the employer has been notified that it is violating a Labor Code provision ... the employer cannot be
23 presumed to be aware that its continuing underpayment of employees is a ‘violation’ subject to
24 penalties.”). *See also Amalgamated Transit Union Local 1309, AFL-CIO v. Laidlaw Transit Servs.,*
25 *Inc.*, 2009 WL 2448430 *1, *9 (S.D. Cal. 2009) (“For the purposes of subsequent violation penalties,
26 the issue is not whether [defendant] willfully violated the Labor Code, but rather whether a court or
27 commissioner had notified it of any violation.”); *Robinson v. Open Top Sightseeing San Francisco,*
28 *LLC*, No. 14-CV-00852-PJH, 2018 WL 895572, at *20 (N.D. Cal. Feb. 14, 2018) (applying “initial”

1 penalty to each violation of § 226 and § 2699(f)(2) because there was no evidence showing
2 defendant was previously notified its practice violated § 226); *Willis v. Xerox Bus. Servs., LLC*, 2013
3 WL 605383, at *1, *6 (E.D. Cal. 2013) (“for a plaintiff to recover for a ‘subsequent violation,’ an
4 employer must have notice that it has violated the Labor Code”). As such, Defendant contends that
5 Plaintiff’s calculation are inflated not only because the “stack” penalties for a single person during
6 a single pay period, but because the penalties Plaintiff would award in each instances are at an
7 inapplicable (doubled) rate.

8 18. These defenses present a risk to the PAGA claim and the potential that some or all
9 of the PAGA penalties sought may not be awarded. While Plaintiff maintains that the PAGA claim
10 has merit, in reaching the Settlement, Plaintiff and his counsel took into account the strengths and
11 weaknesses of each side's position and the uncertainty associated with continued litigation, trial,
12 and/or appeals.

13 19. Defendant disputes that the penalties assessed by Plaintiff and Plaintiff’s expert
14 would have been awarded. Further, it is Defendants’ contention that PAGA penalties cannot be
15 stacked, and that at most just one PAGA penalty can be awarded to an aggrieved employee in any
16 one pay period. See Labor Code section 2699 (f)(2) (authorizing awardable PAGA penalties to be
17 measure by “each “each aggrieved employee per pay period”); *Smith v. Lux Retail North America,*
18 *Inc.*, 2013 WL 2932243, at *1, *4 (N.D. Cal. 2013) (rejecting a pleading that sought the “stacking
19 of penalties”; “[f]or the single mistake of failing to include commissions in the overtime base,
20 plaintiff has asserted *five* (count them, five) separate labor code violations that could lead to
21 statutory penalties;” “is it plausible that we would really pile one penalty on another for a single
22 substantive wrong?”; noting that “no actual holding in any judicial decision has ever blessed such
23 stacking”). As such, and for this initial reason, Defendant contend that the maximum potential
24 recovery in this action is significantly lower than as stated by Plaintiff.

25 20. Defendant further argues that Plaintiff would still face significant practical
26 problems in aggregating any material exposure, as each violation would need to be proven as to
27 each person and for each period for which recovery is sought. Defendant argues that it is unlikely
28 that any significant number of current and former employees would travel to the venue of a trial,

1 stay at a hotel, prepare for and deliver testimony, all in exchange for – at most – 25% of \$50 or \$100
2 (i.e. \$12.50 or \$25) for each pay period in which there was a violation. (“wage statement penalties”).
3 For purposes of section 226, “a good faith dispute presents when there is (1) uncertainty in the law;
4 (2) representations by an authority that compliance was not required; or (3) an employer’s good
5 faith mistaken belief grounded in a good faith dispute.” *Magadia v. Wal-Mart Assocs., Inc.*, 384 F.
6 Supp. 3d 1058 (N.D. Cal. 2019). “Mere recklessness” is not a basis for liability. *Pedroza*, 2012
7 WL 9506073, *5.

8 21. Plaintiff’s Counsel also took into account that even if Plaintiff prevailed on the
9 merits of the PAGA claim, Defendant could persuasively argue that the Court should exercise its
10 discretion, under Labor Code § 2699(e), to reduce the amount of civil penalties assessed. A court
11 in a PAGA action has the same discretion “to assess a civil penalty” that the Labor Commissioner
12 would have, as well as complete discretion to “award a lesser amount than the maximum civil
13 penalty amount specified [by PAGA] if, based on the facts and circumstances of the particular case,
14 to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory.”
15 And indeed, it is common for courts to reduce the penalties. *See e.g., Ghrdilyan v. RJ Financial, et*
16 *al.*, Los Angeles Superior Court, Case No. BC430633 (94% reduction); *Parr v. Golden State*
17 *Overnight Delivery Service, Inc.*, Alameda County Superior Court, Case No. RG12-618103 (94%
18 reduction); *Fleming v. Covidien, Inc.*, 2011 U.S. Dist. LEXIS 154590 (C.D. Cal. Aug. 12, 2011)
19 (82% reduction); *Gola v. University of San Francisco*, Case No. CGC-18-565018 (Sup. Ct. Decision
20 dates July 21, 2020) (85% reduction of PAGA penalties).

21 22. Defendant contends that Plaintiffs and the Aggrieved Employees were properly
22 compensated, and that they did not violate the Labor Code as to any of them. Defendant asserted
23 additional defenses to the PAGA claim as discussed above. These defenses present a risk to the
24 PAGA claim and the potential that some or all of the PAGA penalties sought may not be awarded

25 23. The underlying Labor Code section 203 claim was uncertain given the defenses
26 asserted for the underlying claims as well as the lack of evidence of the “willfulness” prong
27 necessary for a Labor Code §203 claim. Plaintiff’s counsel also recognized a risk of an adverse
28 finding given Defendant’s apparently compliant policies and procedures at the time of mediation.

1 The labor code section 226 claim was dependent on the underlying claims for failure to pay wages.

2 24. The Settlement provides for an Incentive Payment to be paid to Plaintiff in the
3 amount of \$10,000.00 in exchange for a general release of all known and unknown claims. Unlike
4 Aggrieved Employees who only releasing claims for civil penalties under PAGA, Plaintiff is
5 releasing his individual claims. In exchange for a release of these claims, the Parties agreed to an
6 Individual Settlement Payment of \$10,000.00. In addition, Plaintiff contributed considerable time
7 and effort to the litigation of this case in order to enforce the California Labor Code on behalf of the
8 State of California and for the benefit of other Aggrieved Employees. Plaintiff participated in his
9 deposition, gathered and produced relevant documents and information, provided the facts and
10 evidence necessary to attempt to prove the allegations, and discussed his employment with his
11 counsel. Plaintiff assisted counsel in developing the theories and evidence through the discovery
12 process. She was available whenever her counsel needed her and tried to obtain documents and
13 information that would aid in the litigation of the PAGA claims and pursuit of recovery on behalf
14 of the State of California and the Covered Employees.

15 25. Plaintiff as PAGA Representative has provided extensive supporting documents
16 and assisted Counsel in developing information necessary to litigate and settle this case. Plaintiff
17 also conducted record review and consultation with counsel in preparation for discovery and
18 eventual mediation, and to assist in evaluating and proving the claims.

19 26. As set forth in the Settlement Agreement, the Total Settlement Amount (“TSA”) is
20 \$250,000.00, and includes an apportionment of attorneys’ fees and costs, payment to the settlement
21 administrator, and a general release payment to each named Plaintiff.

22 27. The Settlement is intended to fully and finally resolve the PAGA claims asserted by
23 Plaintiffs on behalf of the State of California and aggrieved employees. After deducting the
24 Attorneys’ Fees of (1/3 i.e. 33.333%) (\$83,333.33) and Attorneys’ Costs not to exceed \$20,000.00,
25 Settlement Administration Expenses not to exceed (\$8,890.00) APEX Class Action Administration
26 (the Settlement Administrator), and Plaintiffs’ general release/Incentive Payments (\$10,000.00 to
27 each named Plaintiff), the remaining Net Settlement Amount is estimated to be \$117,777.33 and
28 will be distributed to the LWDA and Aggrieved Employees. An estimated \$29,444.33 (25% of the

1 NSA) will be distributed to the Aggrieved Employees on a pro rata basis, amounting to an average
2 of \$24.50 per Aggrieved Employee. The remaining \$88,333.00 (75% of the NSA) is to be distributed
3 to the LWDA.

4 28. Based on Plaintiffs' counsel's extensive experience litigating over 200 representative
5 actions, counsel for Plaintiffs believe the settlement here is fair and reasonable and warrants
6 approval by the Court.

7 29. I and my firm have a great deal of experience in wage and hour class action litigation.
8 I have been certified and approved as class counsel in many other wage/hour class actions, and I am
9 currently litigating numerous others before federal and state courts. I have been working with James
10 Hawkins of James Hawkins, APLC, formerly of Hawkins & Sofonio, since the commencement of
11 my practice of law in 2002. Since then, I have been committed solely to representing Plaintiffs in
12 both individual employment litigation and complex wage and hour class actions.

13 30. In approximately 2003 to 2004, I began to focus almost exclusively in class action
14 litigation. In my practice as a class action Plaintiffs' attorney, I have been involved in litigating,
15 mediating and settling numerous wage and hour class actions dealing with class sizes ranging from
16 several hundred to several thousand class members resulting in settlements ranging from six figures
17 to multimillion-dollar settlements.

18 31. Although not an all-inclusive list, over the years I have prosecuted the following
19 class action matters as lead and/or co-lead counsel, all of which implicated similar law and facts to
20 those associated with this action:

21 a. *Aguilar v. 7-Eleven, Inc., et. al.*, Orange County Superior Court- Case No.: 30-
22 2009-00268714-CU-OE-CXC. Certified Wage and Hour Class action seeking premium
23 wages for meal period and rest periods and resultant penalties. Class Notice pending.

24 b. *Carey, et. al. v. Arthur J. Gallagher, et. al.*, USDC, SOUTHERN DISTRICT- Case
25 No.: 09-cv-0168. Wage and Hour Class action seeking past wages of overtime for mis-
26 classification of insurance claims adjusters employed by Gallagher Bassett, a third party
27 administrator (TPA) in the State of California. Certification granted. Plaintiffs' counsel
28

1 co-lead counsel. Case settled, Final Approval granted, no objections and funds fully
2 distributed.

3 c. *Dao v. 3M Company, et al.* USDC, CENTRAL DISTRICT, Case No. CV-08-
4 04554. Wage and Hour Class Action case seeking past wages for “off the clock”, overtime
5 and meal and rest break violations for production workers in the State of California.
6 Plaintiffs’ Counsel appointed as Lead Counsel. Case settled, Final Approval granted, no
7 objections and funds fully distributed.

8 d. *Ortiz v. Kmart*, USDC, CENTRAL DISTRICT, Case No. SACV 06-638 ODW.
9 Wage and Hour Class Action case seeking past wages for meal and rest period violations
10 for retail employees in the State of California. Plaintiffs’ counsel appointed co-lead
11 counsel. Case settled, Final Approval granted, no objections and funds fully distributed.

12 e. *Morgan v. Aramark Campus, LLC*, USDC, CENTRAL DISTRICT, Case No.
13 SACV08-00412. Wage and Hour Class Action case seeking past wages for meal and rest
14 period violations for retail employees in the State of California. Plaintiffs’ Counsel
15 appointed as Lead Counsel. Case settled, Final Approval granted, no objections and funds
16 fully distributed.

17 f. *West v Iron Mountain Information Management, Inc, et. al.;* Los Angeles County
18 Superior Court, Case No. BC393709. Wage and Hour Class Action seeking past wages for
19 overtime, meal and rest break violations for driver employees in the State of California.
20 Settlement for “binding arbitration.” Arbitration Award for Plaintiff Class. Arbitration
21 Award confirmed. Plaintiffs’ counsel, lead trial counsel and class counsel.

22 g. *Gonzalez v. Superior Industries Inter, Inc., et al.*, Los Angeles County Superior
23 Court, Case No. BC 357912. Wage and Hour Class Action seeking past wages for
24 overtime, meal and rest breaks violations for production employees in the State of
25 California. Plaintiffs’ counsel appointed as lead counsel. Case settled, Final Approval
26 granted, no objections and funds fully distributed.

27 h. *Acosta v. Fleetwood Travel Trailers of California, Inc., et al.*, Riverside County
28 Superior Court, Case No. RIC 440630. Wage and Hour Class Action seeking past wages

1 for overtime, meal and rest break violations for production employees in the State of
2 California. Plaintiffs' counsel appointed as co-lead counsel. Case settled, Final Approval
3 granted, no objections and funds fully distributed.

4 i. *Walker v. Sharkeez, et al.*, Orange County Superior Court, Case No. 05CC00293.
5 Wage and Hour Class Action seeking past wages for unlawful deductions, meal and rest
6 break violations for restaurant employees in the State of California. Plaintiffs' counsel
7 appointed as lead counsel. Case settled, Final Approval granted and funds fully
8 distributed.

9 j. *Padron v. Universal Protection Service, et al*, Orange County Superior Court, Case
10 No. 05CC00013. Wage and Hour Class Action seeking past wages for overtime, meal and
11 rest break violations for security officers in the State of California. Plaintiffs' counsel
12 appointed as co-lead counsel. Case settled, Final Approval granted, no objections and
13 funds fully distributed.

14 k. *Martinez v. Securitas Security Services USA, et al.*, Santa Clara Superior Court,
15 Case No. 105-CV047499, et al. J.C.C.P. No. 4460. Wage and Hour Class Action seeking
16 past wages for meal and rest break violations for security officers employed by defendant
17 in the State of California. Plaintiffs' counsel and co-counsel. Case settled, Final Approval
18 granted and funds fully distributed.

19 l. *Velasquez-Lopez v. Hotel Cleaning Services, Inc. et al.*, Riverside Superior Court,
20 Case No. RIC 420909. Wage and Hour Class Action seeking past wages for overtime,
21 meal and rest break violations for housekeepers employed by defendant in the State of
22 California. Plaintiffs' counsel appointed as lead counsel. Case settled, Final Approval
23 granted, no objections and funds fully distributed.

24 m. *Ruiz, et al. v. Unisource Worldwide, Inc., et al.*, USDC, CENTRAL DISTRICT,
25 Case No. CV09-05848. Wage and Hour Class Action seeking past wages for meal and rest
26 period violations for non-exempt employees employed by defendant in the state of
27 California. Case settled. Awaiting Preliminary Approval hearing. Plaintiff has petitioned
28 the Court for Lead Counsel.

1 n. *Herrador v. Culligan International Company, et al.*, USDC, CENTRAL
2 DISTRICT, Case No. SACV 08-680. Wage and Hour Class Action seeking past wages for
3 field and branch employees of defendant in the State of California. Plaintiffs' counsel
4 appointed as lead counsel. Case settled and awaiting Final Approval.

5 o. *Defries v. Domain Restaurants, et al.*, Orange County Superior Court, Case No.
6 05CC00128. Wage and Hour Class Action seeking past wages for restaurant employees of
7 defendant in the State of California. Plaintiffs' counsel appointed as lead counsel. Case
8 settled, Final Approval granted, no objections and funds fully distributed.

9 p. *Denton v. BLB Enterprises, Inc., et al.*, Orange County Superior Court, Case No.
10 07CC01292. Wage and Hour Class Action seeking unpaid overtime, meal and rest break
11 violations for security guards employed by defendant in the State of California. Plaintiffs'
12 counsel appointed as lead counsel. Case settled, Final Approval granted, no objections and
13 funds fully distributed.

14 q. *Rios v. Sandberg Furniture Manufacturing Co., Inc, et al.*, Los Angeles Superior
15 Court, Case No. BC411477. Wage and Hour Class Action seeking unpaid meal and rest
16 break violations for production employees employed by defendant in the State of
17 California. Plaintiff counsel appointed as lead counsel. Case settled, Final Approval
18 granted, no objections and funds fully distributed.

19 r. *McMurray v. Dave and Busters, Inc., et al.*, Orange County Superior Court, Case
20 No. 06CC00099. Wage and Hour Class Action seeking past wages for meal and rest break
21 violations for restaurant employees employed by defendant in the State of California.
22 Plaintiffs' counsel appointed as co-lead counsel. Case settled, Final Approval granted, no
23 objections and funds fully distributed.

24 s. *Osuna v. DFG Restaurants, Inc., et al.*, Los Angeles Superior Court, Case No. BC
25 330145. Wage and Hour Class Action seeking past wages of overtime for mis-
26 classification of managers employed by Defendant, DBA Carl's Jrs. in the State of
27 California. Plaintiffs' counsel appointed as co-lead counsel. Case settled, Final Approval
28 granted, no objections and funds fully distributed.

1 t. Burns v. Gymboree Operations, Inc., et al., San Francisco Superior Court, Case No.
2 CGC-07-461612. Wage and Hour Class Action seeking past wages for meal and rest break
3 violations for retail employees employed by defendant in the State of California. Plaintiffs'
4 counsel appointed lead counsel. Case settled, Final Approval granted, no objections and
5 funds fully distributed.

6 u. Willems v. *Diedrich Coffee, Inc.*, et al., Orange County Superior Court, Case No.
7 07CC00015. Wage and Hour Class Action seeking past wages of overtime for mis-
8 classification of managers employed by Defendant in the State of California. Plaintiffs'
9 counsel appointed lead counsel. Case settled, Final Approval granted, no objections and
10 funds fully distributed.

11 v. Davila, et al. v. Beckman Coulter, Inc., et al., Orange County Superior Court, Case
12 No. 07CC01347. Wage and Hour Class Action seeking past wages for overtime, meal and
13 rest break violations for production workers employed by defendant in the State of
14 California. Plaintiffs' counsel appointed lead counsel. Case settled; final approval
15 granted; no objections and funds fully distributed.

16 w. Perez v. *Naked Juice Company of Glendora, Inc.*, Los Angeles Superior Court,
17 Case No. BC387088. Wage and Hour Class Action seeking past wages for overtime, meal
18 and rest period violations for production employees employed by defendant in the State of
19 California. Plaintiff counsel appointed as lead counsel. Case settled, Final Approval
20 granted, no objections and funds fully distributed.

21 32. Our firm served as class counsel in a number of significant wage and hour
22 settlements. Of particular note, in 2019, our firm was co-lead counsel in securing the largest wage
23 and hour class action settlement in California history at \$130,000,000. During this case, Plaintiffs
24 appealed a decertification order. This case involved several appeals. The appellate record amassed
25 an extensive appellate record comprising a 23-volume joint appendix, a three-volume reporters
26 transcript, five briefs, four letter briefs, two motions for judicial notice, a motion to augment the
27 record, and several additional letters informing the appellate court of new legal authority issued after
28 *Dukes*. The matter was argued to and submitted by the Court of Appeal on September 15, 2016,

1 and on November 21, 2016, the decertification order was reversed and the case was remanded for
2 further proceedings. (*Lubin v. The Wackenhut Corporation* (“*Lubin*”), 5 Cal. App. 5th 960 (2016)).
3 Wackenhut filed a petition for review of the Court of Appeal decision to the California Supreme
4 Court. The Supreme Court denied Wackenhut’s petition for review of *Lubin*. The Court of Appeal
5 issued remittitur on April 10, 2017. Eventually through more litigation, the parties were able to
6 secure the 130 million settlement that was approved on October 21, 2019 by Judge Highberger in
7 the Los Angeles Superior Court.

8 33. Here, the Parties’ agreement to pay Counsel Fees of \$88,333.00 (i.e. 1/3) of the
9 Total Settlement Amount is reasonable.

10 34. First, the requested fees are justified by the result achieved. Plaintiff’s Counsel
11 negotiated a recovery of \$250,000.00 and this result justifies the requested fees equal to 33.333%
12 of this recovery (\$88,333.00). This percentage is within the standard contingent recovery percentage
13 of one-third, and this percentage is what was expressly approved by the Supreme Court in *Laffitte*
14 *v. Robert Half Int’l Inc.*, 1 Cal.5th 480, 504, (2016). Second, the requested fees are justified by the
15 work performed.

16 35. Our firm as Counsel, on behalf of Plaintiff O’Reilly and the Settlement Aggrieved
17 Employees, invested numerous hours litigating this matter through the date of this declaration and
18 have invested attorney time at a rate of more that far exceeds the requested fees. The rates charged
19 by my firm are in line with the prevailing rates of attorneys in the local legal community for similar
20 work and, if this were a commercial matter, these are the charges that would be made and presented
21 to the client. The requested fees are reasonable.

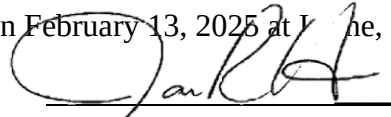
22 36. Finally, the award of litigation expenses is based upon the actual expenses incurred
23 by Plaintiffs and Plaintiffs’ Counsel, and were all reasonably necessary to the litigation, and are
24 detailed in **Exhibit C** attached hereto. Under the Agreement, Plaintiff’s Counsel will be recovering
25 litigation expenses in the total amount not to exceed \$20,000.00.

26 37. Attached hereto as **Exhibit D** is a true and correct copy of the Proposed Settlement
27 Administrator’s quote to administer the terms of the settlement.
28

1 38. The Parties request that the Court enter the accompanying proposed order, approving
2 the Settlement as permitted by Labor Code § 2699(l), in accordance with the terms and conditions
3 of the Settlement Agreement.

4 39. Notice of the Settlement has been provided to the LWDA along with a copy of the
5 Settlement Agreement.

6 I declare under penalty of perjury under the laws of the State of California that the
7 foregoing is true and correct. Executed on February 13, 2025 at Irvine, California.

8 
9 _____
James R. Hawkins

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Exhibit A

JAMES HAWKINS APLC
 James R. Hawkins (#192925)
 Gregory Mauro (#222239)
 Michael Calvo (#314986)
 Lauren Falk (#316893)
 Ava Issary (#342252)
 9880 Research Drive, Suite 200
 Irvine, CA 92618
 Tel.: (949) 387-7200
 Fax: (949) 387-6676
 Email: James@jameshawkinsaplc.com
 Email: Greg@jameshawkinsaplc.com
 Email: Michael@jameshawkinsaplc.com
 Email: Lauren@jameshawkinsaplc.com
 Email: Ava@jameshawkinsaplc.com

Attorneys for Plaintiff
 ELIZABETH ANN O'REILLY

Barry A. Bradley, Esq., State Bar No. 125353
bbradley@bgwlawyers.com
 Jaimee K. Wellerstein, Esq., State Bar No. 210600
jwellerstein@bgwlawyers.com
 Jean-Paul Le Clercq, Esq. State Bar No. 248818
jpleclercq@bgwlawyers.com
 BRADLEY, GMELICH & WELLERSTEIN LLP
 700 North Brand Boulevard, 10th Floor
 Glendale, California 91203-1202
 Telephone: (818) 243-5200
 Facsimile: (818) 243-5266

Attorneys for Defendant
 REEL SECURITY CALIFORNIA, INC.

Additional counsel on following page**

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

ELIZABETH ANN O'REILLY, on behalf of
 the general public as private attorney general,

 Plaintiff,

v.

REEL SECURITY CALIFORNIA, INC., a
 California Corporation; and DOES 1-50,
 inclusive

Defendant.

) Case No.: 22STCV06095
) Assigned for all purposes to the
) Honorable Monica Bachner, Dept. 71
)

**JOINT STIPULATION OF SETTLEMENT
 AND RELEASE OF PAGA ACTION**

1 This Joint Stipulation of Settlement and Release of PAGA Actions (“Agreement”) is made
2 and entered into between Plaintiffs ELIZABETH ANN O’REILLY and JOSE CERVANTES
3 (collectively “Plaintiffs”), individually and on behalf of the proposed PAGA Group, (defined below),
4 and Defendant REEL SECURITY CALIFORNIA, INC., (“Defendant”). This Agreement is subject
5 to approval of the Court and is made for the sole purpose of attempting to consummate settlement of
6 the Action (as defined below) on a PAGA basis subject to the following terms and conditions. As
7 detailed below, in the event the Court does not enter an order granting approval of the PAGA and
8 Individual Settlements (as defined below) and enter judgment, or the conditions precedent are not
9 met for any reason, this Agreement is void and of no force or effect whatsoever.

10 1. **DEFINITIONS**

11 As used in this Agreement, the following terms shall have the meanings specified below. To
12 the extent terms or phrases used in this Agreement are not specifically defined below, but are defined
13 elsewhere in this Agreement, they are incorporated by reference into this definition section.

14 1.1 **Action.**

15 “Action” or “Actions” shall mean the actions entitled *O-Reilly v. Reel Security California*
16 *Inc.*, (“O’Reilly Matter”) Los Angeles County Superior Court Case No. Case No. 22STCV06095 and
17 *Cervantes v. Reel Security California, Inc. et.al.*, (“Cervantes Matter”), Los Angeles County Superior
18 Court Case No. 23STCV26536. An amended complaint shall be filed in the *O’Reilly* Matter, adding
19 Cervantes as a named Plaintiff and Cervantes’ PAGA only claims as pled in the *Cervantes* matter.

20 1.2 **Approval and Fairness Hearing.**

21 “Approval and Fairness Hearing” shall mean the hearing held to ascertain the fairness,
22 reasonableness, and adequacy of the PAGA Settlement. At this hearing, the Court will consider
23 PAGA Counsel’s application for Attorneys’ Fees and Costs, the PAGA Representative Incentive
24 Payments, the Administration Expenses, and approval of the PAGA Payment. The proposed Order
25 Granting Approval and Entering Judgment is attached, in substantial form, as **Exhibit B.**

26 1.3 **Approval Date.**

27 “Approval Date” shall mean the date upon which the Court enters an order granting approval
28 of the PAGA Settlement and enters Judgment.

1.4 **Claims.**

“Claims” shall mean the claims and theories asserted and causes of action alleged in the Action, or that could have been alleged in the Action, including the PAGA penalties alleged in the Action.

1.5 **Court.**

“Court” shall mean the Superior Court of California, County of Los Angeles.

1.6 **Defendant.**

“Defendant” shall mean REEL SECURITY CALIFORNIA, INC., and includes any of their officers, directors, executives, partners, managers, owners, shareholders, members, employees, agents, attorneys, any of their former and present parents, subsidiaries, successors, assigns and affiliates, and their officers, directors, managers, owners, executives, partners, employees, shareholders, agents, attorneys, and any other successors, assigns, or legal representatives.

1.7 **Defense Counsel.**

“Defense Counsel” shall mean Barry A. Bradley, Esq., Jaimee K. Wellerstein, Esq., and Jean-Paul Le Clercq, Esq. of BRADLEY, GMELICH & WELLERSTEIN LLP, 700 North Brand Boulevard, 10th Floor, Glendale, California 91203-1202.

1.8 **Effective Date.**

“Effective Date” shall be the later of the time when: (i) the date of final affirmance of the Judgment on an appeal of the Judgment, the expiration of the time for, or the denial of, a petition to review the Judgment, or if review is granted, the date of final affirmance of the Judgment following review pursuant to that grant, (ii) the date of final dismissal of any appeal from the Judgment or the final dismissal of any proceeding to review the Judgment, provided that the Judgment is affirmed and/or not reversed in any part, (iii) the final resolution (or withdrawal) of any filed appeal in a way that affirms the Final Approval Order and Judgment in a form substantially identical to the form of the Final Approval Order entered by the Court, and the time to petition for review with respect to any appellate decision affirming the Final Approval Order has expired; or (iv) if no appeal is filed, the sixty-first (61st) day after the Court enters final approval of the settlement and the Judgment approving this Agreement.

1.9 **Incentive Payment to each Plaintiff.**

Incentive Payment in the amount of \$10,000 to each named Plaintiff, (\$20,000 total) for their general release (including execution of individual settlement agreements with 1542 waivers), subject to Court approval.

1.10 **Total Settlement Amount.**

“Total Settlement Amount” means the agreed upon settlement amount totaling \$250,000.00, to be paid by Defendant in full settlement of the Released Claims asserted in this case, which includes the Attorneys’ Fees and Costs, Settlement Administration Fees, Incentive Payments to Plaintiffs (if any), and the LWDA Payment, and Individual Settlement Payments. In no event shall Defendant be required to pay more than the Total Settlement Amount.

1.11 **Individual Settlement Payment.**

“Individual Settlement Payment(s)” shall mean the proportionate share of the Net Settlement Amount to be distributed to each Aggrieved Employee based on the number of his or her Pay Periods worked in the PAGA Period in relation to the aggregate number of Pay Periods worked by the Aggrieved Employee Group during the PAGA Period.

1.12 **Net Settlement Amount.**

“Net Settlement Amount” or “NSA” shall mean Attorneys’ fees, costs, and Plaintiffs’ general release/incentive payment, and settlement administration costs will be deducted from the Total Settlement Amount to calculate the Net Settlement Amount (NSA) to be distributed 75% to the LWDA and 25% to the Aggrieved Employees. The Parties intend that the NSA shall be sufficient to pay all valid claims of the Aggrieved Employee Group. Accordingly, if for any reason the total value of Individual Settlement Payments to Aggrieved Employee Group exceeds this amount, then payment to each Aggrieved Employee Group member will be adjusted on a pro-rated basis so that the total payout to the Aggrieved Employee Group does not exceed the NSA.

1.13 **PAGA:**

“PAGA” refers to the Labor Code Private Attorneys General Act of 2004, Labor Code sections 2699, *et seq.*

1.14 **PAGA List:**

“PAGA List” shall mean the information for each PAGA Member which Defendant shall compile from their business records and provide to the Administrator for purposes of providing notice of the Settlement to the PAGA Group. The PAGA List shall be in a readable, ready to use, MS Excel spreadsheet, which will provide for each Settlement Class Member, the following information: (a) full name; (b) last-known mailing address; (c) telephone numbers; (d) Social Security number; (e) dates of employment; and (f) number of pay periods employed as a PAGA Member during the PAGA Period. The PAGA List will be provided to the Settlement Administrator within 21 days of Defendant receiving written notification that the Court granted approval of the Settlement.

1.15 **PAGA Counsel:**

“PAGA Counsel” refers to James Hawkins APLC, 9880 Research Drive, Suite 200, Irvine, CA 92618 for Plaintiff O’Reilly and Solouki Savoy, LLP, 316 W. 2nd Street, Suite 1200, Los Angeles, California 90012 for Plaintiff Cervantes.

1.16 **Attorneys’ Fees and Costs:**

“Attorneys’ Fees and Costs” shall mean Attorneys’ Fees and Costs to be requested and subject to approval by the Court at the time of the Approval Hearing in an amount not to exceed \$83,333.33 for Attorneys’ fees and in an amount not to exceed \$20,000.00 for Costs.

1.17 **Aggrieved Employee Group:**

“Aggrieved Employee Group”, “The Aggrieved Employees” and “Settlement Group Members” shall mean all non-exempt employees of Reel Security California, Inc. (“Defendant”) employed in California any time between December 8, 2020 through the PAGA Period. It is currently estimated that there are approximately 1,200 Aggrieved Employees.

1.18 **PAGA Period:**

“PAGA Period” means the period from December 8, 2020 through May 17, 2024. There are approximately 38,500 pay periods in the PAGA Period.

1.19 **PAGA Release.**

See Released Claims.

1.20 **Parties.**

“Parties” shall mean Plaintiffs (as defined below) and Defendant.

1.21 **Pay Periods.**

“Pay Periods” means the number of pay periods an Aggrieved Employee was employed during the PAGA Period.

1.22 **Plaintiffs.**

“Plaintiffs” and “PAGA Representatives” shall mean Plaintiffs Elizabeth Ann O’Reilly and Plaintiff Jose Cervantes.

1.23 **Released Claims.**

“Released Claims” shall mean all PAGA claims and theories that were set forth, or that could have been set forth based on the facts alleged in the Actions (including but not limited to meal periods, rest periods, inaccurate wage statements, failure to pay minimum wage or overtime wages, failure to reimburse necessary business expenses, and failure to timely pay wages during employment and at separation), during the PAGA Period for PAGA claims for civil penalties under the California Labor Code including, but not limited to, under California Labor Code sections 201-203, 510, 512, 558, 226, 226.3, 226.7, 1174, 1174.5, 1175, 1194, 1197, 1197.1, 1198, 2802 and related IWC Wage Orders, based on the various theories of liability, including, but not limited to, Defendant’ alleged failure to: pay all wages earned and owed upon separation, provide accurate written wage statements, and reimburse business expenses. This release is intended only to release aggrieved employees’ PAGA claims and shall apply to both the *O’Reilly* Matter and the *Cervantes* Matter.

1.24 **Released Parties.**

“Released Parties” shall mean Reel Security California, Inc., and includes any of their officers, directors, executives, partners, managers, owners, shareholders, members, employees, agents, attorneys, any of their former and present parents, subsidiaries, successors, assigns and affiliates, and their officers, directors, managers, owners, executives, partners, employees, shareholders, agents, attorneys, related entities and any other successors, assigns, or legal representatives.

1.25 **Settlement.**

“Settlement” shall mean the settlement between Parties, which is memorialized in this

1 Agreement, including any attached exhibits, and subject to Court approval.

2 1.26 **Settlement Administrator.**

3 “Settlement Administrator” or “Administrator” shall mean APEX Class Action
4 Administration the third-party settlement administrator selected by the Parties and to be approved by
5 the Court, which the Parties have agreed will be responsible for administration of the Settlement and
6 related matters. The Administrator’s fees and expenses are estimated to not exceed \$8,890.00. The
7 current estimated cost of The Administrator’s fees is \$8,890.00.

8 1.27 **Settlement Distribution to Aggrieved Employees.**

9 “Settlement Distribution to Aggrieved Employees” means Aggrieved Employee settlement
10 shares will be calculated pro rata based on the number of pay periods worked in the PAGA Period.

11 1.28 **Settlement Letter.**

12 “Settlement Letter” shall mean the letter accompanying the Individual Settlement Payments
13 attached, in substantial form, as **Exhibit A.**

14 2. **FACTUAL AND PROCEDURAL BACKGROUND OF ACTION**

15 2.1 On February 16, 2022, Plaintiff O’Reilly filed her Representative Action in Los
16 Angeles Superior Court.

17 2.2 On October 30, 2023, Plaintiff Cervantes filed his Representative Action in the
18 Los Angeles Superior Court.

19 2.3 From approximately June through mid-October, 2024, Defendant produced
20 numerous records to attempt settlement in this matter. These records included: (a) Financial records
21 from 2021 through 2024, including tax returns, balance sheets, and profit & loss statements; (b)
22 applicable written policies and procedures that applied to the proposed PAGA class; and (c)
23 voluminous sampling of time and pay records amounting to thousands of pages of records.

24 2.4 Based on this sampling information, and most notably the financial condition of
25 Defendant, the Parties were able to come to a resolution memorialized in a Memorandum of
26 Understanding executed by the Parties in October 2024.

27 2.5 The Parties and their respective counsel believe this Agreement reflects a fair,
28 adequate, and reasonable settlement of the Action and have arrived at this Agreement as a result of

arms'-length negotiations, taking into account all relevant factors, present and potential, including the poor financial condition of Defendant.

3. **ALLEGATIONS OF THE PAGA REPRESENTATIVE AND BENEFITS OF THE SETTLEMENT**

3.1 The investigation and extensive exchange of information and informal discovery conducted in this matter, as well as discussions between counsel have been adequate to give and PAGA Counsel an understanding of the merits of the Parties' respective positions and to evaluate the worth of the claims of the Settlement Group. The information and data exchanged by the Parties prior to and during mediation and settlement negotiations are sufficient to reliably assess the merits of the Parties' respective positions and to compromise the issues on a fair and equitable basis.

3.2 The Parties recognize and acknowledge the expense and delay of continued lengthy proceedings necessary to prosecute the Action against Defendant through trial and through appeals. PAGA Counsel has considered the uncertain outcome of the litigation, the risk of continued litigation in complex actions such as this, as well as difficulties and delays inherent in such litigation, as well as trying the claims of the Aggrieved Employee Group. PAGA Counsel believes that the Settlement set forth in this Agreement confers substantial benefits upon Plaintiffs and the Aggrieved Employee Group Members and that an independent review of this Agreement by the Court in the approval process will confirm this conclusion. Based on their own independent investigation and evaluation, PAGA Counsel has determined that the Settlement set forth in the Agreement is in the best interests of Plaintiff and the Aggrieved Employee Group.

4. **NO ADMISSION OF ANY LIABILITY**

4.1 This Agreement represents a compromise and settlement of highly disputed claims. This Agreement does not constitute, is not intended to constitute, and will not be deemed to constitute, an admission of liability by Defendant as to the merits, validity, or accuracy of any of the allegations or claims made against Defendant in the Action. Defendant denies each and all of Plaintiffs' allegations in their entirety.

4.2 Nothing in this Agreement, the Memorandum of Understanding nor any action taken or made in implementation thereof, nor any statements, discussions, or communications, nor

any materials prepared, exchanged, issued, or used during the course of the negotiations leading to the Agreement, is intended by the Parties to, nor will any of the foregoing constitute, be introduced, be used, or be admissible in any way in this case or any other judicial, arbitral, administrative, investigative or other forum or proceeding as evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule, or executive order, or any obligation or duty at law or in equity. Notwithstanding the foregoing, the Agreement may be used in any proceeding in the Court that has as its purpose the interpretation, implementation, or enforcement of the Agreement or any orders or judgments of the Court entered into in connection therewith.

4.3 The Parties agree that Plaintiffs' motion for approval of the Settlement and Defendant' agreement thereto is for purposes of the Settlement only. If, for any reason, the Settlement is not approved, this Agreement will not be admissible in this or any other proceeding as evidence that (i) the Action should proceed forward, or (ii) Defendant are liable to Plaintiffs or the Aggrieved Employee Group as Plaintiff alleged. In the event that this Agreement is not approved by the Court or any appellate court, is terminated, or otherwise fails to be enforceable, Defendant will not be deemed to have waived, limited, or affected in any way any of their objections or defenses in the Action, including, but not limited to, their ability to move to compel arbitration, raise defenses in opposition to the Action, contest the merits of the claims and theories alleged, etc.

5. **SETTLEMENT CONSIDERATION**

5.1 **Total Settlement and Net Settlement Amounts and Distribution.** The Total Settlement Amount and other actions and forbearances taken by Defendant shall constitute adequate consideration for the Settlement and will be made in full and final settlement of: (a) the Released Claims, (b) Attorneys' Fees and Costs, (c) Administration Expenses, (d) LWDA Payment, (e) Incentive Payment to Plaintiffs (if any) and (d) the Individual Settlement Payments to Aggrieved Employee Group, and any other obligation of Defendant under this Agreement.

5.2 **Payments to Aggrieved Employee Group Members.** Each Aggrieved Employee Group Member shall be eligible to receive an Individual Settlement Payment. The Parties understand that Aggrieved Employee Group Members who receive an Individual Settlement Payment pursuant to this Agreement shall be solely responsible for any and all other individual tax

1 obligations associated with the payment.

2 5.3 **No Effect on Employee Benefits.** Neither the Settlement nor any amounts paid
3 under the Settlement will modify any previously credited hours, days, or weeks of service under
4 any employee benefit plan, policy or bonus program sponsored by Defendant (or their affiliates,
5 parents or successors). Such amounts will not form the basis for additional contributions to, benefit
6 under, or any other monetary entitlement under Defendant' sponsored benefit plans, policies or
7 bonus programs, if any. The payments made under the terms of this Settlement shall not be applied
8 retroactively, currently, or on a going forward basis, as salary, earnings, wages, or any other form
9 of compensation for the purposes of any of Defendant' benefit plans, policies or bonus programs, if
10 any. Defendant retain the right to modify the language of their benefits plans, policies and bonus
11 programs to effect this intent and to make clear that any amounts paid pursuant to this Agreement
12 are not for "weeks worked," "weeks paid," "weeks of service," or any similar measuring term as
13 defined by applicable plans, policies and bonus programs for purpose of eligibility, vesting, benefit
14 accrual, or any other purpose, and that additional contributions or benefits are not required by this
15 Agreement. Defendant do not consider the Individual Settlement Payments "compensation" for
16 purposes of determining eligibility for, or benefit accrual within, any benefits plan, policy, or bonus
17 program, or any other plan or program sponsored by Defendant (or their affiliates, parents or
18 successors), if any.

19 5.4 **Attorneys' Fees and Costs.** As part of the motion for approval of the Settlement,
20 PAGA Counsel may submit an application for an award of Attorneys' Fees and Costs not expected
21 to exceed \$83,333.33. Defendant agrees not to object to any such fee, cost or expense application in
22 line with this Agreement and in an amount not to exceed one third of the Total Settlement Amount
23 for attorneys' fees and \$20,000 for costs. As a condition of this Settlement, PAGA Counsel has
24 agreed to pursue fees and costs only in the manner reflected by this Agreement. Any Attorneys' Fees
25 and Costs awarded by the Court shall be paid from the Total Settlement Amount. If the PAGA
26 Counsel voluntarily reduces the request for Attorneys' Fees and Costs or the Court's award is less
27 than set forth above, the difference shall remain with the Net Settlement Amount.

28 The Attorneys' Fees and Costs approved by the Court shall encompass: (a) all work

performed and costs and expenses incurred by, or at the direction of, any attorney purporting to represent the Settlement Group through the date of this Agreement; (b) all work to be performed and costs to be incurred in connection with approval by the Court of the Settlement set forth in this Agreement; (c) all work to be performed and costs and expenses, if any, incurred in connection with administering the Class Settlement through the Effective Date; and (d) may be based on the Catalyst Theory and/or Common Fund Doctrine.

5.5 **Payment of Attorneys' Fees and Costs.** Attorneys' Fees and Costs as awarded by the Court shall be paid by the Settlement Administrator within thirty (30) days of the Effective Date.

5.6 **Incentive Payment to Plaintiff.** Each Plaintiff shall be paid \$10,000 as part of their individual settlement and subject to Court approval, provided they execute individual settlement agreements and releases with 1542 waivers.

5.7 **Size of the Aggrieved Employee Group.** The Aggrieved Employee Group worked approximately 38,500 Pay Periods during the PAGA Period ("Pay Period Total"). If the number of Pay Periods increases by 10% beyond the Pay Period Total, the Settlement Period will end on the last day before the 10% threshold is exceeded.

6. **ADMINISTRATION COSTS AND EXPENSES**

6.1 **The Settlement Administrator's Costs and Expenses.** All costs and expenses due to the Settlement Administrator in connection with its administration of the Settlement described in the Agreement, including, but not limited to, formatting and mailing the Settlement Letter and Individual Settlement Payments, performing a National Change of Address database search to update Aggrieved Employee Group addresses prior to the mailing, performing skip-traces to locate and update Aggrieved Employee Group addresses, calculating, and distributing Individual Settlement Payments, and any other tasks requested by the Parties or by the Court, among other tasks as reflected within this Agreement, will be paid through the Total Settlement Amount.

7. **FUNDING AND DISTRIBUTION**

7.1 **Funding of the Total Settlement Amount.** The Settlement Administrator will provide Defendant with its bank wire instructions to establish the Qualified Settlement Fund (QSF).

The funding of the settlement shall agree as follows:

(a) Within 14 days of the Effective Date, Defendant shall transmit to the Settlement Administrator a total of \$50,000, which will constitute: (1) the \$10,000.00 incentive payments to each Plaintiff, provided they execute individual settlement agreements with 1542 waivers; and (2) \$30,000.00 for purposes of all settlement payments, including aggrieved employee payments, LWDA payments, attorney's fees and costs, and settlement administration costs;

(b) The balance of the Total Settlement Amount – \$200,000 – shall be transmitted to the Settlement Administrator over 30 equal monthly installments (or \$6,666.67 per month).

7.2 Distribution of the Total Settlement Amount. In order to reduce the costs of administration, the Administrator shall distribute two, pro-rata payments. The first distribution shall take place within 15 calendar days of the 10th monthly installment payment identified in Section 7.1(b) above. The second distribution shall take place 15 days after the final (30th) monthly installment payment identified in Section 7.1(b) above. Each payment shall be a pro-rata payment for the following: (a) Aggrieved Employee Group members, for their Individual Settlement Payments via first-class regular U.S. Mail; (b) to PAGA Counsel, for the Court-awarded Attorneys' Fees and Litigation Costs Payment; (c) to the LWDA, for the Court-approved LWDA Payment; (d) the Incentive Payment to Plaintiffs; and (e) to the Administrator, for the Court-awarded Administration Fees and Expenses.

7.3 Uncashed or Returned Checks. Funds from uncashed or returned checks (after the 180 day check cashing deadline) will be distributed to the State Controller's Unclaimed Property Fund in the name of the employees.

8. NULLIFICATION OF THIS AGREEMENT

8.1 Non-Approval of the Agreement. If (a) the Court should for any reason fail to approve this Agreement in the form agreed to by the Parties, or (b) the Court should for any reason fail to enter a judgment on this Action, or (c) the approval of the Settlement and judgment is reversed, modified or declared or rendered void, then the Settlement shall be considered null and void, and

neither the Settlement nor any of the related negotiations or proceedings shall be of any force or effect, and all Parties to the Settlement shall stand in the same position, without prejudice, as if the Settlement has been neither entered into nor filed with the Court. Notwithstanding the foregoing, the Parties may attempt in good faith to cure any perceived defects in the Agreement to facilitate approval. In the event the Court awards less than the requested amounts for Administration Fees, Attorneys' Fees and Costs, Incentive Payment to Plaintiffs (if any), or the PAGA Payment, the difference shall become part of the Net Settlement Amount.

8.2 **Invalidation.** Invalidation of any material portion of the Settlement shall invalidate the Settlement in its entirety, unless the Parties shall subsequently agree in writing that the remaining provisions of the Settlement are to remain in full force and effect.

8.3 **Stay Upon Appeal.** In the event of a timely appeal from the approval of the Settlement and Judgment, the Judgment shall be stayed, and Defendant shall not be obligated to fund the Total Settlement Amount or take any other actions required by this Agreement until all appeal rights have been exhausted by operation of law.

9. **MOTION OR STIPULATION FOR COURT APPROVAL**

9.1 **Approval.** PAGA Counsel will submit this Agreement to the Court along with a Motion or Stipulation for an Order Granting Approval of the Settlement.

10. **RELEASES AND WAIVERS**

10.1 **Aggrieved Employee Group Release.** Upon the Effective Date, Plaintiffs, the Aggrieved Employee Group, and the State of California vis-à-vis the LWDA shall hereby release the Released Parties for the Released Claims for the PAGA Period, including for all claims pleaded or that could have been pleaded in the O'Reilly Matter or Cervantes Matter.

11. **DUTIES OF THE PARTIES**

11.1 **Mutual Full Cooperation.** The Parties agree to cooperate fully with one another to accomplish and implement the terms of this Agreement. Such cooperation shall include, but not be limited to, execution of such other documents and the taking of such other actions as may reasonably be necessary to fulfill the terms of this Settlement. The Parties shall use their best efforts, including all effects contemplated by this Agreement and any other efforts that may become

1 necessary by Court order or otherwise, to effectuate the terms of this Agreement. As soon as
2 practicable after execution of this Agreement, PAGA Counsel, with the cooperation of Defendant
3 and Defense Counsel, shall take all necessary and reasonable steps to secure the Court's final
4 approval of this Agreement.

5 11.2 **Duty to Support and Defend the Settlement.** The Parties agree to abide by all
6 of the terms of the Settlement in good faith and to support the Settlement fully and to use their best
7 efforts to defend this Settlement from any legal challenge, whether by appeal or collateral attack.

8 12. **MISCELLANEOUS PROVISIONS**

9 12.1 **Different Facts.** The Parties hereto, and each of them, acknowledge that, except
10 for matters expressly represented herein, the facts in relation to the dispute and all claims released
11 by the terms of this Agreement may turn out to be other than or different from the facts now known
12 by each party and/or their counsel, or believed by such Party or counsel to be true, and each Party
13 therefore expressly assumes the risk of the existence of different or presently unknown facts, and
14 agrees that this Agreement shall be in all respects effective and binding despite such difference.

15 12.2 **No Prior Assignments.** The Parties represent, covenant, and warrant that they
16 have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or
17 encumber to any person or entity any portion of any liability, claim, demand, action, cause of
18 action, or right herein released and discharged except as set forth herein.

19 12.3 **Non-Admission.** Nothing in this Agreement shall be construed as or deemed to
20 be an admission by any Party of any liability, culpability, negligence, or wrongdoing toward any
21 other Party, or any other person, and the Parties specifically disclaim any culpability, negligence, or
22 wrongdoing toward each other or any other person. Each of the Parties has entered into this
23 Agreement with the intention to avoid further disputes and litigation with the attendant
24 inconvenience, expenses, and contingencies. Nothing herein shall constitute any admissions by
25 Defendant of wrongdoing or liability, or of the truth of any factual allegations in the Action. Nothing
26 herein shall constitute any admission by Defendant regarding the merits of the Claims in this Action.
27 Nothing herein shall constitute an admission by Defendant that the Action was properly brought as
28 a representative action other than for settlement purposes. To the contrary, Defendant have denied

1 and continue to deny each and every material factual allegation and all Claims. To this end, the
2 Settlement of the Action, the negotiation and execution of this Agreement, and all acts performed or
3 documents executed pursuant to or in furtherance of this Agreement or the Settlement are not, shall
4 not be deemed to be, and may not be used as, an admission or evidence of any wrongdoing or liability
5 on the part of Defendant or of the truth of any of the factual allegations in the Action; and are not,
6 shall not be deemed to be, and may not be used as, an admission or evidence of any fault or omission
7 on the part of Defendant in any civil, criminal or administrative proceeding in any court,
8 administrative agency or other tribunal.

9 12.4 **Media or Press.** Plaintiffs and Defendant, and their respective counsel, agree to
10 limit public comment on this Settlement, the Action, and claims in the Action, stating that the matter
11 has been resolved to the satisfaction of the Parties. Plaintiffs and Defendant, and their respective
12 counsel shall not initiate public comment and/or discuss with or present to the media or press.

13 12.5 **Construction.** The Parties hereto agree that the terms and conditions of this
14 Agreement are the result of lengthy, intensive, arms-length non-collusive negotiations between the
15 Parties and that this Agreement is not to be construed in favor of or against any party by reason of
16 the extent to which any Party or their counsel participated in the drafting of this Agreement. If any
17 of the dates in the Agreement fall on a weekend, bank or court holiday, the time to act shall be
18 extended to the next business day.

19 12.6 **Governing Law.** This Agreement is intended to and shall be governed by the
20 laws of the State of California, without regard to conflict of law principles, in all respects, including
21 execution, interpretation, performance, and enforcement.

22 12.7 **Captions and Interpretations.** Section titles or captions contained herein are
23 inserted as a matter of convenience and for reference only and in no way define, limit, extend, or
24 describe the scope of this Agreement or any provision thereof.

25 12.8 **Modification.** This Agreement may not be changed, altered, or modified, except
26 in writing signed by the Parties and approved by the Court. This Agreement may not be discharged
27 except by performance in accordance with its terms or by a writing signed by the Parties.

28 12.9 **Integration Clause.** This Agreement contains the entire agreement between the

Parties relating to the Settlement of the Action and the transactions contemplated thereby (with the exception of Plaintiffs' individual settlement agreement), and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written, and whether by a party or such party's legal counsel, are hereby superseded (with the exception of Plaintiffs' individual agreement). No rights under this Agreement may be waived except in writing as provided above.

12.10 **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Parties and the Aggrieved Employee Group and their respective present and former heirs, trustees, executors, administrators, representatives, officers, directors, shareholders, agents, employees, insurers, attorneys, accountants, auditors, advisors, consultants, pension and welfare benefit plans, fiduciaries, parent companies, subsidiaries, affiliates, related companies, joint ventures, predecessors, successors, and assigns.

12.11 **Corporate Signatories.** Any person executing this Agreement or any such related document on behalf of a corporate signatory or on behalf of a partnership hereby warrants and promises, for the benefit of all Parties hereto, that such person has been duly authorized by such corporation or partnership to execute this Agreement or any such related document.

12.12 **Execution in Counterparts.** This Agreement shall become effective upon its execution by all of the undersigned. The Parties may execute this Agreement in counterparts, and execution of counterparts shall have the same force and effect as if all Parties had signed the same instrument.

12.13 **Attorneys' Fees, Costs and Expenses.** Except as otherwise specifically provided for herein, each Party shall bear their or its own attorneys' fees, costs and expenses, taxable or otherwise, incurred by them in or arising out of the Action and shall not seek reimbursement thereof from any other Party to this Agreement.

IN WITNESS WHEREOF, the Parties and their counsel have executed this Agreement on the date below their signatures of their representatives. The date of the Agreement shall be the date of the latest signature.

1 *[Signatures on following page]*

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

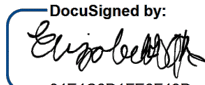
25

26

27

28

1 Dated: 2/10/2025, 2025 Plaintiff ELIZABETH ANN O'REILLY

2 By: 
 3 Elizabeth Ann O'Reilly

4 Dated: 2/10/2025, 2025 **JAMES HAWKINS, APLC**

5 By: 
 6 James R. Hawkins
 7 Gregory Mauro
 8 Attorneys for Plaintiff ELIZABETH ANN O'REILLY

9 Dated: 2/10/2025, 2025 Plaintiff JOSE CERVANTES

10 By: Jose Cervantes
 11 Jose Cervantes

12 Dated: February 10, 2025 **SOLOUKI & SAVOY, LLP**

13 By: Shoham Solouki
 14 Shoham J. Solouki
 15 Attorneys for Plaintiff JOSE CERVANTES

16 Dated: _____, 2025 Defendant REEL SECURITY CALIFORNIA, INC.

17 By: _____

20 Dated: _____, 2025 **BRADLEY, GMELICH & WELLERSTEIN LLP**

21 By: _____
 22 Jaimee Wellerstein
 23 Jean-Paul Le Clercq
 24 Attorneys for Defendant REEL SECURITY CALIFORNIA,
 25 INC.

1 Dated: _____, 2025 Plaintiff ELIZABETH ANN O'REILLY

2
3 By: _____
Elizabeth Ann O'Reilly

4 Dated: _____, 2025 **JAMES HAWKINS, APLC**

5
6 By: _____
James R. Hawkins
Gregory Mauro
Attorneys for Plaintiff ELIZABETH ANN O'REILLY

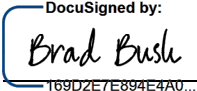
8
9 Dated: _____, 2025 Plaintiff JOSE CERVANTES

10
11 By: _____
Jose Cervantes

12 Dated: _____, 2025 **SOLOUKI & SAVOY, LLP**

13
14 By: _____
Shoham J. Solouki
Attorneys for Plaintiff JOSE CERVANTES

15
16 Dated: 2/12/2025, 2025 Defendant REEL SECURITY CALIFORNIA, INC.

17
18 By:  _____
T69D2E7E894E4A0...

19
20 Dated: _____, 2025 **BRADLEY, GMELICH & WELLERSTEIN LLP**

21
22 By: _____
Jaimee Wellerstein
Jean-Paul Le Clercq
Attorneys for Defendant REEL SECURITY CALIFORNIA,
24 INC.

1 Dated: _____, 2025 Plaintiff ELIZABETH ANN O'REILLY

2
3 By: _____
Elizabeth Ann O'Reilly

4 Dated: _____, 2025 **JAMES HAWKINS, APLC**

5
6 By: _____
James R. Hawkins
7 Gregory Mauro
8 Attorneys for Plaintiff ELIZABETH ANN O'REILLY

9 Dated: _____, 2025 Plaintiff JOSE CERVANTES

10
11 By: _____
Jose Cervantes

12 Dated: _____, 2025 **SOLOUKI & SAVOY, LLP**

13
14 By: _____
Shoham J. Solouki
15 Attorneys for Plaintiff JOSE CERVANTES

16 Dated: _____, 2025 Defendant REEL SECURITY CALIFORNIA, INC.

17
18 By: _____

19
20 Dated: January 11, 2025 **BRADLEY, GMELICH & WELLERSTEIN LLP**

21
22 By:  _____
Jaimee Wellerstein
23 Jean-Paul Le Clercq
24 Attorneys for Defendant REEL SECURITY CALIFORNIA,
INC.
25
26
27
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Exhibit B

JAMES *JH* HAWKINS

A PROFESSIONAL LAW CORPORATION

9880 RESEARCH DRIVE, SUITE 200, IRVINE, CALIFORNIA 92618
TELEPHONE (949) 387-7200; FACSIMILE (949) 387-6676

December 8, 2021

Via LWDA Website

Labor and Workforce Development Agency
Attn: PAGA Administrator
1515 Clay Street, Suite 801
Oakland, CA 94612
<http://www.dir.ca.gov/Private-Attorneys-General-Act>

Via Certified Mail

REEL SECURITY CALIFORNIA, INC.
Agent for Service of Process: Bradley D. Bush
15303 Ventura Blvd., Suite 1070
Sherman Oaks, CA 91403
Receipt No. 7021 0950 0000 7376 6092

Re: NOTICE PURSUANT TO LABOR CODE SECTIONS 2698, *et seq.*

To Whom It May Concern:

PLEASE TAKE NOTICE that plaintiff Elizabeth Ann O'Reilly individually and on behalf of all similarly situated representative aggrieved employees, gives NOTICE to commence and/or amend a civil action pursuant to California Labor Code Sections 2698, *et seq.* Plaintiff hereby gives written notice by certified mail to the Labor and Workforce Development Agency, and Reel Security California, Inc., through its Agent for Service of Process.

Plaintiff hereby attaches a copy of the Proposed PAGA Representative Action Complaint to be filed in the Los Angeles County Superior Court, as though fully set forth herewith setting out the specific provisions of the Labor Code Plaintiff alleges have been violated, including the facts and theories. All labor provisions in the Proposed PAGA Representative Action Complaint alleged to have been violated pertain to all entities and individuals named in the Complaints, even if not expressly specified.

Please advise within sixty (60) days of the post mark on this letter if the LWDA intends to investigate these claims. Thank you, and if you have any questions, please do not hesitate to contact me.

Very Truly Yours,

A handwritten signature in black ink, appearing to read 'Gregory Mauro', with a stylized, cursive script.

Gregory Mauro

Enclosure: Proposed PAGA Representative Action Complaint

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Exhibit C

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

ELIZABETH ANN O'REILLY, on behalf of
the general public as private attorney general,

Plaintiff,

v.

REEL SECURITY CALIFORNIA, INC., a
California Corporation; and DOES 1-50,
inclusive,

Defendants.

**NOTICE OF PAGA SETTLEMENT AND
RELEASE**

To [NAME]:

The enclosed check is your share of a court-approved representative action settlement between plaintiffs ELIZABETH ANN O'REILLY and JOSE CERVANTES ("Plaintiffs"), serving as representatives of the State of California under California Labor Code § 2698 *et seq.*, also known as the Private Attorneys General Act ("PAGA"), and defendant REEL SECURITY CALIFORNIA, INC., ("Reel Security" or "Defendant"). Plaintiffs filed a PAGA lawsuit in California for the time period between December 8, 2020, through May 17, 2024, alleging Defendant's: (1) failure to pay wages including overtime under California labor laws, (2) failure to provide lawful meal periods, (3) failure to provide rest periods, (4) failure to timely pay wages owed at separation, (5) failure to provide accurate itemized wage statements, (6) failure to provide suitable seating, and (7) failure to indemnify necessary business expenses. Reel Security denies that it violated the law in any way, but agreed to enter into a settlement to avoid the cost and disruption of litigation.

As a current or former employee of Reel Security in California between December 8, 2020 through May 17, 2024, you are entitled to a share of the settlement (as required by law, 75% of which will go to the State of California). The payment amount was calculated based on the number of pay periods you worked for Defendant between December 8, 2020 through May 17, 2024. Because this calculation was approved by the Court, the amount of your payment is final and cannot change. The settlement is non-wage penalties and is reported on an IRS Form 1099 (enclosed). No taxes were withheld from your payment, so it will be your responsibility to pay any taxes that may be due. Your enclosed check is valid for 180 days from the date of its issuance. After that date, you cannot cash the check and it will be null and void. Funds attributable to such uncashed checks will be sent to the unclaimed property fund of The State Controller's Office.

Per the Court's final judgment in this case, all people covered by the settlement have released all claims for civil penalties under PAGA as alleged by Plaintiffs against Reel Security for the time period of December 8, 2020 through May 17, 2024. This means that you are not able to pursue or recover under a PAGA lawsuit against Reel Security based on such claims for the time period covered by this settlement. **You are bound by the settlement and release of PAGA claims based on the Court's final judgment, regardless of whether you cash or deposit the enclosed check.**

If you have any questions or would like more information about the settlement or this lawsuit, you may contact the Settlement Administrator at APEX Class Action Administration. [Address], [Telephone Number].

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Exhibit D

Matter Billing Detail

JAMES HAWKINS APLC

Date Range: 01/01/1900 to 02/05/2025

Client: REELSECURITY - Elizabeth Ann O'Riley

Matter: REELSECURITY - Reel Security California, Inc PAGA - Elizabeth Ann O'Reilly v. Reel

Date	Expense Code	Description	Debit	Credit	Billing Status	On Hold	Invoice Number	Check Number	Payee
		Balance Forward:	\$0.00						
12/20/2021	FIL	Filing Fee - 12.08.2021 LWDA Filing Fee	\$75.00		Unbilled				
12/20/2021	POS	Postage - 12.08.2021 Ntc of LWDA Filing to Agent(s) via Certified Mail	\$8.56		Unbilled				
02/16/2022	FST	First Legal Network - E-Filing, complaint, summons, civil case cover IN#30188503	\$1,616.20		Unbilled				
04/08/2022	FST	First Legal Network - Process Serve - Complaint, Initial Docs, Ntc, Order, E-Filing - Proof of Service by Substituted Service IN# 30195930	\$286.59		Unbilled				
05/27/2022	CRT	Court Documents - 05.23.22 Stip & Order to Stay Case	\$5.80		Unbilled				
06/07/2022	FST	First Legal Network- E-Filing: Ntc of May 24, 2022 Min Order IN#30202789	\$37.70		Unbilled				
02/14/2023	FST	First Legal Network - E-Filing - Stipulation and Proposed Order IN# 30227367	\$61.95		Unbilled				
04/21/2023	FST	First Legal Network - E-Filing - Plaintiffs Notice of Case Reassignment IN# 30233810	\$39.95		Unbilled				
08/07/2023	FST	First Legal Network - F-Filing - Status Report IN# 30248438	\$39.95		Unbilled				
03/29/2024	FST	First Legal Network - Filing - Joint Stip to Continue Case In# 30275374	\$110.70		Unbilled				
06/24/2024	FST	First Legal Network - Filing - Status Report IN# 30287287	\$42.15		Unbilled				
10/03/2024	EXA	Expert Analysis IN#01155 CK# 1242	\$405.00		Unbilled				
10/04/2024	LDS	Legal Document Server - Courtesy Copy - Stip of the Parties to Continue Trial and all trial related deadlines propoed order IN# 10517270	\$90.00		Unbilled				
10/08/2024	LDS	Legal Document Server - E-Filing - Stip and order IN# 10517110	\$34.15		Unbilled				
10/18/2024	LDS	Legal Document Server - E-Filing - Notice of Settlement IN# 10604637	\$14.15		Unbilled				
10/18/2024	LDS	Legal Document Server - Courtesy Copy - Notice of Conditional Settlement of Entire Case IN# 10604867	\$90.00		Unbilled				

Matter Billing Detail

Report Date: 2/5/2025
Report Time: 12:06PM
Page: 2 of 2
User ID: Gutierrez

JAMES HAWKINS APLC

Date	Expense Code	Description	Debit	Credit	Billing Status	On Hold	Invoice Number	Check Number	Payee
		Total:	<u>\$2,957.85</u>	<u>\$0.00</u>					
		Balance:	<u>\$2,957.85</u>						
Total Fees Billed-		-----	\$0.00						
Total Fees Unbilled :		-----	\$0.00						
Total Fees Received :		-----	\$0.00						
Total Soft Cost Billed :		-----	\$0.00						
Total Soft Cost Unbilled :		-----	\$0.00						
Total Soft Cost Received :		-----	\$0.00						
Total Hard Cost Billed :		-----	\$0.00						
Total Hard Cost Unbilled :		-----	\$2,957.85						
Total Hard Cost Received :		-----	\$0.00						
Total Taxes Billed :		-----	\$0.00						
Total Taxes Unbilled :		-----	\$0.00						
Total Taxes Received :		-----	\$0.00						
Total Late Charges Billed :		-----	\$0.00						
Total Late Charges Unbilled:		-----	\$0.00						
Total Late Charges Received :		-----	\$0.00						
Trust Balance:		-----	\$0.00						

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Exhibit E

**Quotation Request:**

Lauren Falk
James Hawkins ALPC
lauren@jameshawkinsaplc.com
949.387.7200

Case Name:

O'Reilly v. Reel Security

Date:

Tuesday, January 28, 2025

RFP Number:

13172003

Prepared By:

Sean Hartranft
Apex Class Action LLC
Sean@apexclassaction.com
949.878.3676

Settlement Specifications

Number of Aggrieved Employees	1,200
Disbursements & Years of Disbursement	2 over 2 years
Certified Language Translation:	No
Static Settlement Website	No
Percentage of Undeliverable Mail	20%

Professional Services	Fee Calculation	Rate(s)	Quantity	Estimated Cost
-----------------------	-----------------	---------	----------	----------------

Data Analytics and Standardization

Import and Standardize Data*	Per Hour	\$125.00	3	\$375.00
Data Analyst	Per Hour	\$150.00	3	\$450.00
Sub Total:				\$825.00

*Data provided must be in a workable format. Apex can standardize provided data at an additional cost of \$150/hr.

Project Management

Project Management	Per Hour	\$150.00	3	\$450.00
Project Coordinator	Per Hour	\$90.00	2	\$180.00
Data Analyst and Reporting	Per Hour	\$140.00	2	\$280.00
Sub Total:				\$910.00

Toll-Free Contact Center, Website, Reporting & Pre-Distribution

Form Set Up	Per Hour	\$120.00	1	\$120.00
Bilingual Toll-Free Contact Center	Static Rate	\$115.00	1	\$115.00
NCOA Address Update (USPS)	Static Rate	\$147.00	1	\$147.00
Settlement Status Reports	Static Rate	\$750.00	1	Waived
Sub Total:				\$382.00



Professional Services	Fee Calculation	Rate(s)	Quantity	Estimated Cost
-----------------------	-----------------	---------	----------	----------------

Distribution & Settlement Fund Management				
Settlement Calculations	Per Hour	\$120.00	6	\$720.00
Account Management and Reconciliation	Per Hour	\$140.00	6	\$840.00
2025 Print & Mail Distribution Settlement Check (IRS Form 1099 if applicable)	Per Piece	\$1.25	1,200	\$1,500.00
USPS First Class Postage	Per Piece	\$0.69	1,200	\$828.00
2026 Print & Mail Distribution Settlement Check (IRS Form 1099 if applicable)	Per Piece	\$1.25	1,200	\$1,500.00
USPS First Class Postage	Per Piece	\$0.69	1,200	\$828.00
Remail Distribution to Updated Address (Skip Trace)	Per Piece	\$2.50	240	\$600.00
Individual Income Tax Preparation & Reporting	Per Hour	\$100.00	16	\$1,600.00
QSF Income Tax Reporting (per calendar year)	Per Year	\$1,200.00	2	\$2,400.00
			Sub Total:	\$10,816.00

Post Distribution Reconciliation				
Bank Account Reconciliation	Per Hour	\$135.00	6	\$810.00
Project Management Reconciliation	Per Hour	\$100.00	6	\$600.00
Declarations	Per Hour	\$120.00	5	\$600.00
			Sub Total:	\$2,010.00

WILL NOT EXCEED:				\$14,943.00
-------------------------	--	--	--	--------------------

Thank you for your business!



Terms & Conditions

The following Terms and Conditions govern the provision of all services to be provided by Apex Class Action and its affiliates ("Apex") to the Client. These terms and conditions are binding and shall apply to all services provided by Apex in relation to any related services or products.

1. **Services:** Apex commits to providing the Client with the administrative services detailed in the attached Proposal (the "Services").
2. **Payment Terms:** As compensation for the legal services to be provided, the Client agrees to pay Apex all fees detailed in the Proposal. The fees quoted in the Proposal (and any subsequent proposals for additional services) are estimates based on the information provided to Apex by the Client. Apex makes no representation that the estimated fees in the Proposal or any subsequent proposals for additional services shall equal the actual fees charged by Apex to the Client, which fees (including individual line items) may be greater or less than estimated. If additional services are requested on an hourly basis and are not specifically detailed in the Proposal, Apex will prepare estimates for such services subject to approval by the Client. In the performance of such additional services, Apex will charge standard hourly fees which shall apply.
3. **Incurred Expenses:** In relation to the provision of services outlined in this agreement, the Client agrees to reimburse Apex for all reasonable out-of-pocket expenses incurred. Such expenses may include, but are not limited to, costs associated with postage, media production or publication, banking fees, brokerage fees, messenger and delivery service expenses, travel expenses, filing fees, office supplies, meals, staff overtime expenses, and other related costs and expenses. If not otherwise specified in writing, fees for print notice and certain expenses, such as media publication and postage, must be paid immediately upon invoicing and, in certain cases, at least ten (10) days prior to the date on which such expenses will be incurred.
4. **Invoicing:** Apex shall present invoices for its fees and expenses on a monthly basis, except as provided in Section 3. The Client agrees to pay each invoice within 30 days of receipt. In the event of non-payment within 90 days of the billing date, an additional service charge of 1.5% per month may apply. Apex reserves the right to increase its prices, charges, and rates annually, subject to reasonable adjustments. If any price increases exceed 10%, Apex shall give thirty (30) days' notice to the Client. In the event of any unpaid invoices beyond 120 days of the due date, Apex reserves the right to withhold services and reports until payment is received, subject to notice to the Client. It is important to note that Apex's failure to provide services and reports in such instances shall not constitute a default under this agreement.
5. **Case Duration:** The duration of these Terms and Conditions, except for the data storage obligations stated in Section 13, shall be in effect until 30 days following the completion of the Services as described in the Proposal. The parties may extend these Terms and Conditions in writing for a mutually agreed-upon period beyond this initial 30-day period.
6. **Termination of Services:** Either party may terminate the Services by providing thirty (30) days written notice to the other party. Alternatively, termination may occur immediately upon written notice for Cause, as defined below. Cause means (i) Apex's gross negligence or willful misconduct that causes serious and material harm to the Client; (ii) the Client's failure to pay Apex invoices for more than one hundred twenty (120) days from the date of the invoice; or (iii) the accrual of invoices or unpaid services where Apex reasonably believes it will not be paid. Termination of the Services shall not relieve the Client of its obligation to pay Apex for services rendered prior to the termination.
7. **Independent Contractor:** As an independent contractor, Apex will provide services under the terms of this agreement. It is agreed that neither Apex nor any of its employees will be considered an employee of the Client. Consequently, Apex and its employees will not be eligible for any benefits provided by the Client to its employees. The Client will not make any tax deductions from the payments due to Apex for state or federal tax purposes. Apex will be solely responsible for paying all taxes and other payments due on payments received from the Client under this agreement.
8. Apex warrants that the Services outlined in the Proposal will be performed in accordance with the standards generally adhered to by professionals providing similar services. It is acknowledged that the Services may entail the likelihood of some human and machine errors, omissions, delays, and losses that may result in damage. However, Apex shall not be held liable for such errors, omissions, delays, or losses unless they are caused by its gross negligence or willful misconduct. In the event of any breach of this warranty by Apex, the Client's sole remedy will be limited to Apex's rerunning, at its expense, any inaccurate output provided that such inaccuracies occurred solely as a result of Apex's gross negligence or willful misconduct under this agreement.
9. **Limitation of Liability:** The Client acknowledges that Apex shall not be held liable for any consequential, special, or incidental damages incurred by the Client in relation to the performance of Services, whether the claim is based on breach of warranty, contract, tort (including negligence), strict liability, or any other grounds. Under no circumstances shall Apex's liability to the Client, for any Losses (including court costs and reasonable attorney's fees), arising out of or in connection with these Terms and Conditions, exceed the total amount charged or chargeable to the Client for the specific service(s) that caused the Losses.
10. **Indemnification:** The Client agrees to indemnify and hold harmless Apex from any losses, suits, actions, judgments, fines, costs, liabilities, or claims arising from any action or proceeding relating to the Services provided by Apex, regardless of whether or not it results in liability (collectively referred to as "Indemnified Claims"). However, this indemnification provision shall not apply to the extent that such Indemnified Claims are caused by Apex's willful misconduct, gross negligence, or breach of these Terms and Conditions. This provision shall survive termination of the Services.

11. **Confidentiality:** Apex will uphold strict confidentiality between Apex and the Client and applies to all non-public records, documents, systems, procedures, processes, software, and other information received by either party in connection with the performance of services under these terms. Both Apex and the Client agree to keep confidential all such non-public information, including any material marked or identified as confidential or proprietary. Any such confidential information shall not be disclosed, provided, disseminated, or otherwise made available to any third party, except as required to fulfill the parties' obligations under these terms. The parties acknowledge that in the event of any request to disclose any confidential information in connection with a legal or administrative proceeding, or otherwise to comply with a legal requirement, prompt notice of such request must be given to the other party to enable that party to seek an appropriate protective order or other remedy or to waive compliance with the relevant provisions of these terms. If the Client seeks a protective order or another remedy, Apex, at the Client's expense, will cooperate with and assist the Client in such efforts. If the Client fails to obtain a protective order or waives compliance with the relevant provisions of these terms, Apex will disclose only that portion of the confidential information that it determines it is required to disclose. This confidentiality provision shall survive termination of the services provided. Both parties acknowledge and agree that any breach of these terms may cause irreparable harm to the non-breaching party and that injunctive relief may be necessary to prevent any actual or threatened breach. The terms set forth between the parties supersede all prior negotiations, understandings, and agreements between the parties concerning confidentiality. These terms may only be amended in writing and signed by both parties.

12. **Ownership of the programs, system data, and materials provided by Apex to the Client during the course of providing services herein shall solely belong to Apex. It is acknowledged that fees and expenses paid by the Client do not confer any rights in such property. It is also understood that the said property is made available to the Client solely for the purpose of using it during and in connection with the services provided by Apex.**

13. Apex may derive financial benefits from financial institutions in connection with the deposit and investment of funds with such institutions, including without limitation, discounts on eligible banking services and fees, and loans at favorable rates.

14. **COMPLETE AGREEMENT.** These Terms and Conditions, along with the attached Proposal, represent the complete agreement and understanding between the parties and override any prior agreements (whether written or oral) between Apex and the Client regarding the subject matter. Any modification to these Terms and Conditions may only be made in writing and must be signed by both Apex and the Client. The headings in this document are included for convenience only and do not alter or restrict any provisions in these Terms and Conditions. They may not be used in the interpretation of these Terms and Conditions.

15. This provision outlines the requirements for providing notice or other communication under this agreement. All such communications must be in writing and can be delivered either by personal delivery or through U.S. Mail with prepaid postage or overnight courier. Once delivered personally or sent through the mail, the notice will be considered given after five (5) days from the deposit date in the U.S. Mail. Alternatively, if sent through an overnight courier, the notice will be considered given one business day after delivery to the such courier. It's important to note that the notice must be provided to a responsible officer or principal of the Client or Apex, depending on the case.

16. **Force Majeure:** In the event of any failure or delay in performance due to circumstances beyond Apex's control, including but not limited to strikes, lockouts, fires, floods, acts of God or public enemy, riots, civil disorders, insurrections, war or war conditions, or interference by civil or military authorities, Apex shall not be held liable for any resulting loss or damage. The time for performance under this agreement shall be extended for a period equal to the duration of the disabling cause and a reasonable time thereafter. This provision shall constitute a force majeure clause and shall be construed accordingly.

17. The applicable state and federal laws shall govern the interpretation and enforcement of these Terms and Conditions. No choice of law or conflict of laws provisions shall affect this governing law provision.

18. **Severability:** This applies to all clauses and covenants contained within these Terms and Conditions. In the event that any clause or covenant is deemed invalid, illegal, or unenforceable, the remaining provisions shall remain valid and enforceable to the fullest extent permissible by law. The validity, legality, and enforceability of the remaining provisions shall in no way be affected or impaired by the invalidity, illegality, or unenforceability of any provision deemed so.

19. **Nonwaiver:** This applies to these Terms and Conditions. This means that any failure by one party to enforce a provision of these terms on one or more occasions shall not be construed as a waiver of that provision. In other words, any failure to enforce a provision does not give up the right to enforce it in the future. All provisions of these Terms and Conditions remain in full force and effect, regardless of any prior failure to enforce them.