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13 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

14 **IN AND FOR THE COUNTY OF SACRAMENTO**

15 NINA MCPHERSON and DOREEN HUPP,
16 individuals, on behalf of themselves and on
17 behalf of all persons similarly situated,

18 Plaintiffs,

19 vs.

20 GENERAL LOGISTICS SYSTEMS US,
21 INC., a California Corporation; and DOES 1
22 through 50, inclusive,

23 Defendants.

CASE NO.: **34-2022-00318236-CU-OE-GDS**
[consolidated with Case No.
34-2022-00318125]

**DECLARATION OF KYLE NORDREHAUG
IN SUPPORT OF MOTION FOR
PRELIMINARY APPROVAL OF CLASS
SETTLEMENT**

Hearing Date: March 28, 2025

Hearing Time: 9:00 a.m.

Reservation ID # **A-318236-001**

Judge: Hon. Jill H. Talley

Dept: 23

Date Filed: April 13, 2022

Trial Date: Not set

1 I, Kyle Nordrehaug, declare as follows:

2 1. I am a partner of the law firm of Blumenthal Nordrehaug Bhowmik De Blouw LLP,
3 counsel for Plaintiffs Nina McPherson and Doreen Hupp (“Plaintiffs”) in this matter. As such, I am
4 fully familiar with the facts, pleadings and history of this matter. The following facts are within my
5 own personal knowledge, and if called as a witness, I could testify competently to the matters stated
6 herein.

7 2. This declaration is being submitted in support of Plaintiffs’ unopposed motion for
8 preliminary approval of the proposed class action settlement with Defendant General Logistics
9 Systems US, Inc. (“Defendant”), which motion seeks entry of an order: (1) preliminarily approving
10 the proposed settlement of this class action with Defendant; (2) for settlement purposes only,
11 conditionally certifying the Class, which is comprised of “all individuals who are or previously were
12 employed by Defendant who were classified as non-exempt and all individuals who are or
13 previously were employed by Defendant who were classified as Inside Sales Employees in the State
14 of California at any time during the Class Period, excluding drivers”; (3) provisionally appointing
15 Plaintiffs as the representatives of the Class; (4) provisionally appointing Norman B. Blumenthal,
16 Kyle R. Nordrehaug, and Aparajit Bhowmik of Blumenthal Nordrehaug Bhowmik De Blouw LLP
17 as Class Counsel; (5) approving the form and method for providing class-wide notice; (6) directing
18 that notice of the proposed settlement be given to the class; (7) appointing ILYM Group, Inc. as
19 Administrator, and (8) scheduling a final approval hearing date, proposed for August 15, 2025
20 which is at least 120 days from preliminary approval, to consider Plaintiffs’ motion for final
21 approval of the settlement and for approval of attorneys’ fees and expenses. Attached hereto as
22 Exhibit #1 is a copy of the fully executed Class Action and PAGA Settlement Agreement
23 (“Agreement”) along with exhibits thereto. This Declaration incorporates by reference the
24 definitions in the Agreement, and all terms defined therein shall have the same meaning as set forth
25 in the Agreement. The Court’s Checklist is addressed here in order:

26 **A. CHECKLIST OF APPROVAL OF CLASS ACTION SETTLEMENT**
27 **AND/OR PAGA SETTLEMENTS** - In compliance with Sacramento Superior Court, Local Rule
28 2.99.05, I attest that (1) I have reviewed the Checklist of Approval of Class Action Settlement

1 and/or PAGA Settlements ("Checklist") and (2) Plaintiffs' motion papers were prepared in
2 compliance with the Checklist. The following is an identification of each item in the checklist with
3 numbers corresponding to the number in the checklist:

4 1. The description of the case and claims, along with the procedural
5 history is set forth below at ¶¶ 7-14.

6 2. Attached hereto as Exhibit #1 is a copy of the fully executed Class
7 Action and PAGA Settlement Agreement ("Agreement") along with exhibits thereto.

8 3. The Gross Settlement Amount is Two Million Five Hundred
9 Thousand Dollars (\$2,500,000) to be paid by Defendant, as set forth in the Agreement at ¶ 1.22.

10 4. The Gross Settlement Amount of \$2,500,000 is non-reversionary.
11 (Agreement at ¶ 1.22.)

12 5. The Gross Settlement Amount of \$2,500,000 is non-reversionary
13 and the payments to the Class will be mailed automatically

14 6. The following is a table of the key financial terms of the Settlement
15 and the proposed deductions:

16 **\$2,500,000** (Gross Settlement Amount)

17 - \$20,000 (Plaintiffs' proposed service awards - not to exceed amount)

18 - \$50,000 (Class Counsel Litigation Expenses Payment - not to exceed amount)

19 - \$833,333 (Class Counsel Fees Payment - not to exceed 1/3 of settlement)

20 - \$50,000 (PAGA Payment - 75% to LWDA / 25% to Aggrieved Employees)

21 - \$24,500 (Administration Expenses Payment - not to exceed amount)

22 **\$1,522,1677** (Net Settlement Amount).

23 7. As set forth in Agreement at ¶ 3.2(e)(i), the Individual
24 Class Payments payable to Participating Class Members will be paid from the Net Settlement
25 Amount and allocated as follows: 20% of each Participating Class Member's Individual Class
26 Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions
27 are subject to payroll tax withholding and will be reported on an IRS W-2 Form. 80% of each
28 Participating Class Member's Individual Class Payment will be allocated to settlement of claims for

1 non-wages, expense reimbursement, interest and penalties (the "Non-Wage Portion"). The
2 Non-Wage Portions are not subject to payroll tax withholdings and will be reported on IRS 1099
3 Forms. Defendant will pay the employer's share of the payroll taxes for the wage portion of the
4 Individual Class Payments in addition to the Gross Settlement Amount. (Agreement at ¶ 3.1.)

5 8. No duties are being placed on the Class Members to receive payment.
6 The Individual Class Payments will be mailed out automatically to all Class Members who do not
7 opt out.

8 9. For purposes of this Settlement, the "Class" is defined as "all
9 individuals who are or previously were employed by Defendant who were classified as non-exempt
10 and all individuals who are or previously were employed by Defendant who were classified as
11 Inside Sales Employees in the State of California at any time during the Class Period, excluding
12 drivers." (Agreement at ¶ 1.5.) The Class Period is from August 30, 2019, through July 31, 2024.
13 (Agreement at ¶ 1.13.) From the Net Settlement Amount, the Individual Class Payment for each
14 Participating Class Member will be calculated by first making a payment to the Inside Sales
15 Subclass Members in the amount of \$600 per workweek, estimated at 622 total workweeks to
16 amount to a total of \$373,200 for the unpaid commissions claim. The allocation of all claims other
17 than the unpaid commission claim for the California Class Members (including the Inside Sales
18 Subclass Members) will then be paid from the balance of the fund based on the number of
19 workweeks worked during the Class Period. An Individual Class Payment will be calculated by (a)
20 dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating
21 Class Members during the Class Period and (b) multiplying the result by each Participating Class
22 Member's Workweeks. (Agreement at ¶ 3.2(e).) Defendant has represented that the Class consists
23 of 3,091 Class Members who collectively worked a total of 150,786 Workweeks, including 622
24 workweeks worked by the Inside Sales Subclass members, and 2,507 Aggrieved Employees who
25 worked a total of 48,290 PAGA Pay Periods. (Agreement at ¶ 4.1.) The Parties further agree that
26 Gross Settlement Amount will increase proportionally with added Class Members and/or added
27 Workweeks if the actual number of Class Members and/or Workweeks in the Class Period is more
28 than 10% of the estimate stated. (Agreement at ¶ 9.)

1 10. The “Released Class Claims” are all claims that were alleged, or
2 reasonably could have been alleged, based on the facts stated in the Operative Complaint which
3 occurred during the Class Period during employment in a non-exempt position in California. Except
4 as expressly set forth in the Agreement, Participating Class Members do not release any other
5 claims, including claims for vested benefits, wrongful termination, violation of the Fair
6 Employment and Housing Act, unemployment insurance, disability, social security, workers'
7 compensation, or claims based on facts occurring outside the Class Period. (Agreement at ¶ 1.39.)
8 The investigation performed and how the settlement was reached before a mediator is discussed
9 below.

10 11. The scope of the release compliaes with *Amaro* as it is limited to the
11 claims that “that were alleged, or reasonably could have been alleged, based on the facts stated in
12 the Operative Complaint” (Agreement at ¶ 1.39.)

13 12. Both the Class Period and the release period end on July 31, 2024.

14 13. The discussion of the valuation of claims is set forth below at
15 paragraph 6 and the discussion of the risks and defenses to the claims is set forth below at
16 paragraphs 24-26.

17 14. The “Aggrieved Employees” are “all individuals who are or p
18 reviously were employed by Defendant who were classified as non-exempt in the State of
19 California, excluding drivers, at any time during the PAGA Period.” (Agreement ar ¶ 1.4.) The
20 PAGA Period is January 14, 2021 through July 31, 2024. (Agreement at ¶ 1.32.) A discussion of
21 the PAGA claim and its valuation is set forth in paragraph 33 below.

22 15. The settlement does not have a payment plan.

23 16. A discussion of the PAGA claim and its valuation is set forth in
24 paragraph 33 below.

25 17. Based upon 3,091 Class Members who collectively worked 150,786
26 Workweeks (Agreement at ¶ 4.1.), the Gross Settlement Amount provides an average value of \$808
27 per Class Member and \$16 per Workweek and after deductions the Net Settlement Amount provides
28

1 an average recovery of \$492.45 per Class Member and a recovery of \$10.09 per Workweek. The
2 escalator provision ensures that the final recoveries are within a 10% buffer.

3 18. The settlement provides for a procedure whereby any settlement
4 checks not cashed within 180 days will be voided and any funds represented by such checks sent to
5 the California Controller's Unclaimed Property Fund in the name of the Class Member thereby
6 leaving no "unpaid residue" subject to the requirements of C.C.P. § 384(b). (Agreement at ¶ 5.4.)

7 19. In accordance with the Agreement, Defendant will provide to the
8 Administrator a confidential electronic spreadsheet containing the Class Data information.
9 (Agreement at ¶ 4.2.) Within 14 days of receipt of the Class Data, the Administrator will mail the
10 Class Notice to all Class Members via first-class U.S. Mail using the most current mailing address
11 information available. (Agreement at ¶ 8.4(b).) The Class Notice, drafted jointly and agreed upon by
12 the Parties through their respective counsel and to be approved by the Court, includes all relevant
13 information. (See Exhibit "A" to the Agreement.) The Class Notice will include a Spanish
14 translation. (Agreement at ¶ 1.11.) The Class Notice will include, among other information: (i)
15 information regarding the Action; (ii) the impact on the rights of the Class Members if they do not
16 opt out, including a description of the applicable release; (iii) information to the Class Members
17 regarding how to opt out and how to object to the Settlement; (iv) the estimated Individual Class
18 Payment for each of the Class Members; (iii) the amount of attorneys' fees and expenses to be
19 sought; (v) the amount of the Plaintiffs' service award request; and (vi) the anticipated expenses of
20 the Administrator. The Class Notice will state that the Class Members shall have sixty (60) days
21 from the date that the Class Notice is mailed to them (the "Response Deadline") to request
22 exclusion (opt-out) or to submit a written objection. (Agreement at ¶¶ 1.43, 8.5, 8.7.) Class
23 Members shall be given the opportunity to object to the Settlement and/or requests for attorneys'
24 fees and expenses and to appear at the Final Approval Hearing. (Agreement at ¶ 8.7.) Class
25 Members who do not submit a timely and proper request to opt-out will automatically receive a
26 payment of their Individual Class Payment. This notice program was designed to meaningfully
27 reach the Class Members and it advises them of all pertinent information concerning the Settlement.

28 20. The Settlement provides for a fee award not to exceed one-third (1/3)

1 of the Gross Settlement Amount (Agreement at ¶ 3.2(b)), which as discussed below at paragraph 34,
2 is within the range of reasonableness for purposes of preliminary approval. The payment of Class
3 Counsel attorneys' fees shall be made only to Blumenthal Nordrehaug Bhowmik De Blouw LLP.

4 21. The settlement provides for attorneys' costs not to exceed \$50,000
5 from the Gross Settlement Amount. (Agreement at ¶ 3.2(b).) Class Counsel will document the
6 final amount and the specific itemization of these costs at final approval.

7 22. Subject to Court approval, the Agreement provides for a
8 payment of no more than \$10,000 each to the Plaintiffs as their Class Representative Service
9 Payments. (Agreement at ¶ 3.2(a).) The service award is addressed below at paragraphs 27 and 35,
10 and is supported by a declaration from the Plaintiff filed in support of this motion.

11 23. Besides the actions identified as part of this settlement at paragraph
12 1.1 brought by the Plaintiffs, I am unaware of any other related cases pending against Defendant
13 which would be impacted by this settlement. The other PAGA notices and complaints filed against
14 the Defendant involve driver employees, who are excluded from this settlement, and therefore these
15 actions are not impacted.

16
17 **B. CLASS ADMINISTRATION AND CLASS NOTICE:**

18 1. Settlement Administration - After seeking bids from qualified
19 administrators, ILYM Group was selected as the Administrator, as ILYM Group provided an
20 estimate of \$24,500 to perform the settlement administration for a Class of up 4,000. I have used
21 ILYM Group successfully as the administrator in more than twenty class settlements in the last
22 couple years and know them to be competent and experienced. My firm has no relationship or
23 connection with ILYM Group, and thus no conflict of interest exists. Submitted herewith is the
24 Declaration of Anthony Rogers from ILYM Group which includes the estimate for administration
25 from ILYM Group. There will be a website for this settlement, the location of which will be
26 provided to the Class in the Court notice and that is where relevant documents, including the
27 Judgment, will be posted for viewing by the Class. (See Agreement at Exhibit A, section 10.)

28 2. Class Notice - The Class Notice, drafted jointly and agreed upon by

1 the Parties through their respective counsel and to be approved by the Court, includes all relevant
2 information. A copy of the form of Class Notice is attached as Exhibit A to the Agreement. Within
3 fifteen (15) calendar days after preliminary approval of this Settlement by the Court, Defendant will
4 provide to the Administrator a confidential electronic spreadsheet containing the Class Data
5 information. (Agreement at ¶ 4.2.) Within 14 days of receipt of the Class Data, the Administrator
6 will mail the Class Notice to all Class Members via first-class U.S. Mail using the most current
7 mailing address information available. (Agreement at ¶ 8.4(b).) The Class Notice, drafted jointly
8 and agreed upon by the Parties through their respective counsel and to be approved by the Court,
9 includes all relevant information. (See Exhibit “A” to the Agreement.) The Class Notice will include
10 a Spanish translation. (Agreement at ¶ 1.11.) The Class Notice will include, among other
11 information: (i) information regarding the Action; (ii) the impact on the rights of the Class Members
12 if they do not opt out, including a description of the applicable release; (iii) information to the Class
13 Members regarding how to opt out and how to object to the Settlement; (iv) the estimated Individual
14 Class Payment for each of the Class Members; (iii) the amount of attorneys’ fees and expenses to be
15 sought; (v) the amount of the Plaintiffs’ service award request; and (vi) the anticipated expenses of
16 the Administrator. The Class Notice will state that the Class Members shall have sixty (60) days
17 from the date that the Class Notice is mailed to them (the “Response Deadline”) to request
18 exclusion (opt-out) or to submit a written objection. (Agreement at ¶¶ 1.42, 8.5, 8.7.) Class
19 Members shall be given the opportunity to object to the Settlement and/or requests for attorneys’
20 fees and expenses and to appear at the Final Approval Hearing. (Agreement at ¶ 8.7.) Class
21 Members who do not submit a timely and proper request to opt-out will automatically receive a
22 payment of their Individual Class Payment. This notice program was designed to meaningfully
23 reach the Class Members and it advises them of all pertinent information concerning the Settlement.

24
25 Fairness of Settlement

26 3. As consideration for this Settlement, the non-reversionary Gross Settlement Amount
27 of Two Million Five Hundred Thousand Dollars (\$2,500,000) (the “Gross Settlement Amount”) is
28 to be paid by Defendant, as set forth in the Agreement. The Gross Settlement Amount will settle all

1 issues pending in the Action between the Parties and will be made in full and final settlement of the
2 Released Class Claims in exchange for the payments to Participating Class Members from the Net
3 Settlement Amount, and includes (a) the costs of administration of the settlement, (b) all attorneys'
4 fees and costs, (c) the Class Representative Service Payments, and (d) the PAGA Penalties payment
5 allocated 75% to the LWDA and 25% to the Aggrieved Employees. (Agreement at ¶ 1.22.) The
6 following is a table of the key financial terms of the Settlement and the proposed deductions:

7 **\$2,500,000** (Gross Settlement Amount)

- 8 - \$20,000 (Plaintiffs' proposed service awards - not to exceed amount)
- 9 - \$50,000 (Class Counsel Litigation Expenses Payment - not to exceed amount)
- 10 - \$833,333 (Class Counsel Fees Payment - not to exceed 1/3 of settlement)
- 11 - \$50,000 (PAGA Payment - 75% to LWDA / 25% to Aggrieved Employees)
- 12 - \$24,500 (Administration Expenses Payment - not to exceed amount)

13 **\$1,522,1677** (Net Settlement Amount)

14 4. The relief provided in the Settlement will benefit all members of the Class. The
15 Settlement does not grant preferential treatment to Plaintiffs or segments of the Class in any way.
16 Payments to the Class Members are all determined under a neutral methodology. Each Participating
17 Class Member will receive the same opportunity to participate in and receive payment through a
18 neutral formula that is based upon the Workweeks for that individual.

19 5. On May 20, 2024, the Parties participated in an all-day mediation session presided
20 over by Hon. Carl West (Ret.), a respected jurist and experienced mediator of wage and hour class
21 actions. In preparation for the mediation, Defendant provided Class Counsel with payroll and
22 employment data and other information regarding the Class Members, various internal documents,
23 and other compensation and employment-related materials. Class Counsel analyzed the data with
24 the assistance of damages expert Berger Consulting and prepared and submitted a mediation brief to
25 the mediator. The final settlement terms were negotiated and set forth in the Agreement now
26 presented for this Court's approval. Importantly, Plaintiffs and Class Counsel believe that this
27 Settlement is fair, reasonable, and adequate.

28 6. Based upon 3,091 Class Members who collectively worked 150,786 Workweeks

(Agreement at ¶ 4.1.), the Gross Settlement Amount provides an average value of \$808 per Class Member and \$16 per Workweek and after deductions the Net Settlement Amount provides an average recovery of \$492.45 per Class Member and a recovery of \$10.09 per Workweek.¹ The calculations to compensate for the amount due for the Class at the time of the mediation were calculated by Berger Consulting, Plaintiffs' damage expert. As to the Class whose claims are at issue in this Action, Plaintiffs used this expert to analyze the data and determine the potential unpaid wages for the employees. The maximum potential damages were calculated to be \$3,865,374 for the alleged unpaid wages due to off-the-clock work at 1 hour per week, \$6,067 for the alleged unpaid overtime that was paid as regular hours, \$41,466 for the alleged unpaid wages due to the miscalculation of the regular rate, \$50,905 for the alleged underpaid meal premiums and sick pay due to the miscalculation of the regular rate, \$4,208,245 for alleged meal period damages based upon a 29.5% potential violation rate for shifts observed in the time records and after deduction of meal premiums already paid by Defendant, and \$4,371,200 for alleged rest period damages based upon the same 29.5% potential violation rate observed for meal breaks, \$214,040 for alleged unreimbursed business expenses for personal cell phone usage at \$5 per month. As a result, the total damage valuation was calculated that Defendant was subject to a maximum damage claim for the above class claims in the amount of \$12,757,297. As to potential penalties, Plaintiffs calculated that potential waiting time penalties were a maximum of between \$2,363,139 and \$10,089,805, depending on the predicate violation, and potential maximum wage statement penalties were \$3,212,650.² In addition to being part of the above damages and penalties, the 23 members of the Class who also received commissions for sales while working 155.5 months had an alleged claim

¹ In accordance with paragraph 7.1 of the Agreement, Defendant verified the final class size in the Declaration of Tiffany Lewis, which is attached hereto as Exhibit #4.

² While Plaintiffs alleged claims for statutory penalties pursuant to Labor Code Sections 203 and 226, at mediation Plaintiffs recognized that these claims were subject to additional, separate defenses asserted by Defendant, including, a good faith dispute defense as to whether any premium wages for meal or rest periods or other wages were owed given Defendant's position that Plaintiffs and Class Members were properly compensated. *See Nordstrom Commission Cases*, 186 Cal. App. 4th 576, 584 (2010) ("There is no willful failure to pay wages if the employer and employee have a good faith dispute as to whether and when the wages were due.").

1 for unpaid commissions due to a change in practice by Defendant that was valued at \$3,000 per
2 month for a total of \$466,500 plus penalties, which is the reason for the additional allocation for
3 these individuals in the Class. Defendant vigorously disputed Plaintiffs' calculations and exposure
4 theories. Consequently, the Gross Settlement Amount of \$2,500,000 represents approximately 19%
5 of the maximum value of the alleged damages at issue in this case at the time this Settlement was
6 negotiated.³ Importantly, however, the above valuation of wage and hour class claims (other than for
7 commissions) were based upon an inflated workweek figure.⁴ For this reason, the damages based on
8 workweeks were actually 80% less than was calculated above. In addition, the recent decision that
9 good faith belief of compliance by the employer in *Naranjo v. Spectrum Sec. Servs., Inc.*, 15 Cal.
10 5th 1056, 1065 (2024), could completely negate the claims for waiting time and wage statement
11 penalties, even if wages were owed to the Class. The above maximum calculations should then be
12 adjusted in consideration for both the risk of class certification and the risk of establishing class-
13 wide liability on all claims. Given the amount of the settlement as compared to the potential value
14 of claims in this case and the defenses asserted by Defendant, this settlement is fair and reasonable.
15 Specific details as to the calculation and valuation of the claims for purposes of mediation and the
16 negotiation of the Settlement are as follows:

17 **A. Payroll and Timekeeping Data.** Defendant provides delivery services in
18 California. Plaintiffs received and Plaintiffs' expert analyzed a sampling time
19 punch data and payroll data which covered 346 employees, 66,163 shifts
20 worked, 14,078 workweeks and 6,858 pay periods over the time time period
21 of 5/7/2018 - 5/15/2023, which was then extrapolated to the entire Class at
22 the time of mediation. Based on the payroll data, the average hourly rate for
23

24
25 ³ Because the PAGA claim is not a class claim and primarily is paid to the State of California,
26 Plaintiffs have not included the PAGA claim in this discussion of the value of the class claims. The
PAGA claim is addressed in the Decl. Nordrehaug at ¶33.

27 ⁴ A prior class settlement had a class period ending 8/30/19 which cut off 18 months of class
28 workweeks originally included in the above valuation calculations. This overstatement of
workweeks meant that the actual figures were 80% of what was stated.

1 the Class used in the class-wide valuation calculations was \$18.70.

2 **B. Alleged Off-The-Clock Work.** The off-the-clock claim is based on
3 allegations that Defendant knew or should have known the Class Members
4 worked off the clock, and in particular, during uncompensated meal periods.
5 As a result, they were systematically subjected to this alleged uncompensated
6 work time. Off-the-clock damages assume employees were not paid 1 hour
7 per workweek. Unpaid off-the-clock time based on 1 hour per week sums up
8 to 8,740 total unpaid OTC hours. 43.1% of these hours are assumed overtime.
9 Unpaid OTC wages are calculated as the sum of unpaid regular OTC wages
10 (at hourly rate) and unpaid overtime OTC wages (at 1.5x hourly rate). As a
11 result, the maximum value of the claim for unpaid wages due to alleged off-
12 the-clock work was \$3,865,374. There were also occasional overtime hours
13 which were only paid at the regular hourly rate. As result, the maximum
14 value of this unpaid overtime was \$6,067.

15 **C, Alleged Miscalculation of the Regular Rate.** Plaintiff alleges that when
16 paying overtime and sick pay, the Defendant incorrectly calculated the regular
17 rate used for these wages. Plaintiff alleged that the following additional
18 remunerations were not included in the regular rate: overtime: PEAK4,
19 PEAK2, RBNS, BONUS (Monthly), COMMISSION (Monthly). PEAK4 and
20 PEAK2 shift differentials were also paid for overtime, double time, holiday
21 and meal premium hours. The proportion of shift premiums paid on each type
22 of pay were split out and included as part of the earnings. Weighted average
23 calculations were used for regular rate. 29.6% of employees and 9.1% of pay
24 periods have unpaid overtime due to weighted average or additional
25 remunerations. The damages are calculated as the differences between the
26 sick pay earnings, assuming these earnings were paid properly at the regular
27 rate including all remunerations above, and the actual payouts. The alleged
28

1 unpaid wages from the miscalculation of the regular rate applicable to
2 overtime was calculated to total \$41,466.

3 **D. Alleged Underpayment of Meal Period Premiums and Sick Pay.** Plaintiff
4 alleged that when Defendant paid meal period premiums and sick pay the
5 above remunerations were also not included in the regular rate as required by
6 California law. 7.6% of employees and 0.9% of pay periods have unpaid sick
7 pay due to regular rate. 9.6% of employees and 1.7% of pay periods have
8 unpaid meal premiums due to regular rate. Plaintiffs' expert calculated the
9 damages for this alleged underpayment as the difference between the actual
10 payout and what the correct payout should have been if paid with the correct
11 regular rate. The alleged unpaid wages from the underpaid meal premiums
12 and sick pay due to the regular rate miscalculation was determined to total
13 \$50,905.

14 **E. Meal Period Violations.** The meal period claim is based upon the analysis
15 of time punch records. The time punch records reflect a meal break violation
16 rate assuming waiver of 29.9% of all shifts (238,519 unique violations out of
17 796,704 shifts analyzed). The pay data reflects meal break premiums paid for
18 20,864 instances, therefore roughly 8.7% of facial violations have had a
19 premium paid. The 238,519 unique meal break violations include 19,495 late
20 (after 5th hour), 7,622 missed (for shifts greater than 6 hours), 349 short
21 (under 30 minutes), 216,880 shifts with exactly 30-minute meals (for shifts
22 greater than 6 hours), and 2,481 missed 2nd meal breaks (for shifts greater
23 than 12 hours). The damages for a missed period is one hour of pay under
24 Labor Code §§266.7 and 512. As a result, the maximum potential damages
25 for alleged meal period violations using the 71.1% potential violation rate
26 were therefore calculated to be \$4,208,245.

27 **F. Alleged Rest Period Violations.** The rest period claim is difficult to
28 calculate because California law does not require rest periods to be recorded.

1 For this claim, Plaintiff used the same 29.9% violation assumption observed
2 for meal breaks based upon the fact that the circumstances resulting in the
3 meal period violation could likewise result in a similar failure to provide off
4 duty rest periods. This likely overstates the rest period claim value as there
5 were likely some times a rest period was taken by Class Members even where
6 a meal period was missed given the rest periods are easier to take. The
7 damages for a missed period is one hour of pay under Labor Code §§266.7
8 and 512. As a result, the maximum potential damages for alleged rest period
9 violations using this 71.1% violation rate were estimated to be \$4,371,200 .

10 **G. Alleged Business Expenses Reimbursement.** The expense reimbursement
11 claim was based upon the personal cell phone usage for work purposes, such
12 as calls from Defendant's employees and for scheduling. The value of this
13 claim used was \$5 per month over 42,808 months to calculate that the
14 maximum potential damages for the alleged failure to reimburse business
15 expenses were \$214,040.

16 **H. Alleged Waiting Time Penalties.** Waiting Time Penalties are calculated for
17 all 2,660 employees x 6.8 hours per day x 30 days x the average rate of pay.
18 An alternate Waiting Time Penalty was calculated for 623 terminated
19 employees with regular rate issues. As such, the maximum value of the
20 potential waiting time penalties were calculated to be between \$2,363,139
21 and \$10,089,805, depending on the predicate violation.

22 **I. Alleged Wage Statement Penalties.** Wage Statement Penalties are
23 calculated at \$50 for the initial violation and \$100 for each subsequent
24 violation with a max of \$4,000 per employee (assumes 100% violation). The
25 Wage Statement claim is predicated and is derivative of the above claims, so
26 the maximum valuation assumed there was a violation in every pay period
27 within the applicable one-year statute of limitation. The maximum value of
28

1 the potential wage statement penalties were therefore calculated to be
2 \$3,212,650.

3 **J. Unpaid Commissions.** In addition to being part of the above damages and
4 penalties, the 23 members of the Class who also received commissions for
5 sales while working 155.5 months had an alleged claim for unpaid
6 commissions due to a change in practice by Defendant that was valued at
7 \$3,000 per month for a total of \$466,500 plus penalties, which is the reason
8 for the additional allocation for these individuals in the Class. Further, the
9 unpaid commissions could negate the Defendant's claim of an overtime
10 exemption for these 23 sales employees which is potentially another \$374 in
11 monthly damages, resulting in the potential for an additional \$58,157 in
12 overtime damages for these sales employees.

13 **K. Alleged PAGA Claim.** The PAGA Claim is not a class claim and the PAGA
14 penalties are paid primarily (75%) to the State of California, and do not
15 compensate for or release the individual claims of the employees. As such,
16 the PAGA Claim is not included in this valuation, however, the PAGA claim
17 is addressed separately below at paragraph 33.

18
19 Procedural History of the Litigation

20 7. On January 14, 2022, Plaintiffs filed with the LWDA and served on Defendant a
21 notice under Labor Code section 2699.3 identifying the alleged Labor Code violations to recover
22 civil penalties on behalf of Aggrieved Employees for various Labor Code violations. This PAGA
23 Notice is attached hereto as Exhibit #3 for the Court's reference and also included a copy of the
24 draft complaint with the PAGA Notice.

25 8. On April 12, 2022, Plaintiff McPherson commenced this Action by filing a
26 Complaint against Defendant in the Superior Court of the State of California, County of
27 Sacramento. This class action Complaint asserted class claims against Defendant for: (1) unfair
28 competition in violation of Cal. Bus & Prof. Code §§ 17200, et seq.; (2) failure to to pay minimum

1 wages in violation of California Labor Code §§ 1194, 1197, and 1197.1; (3) failure to pay overtime
2 wages in violation of California Labor Code §§ 510, 1194 & 1198; (4) failure to provide required
3 meal periods in violation of Cal. Labor Code §§ 226.7 and 512; (5) failure to provide required rest
4 periods in violation of Cal. Labor Code §§ 226.7 and 512; (6) failure to provide accurate itemized
5 wage statements in violation of California Labor Code § 226; (7) failure to reimburse employees
6 for required expenses in violation of California Labor Code § 2802; and, (8) failure to provide
7 wages when due in violation of California Labor Code §§ 201, 202 and 203. On May 5, 2022,
8 Plaintiff McPherson filed a First Amended Complaint, adding Plaintiff Hupp as a named plaintiff.
9 On April 13, 2022, Plaintiff McPherson filed a Complaint against Defendant in the Superior Court
10 of the State of California, County of Sacramento, case no. 34-2022-00318236, asserting a single
11 cause of action brought pursuant to the Private Attorney General Act, Cal. Labor Code §§ 2698, et
12 seq. ("PAGA"), seeking civil penalties for violations of Labor Code §§ 201, 202, 203, 204, et seq.,
13 210, 221, 226(a), 226.7, 227.3, 351, 510, 512, 558(a)(1)(2), 1194, 1197, 1197.1, 1198, 2802,
14 California Code of Regulations, Title 8, Section 11040, Subdivision 5(A)-(B), and the applicable
15 Wage Order(s) (the "PAGA Action"). On May 5, 2022, Plaintiff McPherson filed a First Amended
16 Complaint in the PAGA Action, adding Plaintiff Hupp as a named plaintiff. On May 5, 2023, the
17 Class Action and PAGA Action were ordered consolidated by the Court.

18 9. On November 20, 2024, Plaintiffs filed a Second Amended Complaint in the Action,
19 which included both the class claims and the PAGA Claims, revises the class definition to include
20 the Inside Sales Subclass for whom all the previously pled claims are also pled, adds an additional
21 claim for failure to pay commissions brought as to the Inside Sales Subclass, and revises the Class
22 and PAGA claims to exclude drivers. The Second Amended Complaint is the operative complaint
23 in the Action (the "Operative Complaint")

24 10. Over the course of litigation, the Parties engaged in the investigation of the claims,
25 including law and motion, both formal and informal discovery, and the production of thousands of
26 pages of documents, class data, and other information, allowing for the full and complete analysis of
27 liabilities and defenses to the claims in the Action. The information for mediation obtained by
28 Plaintiffs included: (1) data concerning the class; (2) payroll data and time punch data for the class

1 covering 346 employees, 66,163 shifts, and 14,078workweeks during the date range of 5/7/2018 -
2 5/15/2023; (3) Defendant's wage and hour policies; (4) the employment files for the Plaintiffs; and,
3 (5) samples of wage statements provided by Defendant. As such, Class Counsel received the data
4 and information for the Class, which was sufficient for Plaintiffs' expert to prepare the valuations of
5 the claims for the Class.

6 11. Class Counsel has extensive experience in litigating wage and hour class actions in
7 California. The Parties have intelligently litigated the Action since inception. During the course of
8 litigation, the Parties each performed analysis of the merits and value of the claims. Plaintiffs and
9 Defendant have engaged in significant research and investigation in connection with the Action.
10 Plaintiff obtained both formal and informal discovery and the production of relevant documents and
11 data from the Defendant. Class Counsel has thoroughly analyzed the value of the claims during the
12 prosecution of this Action and utilized an expert to perform an analysis of the data and valuation of
13 the claims.

14 12. Plaintiffs and Defendants agreed to discuss resolution of the Action through a
15 mediation. Prior to mediation, the Parties engaged in the above investigation and the exchange of
16 documents and information in connection with the Action. On May 20, 2024, the Parties
17 participated in an all-day mediation presided over by Hon. Carl West (Ret.), a respected mediator of
18 wage and hour representative and class actions. Following the mediation, each side, represented by
19 its respective counsel, were able to agree to settle the Action based upon a mediator's proposal
20 which was memorialized in a memorandum of understanding. The Parties then negotiated the final
21 terms of the settlement as set forth in the Agreement. At all times, the negotiations were arm's
22 length and contentious.

23 13. Although a settlement has been reached, Defendant denies any liability or
24 wrongdoing of any kind associated with the claims alleged in the Action and further denies that, for
25 any purpose other than settlement, the Action is appropriate for class and/or representative
26 treatment. Defendant contends, among other things, that it has complied at all times with the
27 California Labor Code, applicable Wage Order, and all other laws and regulations. Further,
28 Defendant contends that class certification is inappropriate for any reason other than for settlement.

1 Plaintiffs contend that Defendant violated California wage and hour laws. Plaintiffs further contend
2 that the Action is appropriate for class certification on the basis that the claims meet the requisites
3 for class certification. Without admitting that class certification is proper, Defendant has stipulated
4 that the above Class may be certified for settlement purposes only. (Agreement at ¶ 2.11). The
5 Parties agree that certification for settlement purposes is not an admission that class certification is
6 proper. Further, the Agreement is not admissible in this or any other proceeding as evidence that the
7 Class could be certified absent a settlement. Solely for purposes of settling the Action, the Parties
8 stipulate and agree that the requisites for establishing class certification with respect to the Class are
9 satisfied.

10 14. Class Counsel has conducted an investigation into the facts of the class action. Both
11 formal and informal discovery was obtained, which included the production of thousands of pages
12 of documents. Class Counsel engaged in a thorough review and analysis of the relevant documents
13 and data with the assistance of an expert. Accordingly, the agreement to settle did not occur until
14 Class Counsel possessed sufficient information to make an informed judgment regarding the
15 likelihood of success on the merits and the results that could be obtained through further litigation.
16 In addition, Class Counsel previously negotiated settlements with other employers in actions
17 involving nearly identical issues and analogous defenses. Based on the foregoing data and their own
18 independent investigation, evaluation and experience, Class Counsel believes that the settlement
19 with Defendant on the terms set forth in the Agreement is fair, reasonable, and adequate and is in
20 the best interest of the Class in light of all known facts and circumstances, including the risk of
21 significant delay, defenses asserted by Defendant, and potential appellate issues.

22
23 Settlement Terms and Plan of Allocation

24 15. The Gross Settlement Amount is Two Million Five Hundred Thousand Dollars
25 (\$2,500,000). (Agreement at ¶ 1.22.) Under the Settlement, the Gross Settlement Amount consists
26 of the following elements: (1) payment of the Individual Class Payments to the Participating Class
27 Members; (2) Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment; (3)
28 Administration Expenses Payment; (4) the Class Representative Service Payments to the Plaintiffs;

1 and (5) the PAGA Penalties payment. (Agreement at ¶ 1.22.) The Gross Settlement Amount does
2 not include Defendant's share of payroll taxes. (Agreement at ¶ 3.1.) The Gross Settlement
3 Amount shall be all-in with no reversion to Defendant. (Agreement at ¶ 3.1.)

4 16. Defendant shall fund the Gross Settlement Amount and the amount necessary to pay
5 payroll taxes thereon no later than 14 days after the Effective Date. (Agreement at ¶ 4.3.) The
6 distribution of Individual Class Payments to Participating Class Members will be made within 14
7 days after Defendant funds the Gross Settlement Amount. (Agreement at ¶ 5.1.)

8 17. The amount remaining in the Gross Settlement Amount after the deduction of
9 Court-approved amounts for Individual PAGA Payments, the LWDA PAGA Payment, the Class
10 Representative Service Payments, the Class Counsel Fees Payment, the Class Counsel Litigation
11 Expenses Payment, and the Administration Expenses Payment (called the "Net Settlement
12 Amount") shall be allocated to Class Members as their Individual Class Payments. (Agreement at
13 ¶¶ 1.29 and 3.2.) From the Net Settlement Amount, the Individual Class Payment for each
14 Participating Class Member will be calculated by The allocation of payment of claims shall be
15 determined by first making a payment to the Inside Sales Subclass Members in the amount of \$600
16 per workweek, estimated at 622 total workweeks to amount to a total of \$373,200 for the unpaid
17 commissions claim. The allocation of all claims other than the unpaid commission claim for the
18 California Class Members (including the Inside Sales Subclass Members) will then be paid from the
19 balance of the fund based on the number of workweeks worked during the Class Period. An
20 Individual Class Payment will be calculated by (a) dividing the Net Settlement Amount by the total
21 number of Workweeks worked by all Participating Class Members during the Class Period and (b)
22 multiplying the result by each Participating Class Member's Workweeks. (Agreement at ¶ 3.2(e).)
23 Workweeks will initially be based on Defendant's records, however, Class Members will have the
24 right to challenge the number of Workweeks.

25 18. Class Members may choose to opt-out of the Settlement by following the directions
26 in the Class Notice. (Agreement at ¶ 8.5, Ex. A.) All Class Members who do not "opt out" will be
27 deemed Participating Class Members who will be bound by the Settlement and will be entitled to
28 receive an Individual Class Payment. (Agreement at ¶ 8.5(c).) All Aggrieved Employees, including

1 those who submit an opt-out request, will still be paid their allocation of the PAGA Penalties and
2 will remain subject to the release of the Released PAGA Claims regardless of their request for
3 exclusion from the Class. (Agreement at ¶¶ 6.3 and 8.5(d).) Finally, the Class Notice will advise
4 the Class Members of their right to object to the Settlement and/or dispute their Workweeks.
5 (Agreement at ¶¶ 8.6 and 8.7, and Ex. A.)

6 19. Participating Class Members must cash their Individual Class Payment check within
7 180 days after it is mailed. (Agreement at ¶ 5.2.) Any settlement checks not cashed within 180 days
8 will be voided and any funds represented by such checks sent to the California Controller's
9 Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue"
10 subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).
11 (Agreement at ¶ 5.4.)

12 20. Subject to Court approval, the Parties have agreed on ILYM Group, Inc. to
13 administer the settlement in this action ("Administrator"). (Agreement at ¶ 1.2.) The Administrator
14 will be paid for settlement administration in an amount not to exceed \$24,500. (Agreement at ¶
15 3.2(c).) Apex Class Action provided an estimate of \$24,500 for administration expenses. and a
16 Declaration of Tony Rogers of Apex is submitted herewith.

17 21. Subject to Court approval, the Agreement provides for Class Counsel to be awarded
18 a sum not to exceed one-third of the Gross Settlement Amount, as the Class Counsel Fees Payment.
19 (Agreement at ¶ 3.2(b).) Class Counsel will also be allowed to apply separately for an award of
20 Class Counsel Litigation Expenses Payment in an amount not to exceed \$50,000. (Agreement at ¶
21 3.2(b).) Subject to Court approval, the Agreement provides for a payment of no more than \$10,000
22 each for the Plaintiffs as their Class Representative Service Payments. (Agreement at ¶ 3.2(a).)

23 22. Subject to Court approval, the PAGA Penalties will be paid from the Gross
24 Settlement Amount for PAGA penalties under the California Private Attorneys General Act, Cal.
25 Labor Code Section 2698, *et seq.* ("PAGA"). The PAGA Penalties are \$50,000. (Agreement at ¶¶
26 1.34 and 3.2(d).) Pursuant to the express requirements of Labor Code § 2699(i), the PAGA
27 Payment shall be allocated as follows: 75% shall be allocated to the Labor Workforce Development
28 Agency ("LWDA") as its share of the civil penalties and 25% allocated to the Individual PAGA

1 Payments to be distributed to the Aggrieved Employees based on the number of their respective
2 PAGA Pay Periods.⁵ (Agreement at ¶ 3.2(d).) As set forth in the accompanying proof of service, the
3 LWDA has been served with this motion and the Agreement.

4
5 Risks of Continued Litigation and Standards for Approval

6 23. Plaintiffs and Class Counsel recognize the expense and length of continuing to
7 litigate and trying this Action against Defendant through possible appeals which could take several
8 years. Class Counsel has also taken into account the uncertain outcome and risk of litigation,
9 especially in complex class actions such as this Action. Class Counsel is also mindful of and
10 recognize the inherent problems of proof under, and alleged defenses to, the claims asserted in the
11 Actions. Based upon their evaluation, Plaintiffs and Class Counsel have determined that the
12 Settlement set forth in the Agreement is in the best interest of the Class Members.

13 24. Here, a number of defenses asserted by Defendant present serious threats to the
14 claims of the Plaintiffs and the other Class Members. Defendant asserted that Defendant's practices
15 complied with all applicable Labor laws. Defendant argued that Class Members were paid for all
16 time worked and that all work time was properly recorded. Defendant contends that its meal and
17 rest period policies fully complied with California law and Defendant did not fail to provide the
18 opportunity for legally required meal and rest breaks. Defendant could argue that the payment of
19 substantive meal period premiums was evidence of their lawful practices. Defendant contends that
20 there was no failure to pay for business expenses and any cell phone usage was merely convenient
21 and voluntary such that reimbursement was not legally required. Finally, Defendant could argue
22 that the Supreme Court decision in *Brinker v. Superior Court*, 53 Cal. 4th 1004 (2012), weakened
23 Plaintiffs' claims, on liability, value, and class certifiability as to the meal and rest period claims.
24 Defendant also argues that based on their facially lawful practices, Defendant acted in good faith
25 and without willfulness, which if accepted would negate the claims for waiting time penalties and/or

26
27
28 ⁵ This PAGA Action was filed prior to June 2024, and therefore the prior version of Labor Code
¶2699 applies to the 75/25 allocation.

1 inaccurate wage statements. See e.g. *Naranjo v. Spectrum Sec. Servs., Inc.*, 15 Cal. 5th 1056, 1065
2 (May 6, 2024) (“if an employer reasonably and in good faith believed it was providing a complete
3 and accurate wage statement in compliance with the requirements of section 226, then it has not
4 knowingly and intentionally failed to comply with the wage statement law.”) Defendant’s defenses
5 could eliminate or substantially reduce any recovery to the Class. While Plaintiffs believes that
6 these defenses could be overcome, Defendant maintains these defenses have merit and therefore
7 present a serious risk to recovery by the Class.

8 25. There was also a significant risk that, if the Action was not settled, Plaintiffs would
9 be unable to obtain a certified class and maintain the certified class through trial, and thereby not
10 recover on behalf of any employees other than themselves. At the time of the mediation, Defendant
11 forcefully opposed the propriety of class certification, arguing that individual issues precluded class
12 certification. Defendant also argued that the existence of arbitration agreements with many class
13 members would preclude certification of the Class. Further, as demonstrated by the California
14 Supreme Court decision in *Duran v. U.S. Bank National Assn.*, 59 Cal. 4th 1 (2014), there are
15 significant hurdles to overcome for a class-wide recovery even where the class has been certified.
16 While other cases have approved class certification in wage and hour claims, class certification in
17 this action was hotly disputed and the maintenance of a certified class through trial was by no means
18 a foregone conclusion.

19 26. This settlement is therefore certainly entitled to preliminary approval. Were this
20 case to go to trial, the Plaintiffs and the other class members would need to prove, among other
21 things, that wages were owed on a class-wide basis. As explained below, this was and is a
22 substantial risk:

23 A. **Risks With Specific Claims and Their Class-Wide Valuations** - The specific
24 claims also had risks which impacted both liability and the valuation of the claim.
25 The claim based on the miscalculation of the regular rate as to overtime, meal
26 premiums and sick pay was subject to Defendant’s defense that some or all of the
27 remuneration was discretionary, and therefore did not need to be included in the
28 regular rate. While liability and certification of this claim based on the

1 miscalculation of the regular was strong in my opinion, the damages to the Class
2 were very small. Similarly, the liability as to the alleged underpaid meal period
3 premiums was strong, but the damages were very small. The meal and rest break
4 claims present significant hurdles for class certification because of the potential for
5 individual issues as to why a break was missed. In my experience, these claims
6 would be difficult to certify. As to the alleged claim for off-the-clock-work, again
7 this claim presented problems both as to certification and liability. Defendant could
8 argue that the alleged tasks were either performed while clocked in or were otherwise
9 negligible work time. Defendant disputed that alleged off-the-clock would amount to
10 one hour per week as Plaintiff calculated, as Defendant contended that even if there
11 was such unaccounted time, it was a sporadic such as a phone call and/or just a few
12 minutes work. Therefore, this claim would be difficult to prove and to value on a
13 class-wide basis even if certified. The unpaid commission claim was viewed as
14 strong both in liability and certification. This claim also had a very high dollar value
15 per workweek. As a result, it was necessary to have a separate allocation for
16 members of the class who suffered these damages. Finally, as to the statutory
17 penalties relating to waiting time and wage statements, these claims are both
18 derivative of the above claims and are subject to their own defenses. As discussed
19 above, the Defendant asserted significant defenses to all of the predicate violations,
20 which means that under the new decision in *Naranjo*, even if the violations were
21 proven, these penalties would be denied. As a result, the claims for statutory
22 penalties could have no value through continued litigation.

23 27. Plaintiffs will apply to the Court for Class Representative Service Payments in
24 consideration for their service and for the risks undertaken on behalf of the Class. (Agreement at ¶
25 3.2(a).) Plaintiffs performed their duties admirably by working with Class Counsel over the course
26 of litigation. The Declarations of the Plaintiffs are submitted herewith in support. At this stage, the
27 requested service awards are well within the accepted range of awards for purposes of preliminary
28 approval, subject to the Court's determination at final approval. *See e.g. Andrews v. Plains All Am.*

1 *Pipeline L.P.*, 2022 U.S. Dist. LEXIS 172183, at *11 (C.D. Cal. 2022) (finding that the requested
2 service awards of \$15,000 each are appropriate); *Reynolds v. Direct Flow Med., Inc.*, 2019 U.S.
3 Dist. LEXIS 149865, at *19 (N.D. Cal. 2019) (granting request for \$12,500 service award); *Mathein*
4 *v. Pier 1 Imps. (U.S.), Inc.*, 2018 U.S. Dist. LEXIS 71386 (E.D. Cal. 2018) (awarding \$12,500
5 where average class member payment was \$351); *Louie v. Kaiser Foundation Health Plan, Inc.*,
6 2008 WL 4473183, *7 (S.D. Cal. Oct. 06, 2008) (awarding \$25,000 service award to each of six
7 plaintiffs in overtime class action); *Glass v. UBS Fin. Servs.*, 2007 WL 221862, *16-17 (N.D. Cal.
8 2007) (awarding \$25,000 service award in overtime class action and a pool of \$100,000 in
9 enhancements).

10 28. The stage of the proceedings at which this Settlement was reached also favors
11 preliminary approval and ultimately, final approval of the Settlement. Class Counsel has conducted
12 a thorough investigation into the facts of the class action. Class Counsel began investigating the
13 Class Members' claims before the Actions were filed, and during the course of litigation, Class
14 Counsel engaged in both formal and informal discovery to obtain necessary information. Class
15 Counsel conducted a review and analysis of the relevant documents and data. Class Counsel was
16 also experienced with the claims at issue here, as Class Counsel previously litigated and settled
17 similar claims in other actions. Accordingly, the agreement to settle did not occur until Class
18 Counsel possessed sufficient information to make an informed judgment regarding the likelihood of
19 success on the merits and the results that could be obtained through further litigation.

20 29. Based on the foregoing data and their own independent investigation and evaluation,
21 Class Counsel is of the opinion that the Settlement with Defendant for the consideration and on the
22 terms set forth in the Agreement is fair, reasonable, and adequate and is in the best interest of the
23 Class in light of all known facts and circumstances, including the risk of significant delay, defenses
24 asserted by Defendant, and numerous potential appellate issues. There can be no doubt that Counsel
25 possessed sufficient information to make an informed judgment regarding the likelihood of success
26 on the merits and the results that could be obtained through further litigation.

27
28 Class Certification Issues

1 30. Plaintiffs contend that the proposed settlement meets all of the requirements for class
2 certification under California Code of Civil Procedure § 382 as demonstrated below, and therefore,
3 the Court may appropriately approve the Class as defined in the Agreement. This Court should
4 conditionally certify the Class for settlement purposes only, defined as follows:

5 All individuals who are or previously were employed by Defendant who were
6 classified as non-exempt and all individuals who are or previously were employed by
7 Defendant who were classified as Inside Sales Employees in the State of California
8 at any time during the Class Period, excluding drivers.

9 (Agreement at ¶ 1.5.)

10 The Class Period is from August 30, 2019, through July 31, 2024. (Agreement at ¶ 1.13.) The
11 Declaration from Defendant, attached hereto as Exhibit #4, confirmed the Class size.

12 a. **Numerosity** - Here, Plaintiffs assert that the 3,091 current and former
13 employees that comprise the Class can be identified based on Defendant's records and are
14 sufficiently numerous for class certification.

15 b. **Common Issues Predominate** - Here, Plaintiffs contend that common
16 questions of law and fact are present, specifically the common questions of whether Defendant's
17 employment practices were lawful, whether Defendant failed to provide meal and rest periods to
18 Class Members, whether Class Members were lawfully compensated for all hours worked, whether
19 Class Members were properly paid all wages owed, whether Defendant failed to provide required
20 expense reimbursement, and whether Class Members are entitled to damages and penalties as a
21 result of these practices. Plaintiffs contend that certification of this Class is appropriate because
22 Defendant allegedly engaged in uniform practices with respect to the Class Members. As a result,
23 these common questions of liability could be answered on a class wide basis.

24 c. **Typicality** - In this Action, Plaintiffs contend that the typicality requirement
25 is fully satisfied. Plaintiffs, like every other member of the Class, were employed by Defendant
26 during the Class Period, and, like every other member of the Class, were subject to the same
27 employment practices. Plaintiffs, like every other member of the Class, also claim owed
28 compensation as a result of the Defendant's uniform company policies and practices. Thus, the

1 claims of Plaintiffs and the members of the Class arise from the same course of conduct by
2 Defendant, involve the same issues, and are based on the same legal theories.

3 d. **Adequacy** - Plaintiffs contend that the Class Members are adequately
4 represented here because Plaintiffs and representing counsel (a) do not have any conflicts of interest
5 with other class members, and (b) will prosecute the case vigorously on behalf of the class. This
6 requirement is met here. First, Plaintiffs are well aware of their duties as the representatives of the
7 Class and have actively participated in the prosecution of this case to date. Plaintiffs effectively
8 communicated with Class Counsel, provided documents and information to Class Counsel, and
9 participated in the investigation and resolution of the Action. The personal involvement of the
10 Plaintiffs was essential to the prosecution of the Action and the monetary settlement reached.
11 Second, Plaintiffs retained competent counsel who are experienced in employment class actions and
12 who have no conflicts. Third, there is no antagonism between the interests of the Plaintiffs and
13 those of the Class. Both the Plaintiffs and the Class Members seek monetary relief under the same
14 set of facts and legal theories. Under such circumstances, there can be no conflicts of interest, and
15 adequacy of representation is satisfied.

16 31. Class Counsel's Adequacy of Representation and Absence of Conflict: Blumenthal
17 Nordrehaug Bhowmik De Blouw LLP is experienced in prosecuting class action lawsuits and can
18 competently represent the Class. Other lawyers at my firm and I have extensive class litigation
19 experience. We have handled a number of class actions and complex cases and have acted both as
20 counsel and as lead and co-lead counsel in a variety of these matters. We have successfully
21 prosecuted and obtained significant recoveries in numerous class action lawsuits and other lawsuits
22 involving complex issues of law and fact. My firm is particularly experienced in wage and hour
23 employment law class actions, including claims for misclassification, overtime, expense
24 reimbursement, unlawful deduction of wages, and missed rest and meal periods. Blumenthal
25 Nordrehaug Bhowmik De Blouw LLP has been involved as class counsel in over hundreds of wage
26 and hour class actions. Blumenthal Nordrehaug Bhowmik De Blouw LLP has been found to be
27 adequate counsel by the courts throughout California. We have been approved as experienced class
28 counsel by both state and federal courts in California in contested class certification proceedings. A

1 true and correct copy of the resume of my firm is attached hereto as Exhibit #2. The Class in this
2 settlement is defined as “all individuals who are or previously were employed by Defendant who
3 were classified as non-exempt and all individuals who are or previously were employed by
4 Defendant who were classified as Inside Sales Employees in the State of California at any time
5 during the Class Period, excluding drivers.” I have reviewed my firm’s cases and representation of
6 other plaintiffs and there is no conflict or representation which would prevent my firm from
7 representing the interests of the Class this case. My firm only represents employees, and not
8 employers. My firm has never represented Defendant nor any affiliate of the Defendant. My firm’s
9 only interest in the subject matter of this litigation is to ensure a recovery to the Class and to
10 maximize that recovery. Finally, our allegiance to the Class and the claims of the Class is not
11 inconsistent with our allegiance to pursue the claims on behalf of other employees and classes as the
12 claims are all against different and distinct employers. I can think of no conflict that would arise in
13 our representation of the Class and our adequate representation of the Class is evidenced by the
14 successful prosecution of the class claims to reach an excellent recovery for the Class. Moreover,
15 neither the Plaintiffs nor Class Counsel have any affiliation with the proposed Administrator for this
16 settlement. Thus, the adequacy requirement for my firm is satisfied.

17 32. The Class Notice, drafted jointly and agreed upon by the Parties through their
18 respective counsel and to be approved by the Court, includes all relevant information. (See Exhibit
19 “A” to the Agreement.) The Class Notice will include a Spanish translation. (Agreement at ¶ 1.11.)
20 The Class Notice will include, among other information: (i) information regarding the Action; (ii)
21 the impact on the rights of the Class Members if they do not opt out, including a description of the
22 applicable release; (iii) information to the Class Members regarding how to opt out and how to
23 object to the Settlement; (iv) the estimated Individual Class Payment for each of the Class
24 Members; (iii) the amount of attorneys’ fees and expenses to be sought; (v) the amount of the
25 Plaintiffs’ service award request; and (vi) the anticipated expenses of the Administrator. The Class
26 Notice will state that the Class Members shall have sixty (60) days from the date that the Class
27 Notice is mailed to them (the “Response Deadline”) to request exclusion (opt-out) or to submit a
28 written objection. (Agreement at ¶¶ 1.43, 8.5, 8.7.) Class Members shall be given the opportunity

1 to object to the Settlement and/or requests for attorneys' fees and expenses and to appear at the Final
2 Approval Hearing. (Agreement at ¶ 8.7.) Class Members who do not submit a timely and proper
3 request to opt-out will automatically receive a payment of their Individual Class Payment. This
4 notice program was designed to meaningfully reach the Class Members and it advises them of all
5 pertinent information concerning the Settlement.

6 33. The PAGA Claim -

7 a. **Approval of PAGA Settlements.** The decision in *O'Connor v. Uber*, 201
8 F.Supp.3d 1110, 1133 (N.D. Cal. 2016), and the LWDA's Response therein is illustrative. The
9 LWDA first states that "when viewing the monetary relief allocated to PAGA claims under a
10 settlement, the LWDA recognizes that the PAGA sum need not necessarily be viewed through the
11 same lens as the relief obtained by absent class members on other claims (i.e., the percentage of
12 recovery-to-exposure on the PAGA claims need not necessarily equal the percentage of recovery on
13 the other claims)." (LWDA Response at p.3). The LWDA also indicated that the payment of
14 money to the aggrieved employees furthers the purposes of PAGA and that the Court considers that
15 primary consideration. "The LWDA recognizes that this Court does not review the PAGA
16 allocation in isolation, but rather reviews the settlement as a whole, to determine whether it is
17 fundamentally fair, reasonable and adequate, with primary consideration for the interests of absent
18 class members." (LWDA Response at p.4).

19 b. **Valuation of the PAGA Claim.** For mediation, Plaintiff calculated the
20 value of the alleged PAGA claim as to Aggrieved Employees for civil penalties to be between
21 \$2,414,500 and \$4,829,000 for a single violation in every one of the 48,290 pay periods at issue in
22 the PAGA Period, depending on whether the violation was \$50 per pay period as in the case of
23 Labor Code § 558(a)(1) or the standard amount of \$100 per pay period for violation of Labor Code
24 § 1198. This valuation assumed that PAGA civil penalties would be awarded at the maximum rate
25 per pay period but without stacking.⁶ The PAGA allocation in the Settlement is the amount of
26 _____

27 ⁶ Stacking is where more than one civil penalty is imposed in a pay period for the same conduct.
28 The valuation of between \$2,414,500 and \$317,300 is the civil penalty amount without stacking. If
stacking is permitted, then the valuation increases with each additional penalty added to each pay

1 \$50,000. This allocation is justified by several important considerations. First, the PAGA claim
2 was subject to the same risks as the underlying class claims. Second, Defendant asserted additional
3 defenses to the PAGA claim, not only as to liability but also as to the amount of the penalties.
4 Defendant could also argue that no penalties prior to the PAGA notification should be awarded, and
5 I am aware of one Court which has so ruled. These additional defenses present a risk to the PAGA
6 claim and the potential that some or all of the PAGA penalties sought may not be awarded. Third,
7 in *Carrington v. Starbucks Corp.*, 30 Cal. App. 5th 504 (2018), the court affirmed a judgment which
8 only provided for a PAGA penalty of \$5 per violation. Therefore, at trial, any PAGA penalties
9 awarded could be significantly less than Plaintiffs' calculation even where Plaintiff prevailed on the
10 PAGA claim. Even if we assume that violations for all 48,290 pay periods were established, using
11 the valuation from *Carrington* results in a potential recovery of only \$241,450 under PAGA. This
12 means that the PAGA allocation in the Agreement is a reasonable percentage of this potential
13 PAGA recovery. Fourth, the interests of PAGA are also served by the Class recovery under the
14 reasoning of the LWDA in *O'Connor v. Uber*.

15 c. **Comparable PAGA Settlements.** In reaching the settlement of the PAGA
16 claim, Class Counsel was also aware of what allocations other Courts have approved for similar
17 PAGA settlements as compared to the total settlement amount. A class settlement that allocates
18 approximately 2% of the total settlement value to resolve the PAGA claims applicable to the class is
19 also supported by what has been approved in other wage-and-hour class settlements. Indeed, Courts
20 typically approve PAGA settlement amounts in the range of between 0.27 to 2 percent of the total
21 settlement. See *Davis v. Brown Shoe Co.*, 2015 U.S. Dist. LEXIS 149010 (E.D. Cal. 2015) (PAGA
22 Payment of \$5,000 in a \$1.5 million class settlement); *Zamora v. Ryder Integrated Logistics, Inc.*,
23 2014 U.S. Dist. LEXIS 184096 (S.D. Cal. 2014) (\$7,500 payment to LWDA for PAGA on a \$1.5
24 million class settlement); *Lusby v. Gamestop Inc.*, 2015 U.S. Dist. LEXIS 42637 (N.D. Cal. 2015)
25 (PAGA Payment of \$5,000 in a \$500,000 class settlement); *Cruz v. Sky Chefs, Inc.*, 2014 U.S. Dist

26
27
28 period. Plaintiffs, however, is not aware of any PAGA award which permitted stacking and in the
cases cited herein, only one penalty per pay period was assessed.

1 Lexis 17693 (N.D. Cal. 2014) (approving payment of \$10,000 to the LWDA for PAGA out of
2 \$1,750,000 class settlement); *Chu v. Wells Fargo Investments, LLC*, 2011 WL 672645, *1 (N.D.
3 Cal. 2011) (approving PAGA payment of \$7,500 to the LWDA out of \$6.9 million common-fund
4 settlement); *Franco v. Ruiz Food Products, Inc.*, 2012 WL 5941801, *13 (E.D. Cal. 2012)
5 (approving PAGA payment of \$7,500 to the LWDA out of \$2.5 million common-fund settlement);
6 *Hopson v. Hanesbrands Inc.*, 2009 WL 928133, *9 (N.D. Cal. 2009) (approving PAGA allocation
7 that was .49% of \$408,420.32 gross settlement); *Garcia v. Gordon Trucking, Inc.*,
8 10-cv-00324-AWI-SKO, Dkt. 149-3, 165 (E.D. Cal.) (approving a class settlement of \$3,700,000,
9 with \$10,000 allocated to the PAGA claim); *McKenzie v. Federal Express Corp.*, CV 10-02420
10 GAF (PLAx), Dkt. 139 & 141 (C.D. Cal.) (court approved a settlement in an amount of \$8.25
11 million, with \$82,500 allotted to the PAGA claim); *DeStefan v Frito-Lay*, 8:10-cv-00112-DOC
12 (C.D. Cal.) (court approved a class settlement of \$2 million, with \$10,000 allocated to PAGA);
13 *Martino v. Ecolab Inc.*, No. 3:14CV04358 (N.D. Cal. 2017) (\$100,000 allotted as PAGA penalties
14 or 0.48% of \$21,000,000 settlement amount); *East v. Comprehensive Educational Services Inc.*,
15 Fresno Superior Court Case No. 11-CECG-04226 (2015) (\$10,000 allotted as PAGA penalties or
16 0.13% of \$7,595,846 settlement amount); *Bararsani v. Coldwell Banker Residential Brokerage*
17 *Company*, Los Angeles Superior Court Case No. BC495767 (2016) (\$10,000 allotted as PAGA
18 penalties or 0.22% of \$4,500,000 settlement amount); *Moppin v. Los Robles Medical Center*, No.
19 5:15CV01551 (C.D. Cal. 2017) (\$15,000 allotted as PAGA penalties or 0.40% of \$3,775,000
20 settlement amount); *Scott-George v. PVH Corporation*. No., 2:13CV00441 (E.D. Cal. 2017)
21 (\$15,000 allotted as PAGA penalties or 0.46% of \$3,250,000 settlement amount); *Nehrlich v. RPM*
22 *Mortgage Inc.*, Orange County Superior Court Case No. 30-2013-00666783-CU-OE-CXC (2017)
23 (\$10,000 allotted as PAGA penalties or 0.40% of \$2,500,000 settlement amount); *Rubio v. KTI*
24 *Incorporated*, San Bernardino Superior Court Case No. CIVDS-14-06132 (2015) (\$1,000 allotted as
25 PAGA penalties or 0.18% of \$550,000 settlement amount); *Gray v. Mountain View Child Care Inc.*,
26 San Bernardino Superior Court Case No. CIVDS-14-02285 (2016) (\$2,500 allotted as PAGA
27 penalties or 0.37% of \$675,000 settlement amount); *Perez v. West Coast Liquidators Inc. d/b/a Big*
28 *Lots*, San Bernardino Superior Court Case No. CIVDS-14-17863 (2016) (\$3,000 allotted as PAGA

1 penalties or 0.33% of \$900,000 settlement amount); *Penaloza vs. PPG Industries Inc.*, Los Angeles
2 Superior Court No. BC471369 (2013) (\$5,000 allotted as PAGA penalties or 0.38% of \$1,300,000
3 settlement amount); *Mejia v. DHL Express (USA) Inc.*, No. 2:15CV00890 (C.D. Cal. 2017) (\$5,000
4 allotted as PAGA penalties or 0.34% of \$1,450,000 settlement amount).

5
6 34. Attorneys' Fees - The Class Counsel Fees Payment is capped at one-third of the
7 Gross Settlement Amount. A fee award that is capped at one-third of the common fund is fair and
8 reasonable, and at the time of final approval, my firm will present lodestar to further support the
9 reasonableness of the requested fee award. My firm has been regularly awarded attorney's fees
10 equal to one-third of the common fund in Court-approved wage and hour class settlements. Some
11 of the class action awards obtained by Class Counsel in similar employment actions throughout the
12 state bear out the reasonableness of a fee and costs award equivalent to one-third (1/3) of the total
13 settlement value: On December 4, 2018, in *Panda Express Wage and Hour Cases* (Los Angeles
14 Superior Court, Case No. JCCP 4919) Judge Carolyn Kuhl awarded Class Counsel a one-third fee
15 award in a wage and hour class settlement. On February 1, 2019, in *Solarcity Wage and Hour*
16 *Cases* (San Mateo Superior Court, Case No. JCCP 4945) Judge Marie Weiner awarded Class
17 Counsel a one-third fee award in a wage and hour class settlement. On July 30, 2019, in *Erickson v.*
18 *John Muir Health*, (Contra Costa Superior Court Case No. MSC18-00307) Judge Edward Weil
19 awarded Class Counsel a one-third fee award in a wage and hour class settlement. On December
20 18, 2019, in *Velasco v. Lemonade Restaurant Group*, (Los Angeles Superior Court Case No.
21 BC672235) Judge William Highberger awarded Class Counsel a one-third fee award in a wage and
22 hour class settlement. On January 31, 2020, in *El Pollo Loco Wage and Hour Cases* (Orange
23 County Superior Court Case No. JCCP 4957) Judge William Claster awarded Class Counsel a one-
24 third award in a wage and hour class settlement. On December 3, 2020, in *Blackshear v. California*
25 *Fine Wine & Spirits* (Sacramento Superior Court Case No. 34-2018-00245842) Judge Christopher
26 Krueger awarded BNBD a one-third fee award in a wage and hour class settlement. On June 2,
27 2021, in *Pacia v. CIM Group, L.P.* (Los Angeles Superior Court Case No. BC709666), Judge Amy
28 D. Hogue awarded Class Counsel a one-third fee award in a wage and hour class settlement. On

1 November 8, 2021, in *Securitas Wage and Hour Cases* (Los Angeles Superior Court Case No.
2 JCCP4837) Judge David Cunningham awarded a one-third fee award in a wage and hour class
3 settlement. On March 17, 2022, in *See's Candies Wage and Hour Cases* (Los Angeles Superior
4 Court Case No. JCCP5004) Judge Maren Nelson awarded a one-third fee award in a wage and hour
5 class action settlement. On April 12, 2022, in *O'Donnell v. Okta, Inc.*, (San Francisco Superior
6 Court Case No. CGC-20-587665) Judge Richard Ulmer awarded a one-third fee award in a wage
7 and hour class action settlement. On June 30, 2022, in *Armstrong, et al. v. Prometric LLC* (Los
8 Angeles Superior Court Case No. 20STCV29967), Judge Maren E. Nelson awarded a one-third fee
9 award in a wage and hour class action. On July 13, 2022, in *Crum v. S&D Carwash Management*
10 *LLC*, (Sacramento Superior Court Case No. 2019-00251338), Judge Christopher E. Krueger
11 awarded a one-third fee award in a wage and hour class action settlement. On August 10, 2022, in
12 *Spears, et al. v. Health Net of California, Inc.*, (Sacramento Superior Court Case No. 34-2017-
13 00210560-CU-OE-GDS), Judge Christopher E. Krueger awarded a one-third fee award in a wage
14 and hour class action settlement. On September 7, 2022, in *Lucchese, et al. v. Kone, Inc.*, (San
15 Francisco Superior Court Case No. CGC-20-588225), Judge Richard B. Ulmer, Jr. awarded a one-
16 third fee award in a wage and hour class action settlement. On November 4, 2022, in *Infinity Energy*
17 *Wage and Hour Cases* (San Diego Superior Court, Case No. JCCP5139), Judge Keri Katz awarded
18 a one-third fee award in a wage and hour class action settlement. On February 1, 2023, in *Hogan v.*
19 *AECOM Technical Services, Inc.* (Los Angeles Superior Court Case No. 19STCV40072), Judge
20 Stuart Rice awarded a one-third fee award in a wage and hour class settlement. On February 28,
21 2023, in *Farthing v. Milestone Technologies* (San Francisco Superior Court Case No. CGC-21-
22 591251), Judge Richard B. Ulmer, Jr. awarded a one-third fee award in a wage and hour class action
23 settlement. On March 2, 2023, in *Leon v. Calaveras Materials* (Kings County Superior Court Case
24 No. 21C-0105), Judge Melissa D'Morias awarded a one-third fee award in a wage and hour class
25 settlement. On June 20, 2023, in *Gonzalez v. Pacific Western Bank* (San Bernardino County
26 Superior Court Case No. CIVSB2127657) Judge David Cohn awarded a one-third fee award in a
27 wage and hour class settlement, On June 30, 2023, in *Aguirre v. Headlands Ventures* (Sacramento
28 County Superior Court Case No. 34-2021-00297290), Judge Jill Talley approved a one-third fee

1 award in a wage and hour class settlement. On September 15, 2023, in *Moran v. Sharp Healthcare*
2 (San Diego County Superior Court Case No. 37-2019-00050203), Judge Richard Whitney awarded
3 a one-third fee award in a wage and hour class settlement. On October 10, 2023, in *Arango v.*
4 *Schlumberger Technology*, (Orange County Case No. 30-2019-01056839-CU- OE-CXC), Judge
5 William Claster approved a one-third fee award in a wage and hour class action. On October 16,
6 2023, in *Flores v. Walmart*, (San Bernardino County Superior Court Case No. CIVDS2023061)
7 Judge Joseph T. Ortiz awarded a one-third fee award in a wage and hour class settlement. On
8 November 17, 2023, in *Silva v. Woodward HRT* (Los Angeles County Superior Court Case No.
9 21STCV42692), Judge Maren Nelson awarded a one-third fee award in a wage and hour class
10 settlement. On November 29, 2023, in *Ochoa-Andrade v. See's Candies* (San Mateo County
11 Superior Court Case no. 22-CIV-02481), Judge Marie Weiner approved a one-third fee award in a
12 wage and hour class settlement. A fee award equal to one-third of the common fund is therefore
13 reasonable in light of the fees that have been awarded in other similar cases.

14
15 35. Class Representative Service Payment - The reasonableness of the requested service
16 award is also established by reference to the amounts that other California courts have found to be
17 reasonable in wage and hour class action settlements: *Zamora v. Balboa Life & Casualty, LLC*,
18 Case No. BC360036, Los Angeles County Superior Court (Mar. 7, 2013)(awarding \$25,000 service
19 award); *Aguiar v. Cingular Wireless, LLC*, Case No. CV 06-8197 DDP (AJWx)(C.D. Cal. Mar. 17,
20 2011)(awarding \$14,767 service award); *Magee v. American Residential Services, LLC*, Case No.
21 BC423798, Los Angeles County Superior Court (Apr. 21, 2011)(awarding \$15,000 service award);
22 *Mares v. BFS Retail & Commercial Operations, LLC*, Case No. BC375967, Los Angeles County
23 Superior Court (June 24, 2010)(awarding \$15,000 service award); *Baker v. L.A. Fitness Int'l, LLC*,
24 Case No. BC438654, L.A. County Superior Court (Dec. 12, 2012)(awarding \$10,000 service awards
25 to three named plaintiffs); *Blue v. Coldwell banker Residential Brokerage Co.*, Case No. BC417335,
26 Los Angeles County Superior Court (Mar. 21, 2011)(awarding \$10,000 service award); *Buckmire v.*
27 *Jo-Ann Stores, Inc.*, Case No. BC394795, Los Angeles County Superior Court (June, 11,
28 2010)(awarding \$10,000 service awards); *Coleman v. Estes Express Lines, Inc.*, Case No.

1 BC429042, Los Angeles County Superior Court (Oct. 3, 2013)(awarding \$10,000 service award);
2 *Ethridge v. Universal Health Services, Inc.*, Case No. BC391958, Los Angeles County Superior
3 Court (May 27, 2011)(awarding \$10,000 service award); *Hickson v. South Coast Auto Ins.*
4 *Marketing, Inc.*, Case No. BC390395, Los Angeles County Superior Court (Mar. 27,
5 2012)(awarding \$10,000 service award); *Hill v. sunglass Hut Int'l, Inc.*, Case No. BC422934, Los
6 Angeles County Superior Court (July 2, 2012)(awarding \$10,000 service award); *Kambamba v.*
7 *Victoria's Secret Stores, LLC*, Case No. BC368528, Los Angeles County Superior Court, (Aug. 19,
8 2011)(awarding \$10,000 service award together with additional compensation for their general
9 release); *Nevarez v. Trader Joe's Co.*, Case No. BC373910, Los Angeles County Superior Court
10 (Jan. 29, 2010)(awarding \$10,000 service award); *Ordaz v. Rose Hills Mortuary, L.P.*, Case No.
11 BC386500, Los Angeles County Superior Court, (Mar. 19, 2010)(awarding \$10,000 service award);
12 *Sheldon v. AHMC Monterey Park Hosp. LP*, Case No. BC440282, Los Angeles County Superior
13 Court (Feb. 22, 2013)(awarding \$10,000 service award); *Silva v. Catholic Mortuary Services, Inc.*,
14 Case No. BC408054, Los Angeles County Superior Court (Feb. 8, 2011)(awarding \$10,000
15 enhancement award); *Weisbarth v. Banc West Investment Services, Inc.*, Case No. BC422202, Los
16 Angeles County Superior Court (May 24, 2013)(awarding \$10,000 service award); *Lazar v. Kaiser*
17 *Foundation Health Plan*, Case No. 14-cv-273289, Santa Clara County Superior Court (Dec. 28,
18 2015) (awarding \$10,000 service award); *Acheson v. Express, LLC*, Case No. 109CV135335, Santa
19 Clara County Superior Court (Sept. 13, 2011)(awarding \$10,000 service award); *Bejarano v.*
20 *Amerisave Mortgage Corp.*, Case No. EDCV 08-00599 SGL (Opx)(C.D. Cal. June 22,
21 2010)(awarding \$10,000 service award); *Carbajal v. Sally Beauty Supply LLC*, Case No. CIVVS
22 1004307, San Bernardino County Superior Court (Aug. 6, 2012)(awarding \$10,000 service award);
23 *Contreras v. Serco Inc.*, Case No. 10-cv-04526-CAS-JEMx (C.D. Cal. Sep. 10, 2012)(awarding
24 \$10,000 service award); *Guerro v. R.R. Donnelley & Sons Co.*, Case No. RIC 10005196, Riverside
25 County Superior Court (July 16, 2013)(awarding \$10,000 service award); *Kisliuk v. ADT Security*
26 *Services Inc.*, Case No. CV08-03241 DSF (RZx)(C.D. Cal. Jan. 10, 2011)(awarding \$10,000 service
27 award); *Morales v. BCBG Maxazria Int'l Holdings, Inc.*, Case No. JCCP 4582, Orange County
28 Superior Court (Jan. 24, 2013)(awarding \$10,000 service award); *Barrett v. Doyon Security*

1 *Services, LLC*, Case No. BS900199, BS900517, San Bernardino County Superior Court (Apr. 23,
2 2010)(awarding \$10,000 service award); *Zirpolo v. UAG Stevens Creek II*, Santa Clara Superior
3 Court Case no. 17CV313457 (July 10, 2018) (awarding \$10,000 service award); *Taylor v. TIC - The*
4 *Inductrial Complany*, U.S.D.C. Central District of California Case No. EDCV 16-186-VAP (Aug. 1,
5 2018) (awarding \$10,000 service award).

6
7 36. Potentially Related Other Actions - Besides this Action, I am unaware of any other
8 related cases pending against Defendant which would be impacted by this settlement. (Agreement at
9 ¶2.12.) The Declaration from Defendant confirmed they are not aware of other actions is attached
10 hereto as Exhibit #4.

11
12 37. Administration - After seeking bids from qualified administrators, ILYM Group was
13 selected as the Administrator, as ILYM Group provided an estimate of \$24,500 to perform the
14 settlement administration for a Class of up 4,000. I have used ILYM Group successfully as the
15 administrator in more than twenty class settlements in the last couple years and know them to be
16 competent and experienced. My firm has no relationship or connection with ILYM Group , and
17 thus no conflict of interest exists. Submitted herewith is the Declaration of Anthony Rogers from
18 ILYM Group which includes the estimate for administration from ILYM Group.

19
20 Service on the LWDA:

21 38. At the same time as the filing and service of this declaration, I also served the
22 LWDA with the entire motion for preliminary approval which service included the Class Action and
23 PAGA Settlement Agreement. This service of the settlement on the LWDA is verified by the
24 accompanying proof of service and a copy of the email receipt for this service is attached hereto as
25 Exhibit #5.

26 I declare under penalty of perjury under the laws of the State of California that the foregoing
27 is true and correct. Executed this 4th day of March, 2025, at La Jolla, California.

28 By: /s/ Kyle Nordrehaug
Kyle Nordrehaug

EXHIBIT #1

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiffs Nina McPherson and Doreen Hupp (“Plaintiffs”) and defendant General Logistics Systems US, Inc. (“Defendant”). The Agreement refers to Plaintiffs and Defendant collectively as the “Parties,” or individually as “Party.”

1. DEFINITIONS

In addition to other terms defined in this Agreement, the terms below have the following meaning in this Agreement:

- 1.1. “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against Defendant captioned *Nina McPherson v. General Logistics US, Inc.*, Case No. 34-2022-00318125, initiated on April 12, 2022, and pending in the Superior Court of the State of California, County of Sacramento and the consolidated action, captioned *Nina McPherson v. General Logistics US, Inc.*, Case No. 34-2022-0031836, initiated on April 13, 2022 and pending in Superior Court of the State of California, County of Sacramento.
- 1.2. “Administrator” means ILYM Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval.
- 1.4. “Aggrieved Employees” means all individuals who are or previously were employed by Defendant who were classified as non-exempt in the State of California, excluding drivers, at any time during the PAGA Period.
- 1.5. “Class” means all individuals who are or previously were employed by Defendant who were classified as non-exempt and all individuals who are or previously were employed by Defendant who were classified as Inside Sales Employees in the State of California at any time during the Class Period, excluding drivers.
- 1.6. “Class Counsel” means Norman B. Blumenthal, Kyle R. Nordrehaug, and Aparajit Bhowmik of Blumenthal Nordrehaug Bhowmik De Blouw LLP.
- 1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts to be paid to Class Counsel for fees and expenses, respectively, as approved by the Court, to compensate Class Counsel for their legal work in

connection with the Action, including their pre-filing investigation, their filing of the Action, all related litigation activities, all Settlement work, all post-Settlement compliance procedures, and related litigation expenses billed in connection with the Action.

- 1.8. “Class Data” means Class Member identifying information in Defendant’s possession including the Class Member’s name, last-known mailing address, Social Security number, email address (if known and available to Defendant), and number of Workweeks and PAGA Pay Periods.
- 1.9. “Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non- Participating Class Member who qualifies as an Aggrieved Employee).
- 1.10. “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members by use of available email addresses, phone numbers, social security numbers, credit reports, LinkedIn and Facebook.
- 1.11. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English, with a Spanish translation, if applicable, in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.
- 1.12. “Class Notice Packet” means the Class Notice to be provided to the Class Members by the Administrator in the form set forth as Exhibit A to this Agreement (other than formatting changes to facilitate printing by the Administrator).
- 1.13. “Class Period” means the period of time from August 30, 2019, through July 31, 2024.
- 1.14. “Class Representatives” means the named Plaintiffs in the Operative Complaint in the Action seeking Court approval to serve as a Class Representatives.
- 1.15. “Class Representative Service Payment” means the service payment made to the Plaintiffs as Class Representatives in order to compensate for initiating the Action, performing work in support of the Action, undertaking the risk of liability for Defendant’s expenses, and for the general release of all claims by the Plaintiffs.
- 1.16. “Court” means the Superior Court of California, County of Sacramento.

- 1.17. “Defendant” means General Logistics Systems US, Inc.
- 1.18. “Defense Counsel” means Foley & Lardner LLP.
- 1.19. “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.
- 1.20. “Final Approval” means the Court’s order granting final approval of the Settlement substantially in the form attached hereto as Exhibit C to this Agreement and incorporated by reference into this Agreement.
- 1.21. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement to determine whether to approve finally and implement the terms of this Agreement and enter the Judgment.
- 1.22. “Gross Settlement Amount” means TWO MILLION FIVE HUNDRED THOUSAND Dollars (\$2,500,000) which is the total amount to be paid by Defendant as provided by this Agreement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payment and the Administration Expenses Payment. This Gross Settlement Amount is all-in with no reversion to Defendant and no claim forms required. The employer's share of payroll taxes shall not be paid from the Gross Settlement Amount and shall remain the sole responsibility of Defendant.
- 1.23. “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.
- 1.24. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.
- 1.25. “Inside Sales Subclass” means all individuals who are or previously were employed by Defendant who were classified as Inside Sales Employees from August 30, 2019 to July 31, 2024.

- 1.26. “Judgment” means the judgment entered by the Court based upon Final Approval substantially in the form attached hereto as Exhibit C to this Agreement and incorporated by reference into this Agreement.
- 1.27. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.28. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.29. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The Net Settlement Amount is to be paid to Participating Class Members as Individual Class Payments.
- 1.30. “Non-Participating Class Member” means a Class Member who opts out of the Class Settlement by submitting a valid and timely Request for Exclusion to the Administrator.
- 1.31. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.
- 1.32. “PAGA Period” means the period of time from January 14, 2021 through July 31, 2024.
- 1.33. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.34. “PAGA Notice” means the Plaintiffs’ January 14, 2022, letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.35. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$12,500) and the 75% to LWDA (\$37,500) in settlement of PAGA claims.
- 1.36. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion.
- 1.37. “Plaintiffs” means Nina McPherson and Doreen Hupp, the named plaintiff in the Action.
- 1.38. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement, substantially in the form attached hereto as Exhibit B to this

Agreement and incorporated by this reference herein.

- 1.39. “Released Class Claims” means all claims that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint which occurred during the Class Period during employment in a non-exempt position in California. Except as expressly set forth in this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period.
- 1.40. “Released PAGA Claims” means all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notice, which occurred during the PAGA Period during employment in a non-exempt position in California. The Released PAGA Claims do not include other PAGA claims, underlying wage and hour claims, claims for wrongful termination, discrimination, unemployment insurance, disability and worker’s compensation, and claims outside of the PAGA Period.
- 1.41. “Released Parties” means: Defendant and each of its former and present directors, officers, shareholders, owners, attorneys, insurers, predecessors, successors, assigns and subsidiaries.
- 1.42. “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.
- 1.43. “Response Deadline” means sixty (60) calendar days after the Administrator mails Class Notice Packet to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) submit Requests for Exclusion from the Settlement, or (b) submit his or her Objection to the Settlement. Class Members to whom Class Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.
- 1.44. “Settlement” means the disposition of the Action and all related claims effectuated by this Agreement and the Judgment.
- 1.45. “Workweek” means any week during the Class Period in which a Class Member worked for Defendant as a Class Member for at least one day.

2. RECITALS

- 2.1. On April 12, 2022, Plaintiff McPherson commenced this Action by filing a Complaint against Defendant in the Superior Court of the State of California, County

of Sacramento, case no. 34-2022-00318125 (the “Class Action”). Plaintiff McPherson’s Complaint asserted claims that Defendant:

- (a) Unfair competition in violation of California Business and Professions Code § 17200, *et seq.*;
- (b) Failure to pay minimum wages in violation of California Labor Code §§ 1194, 1197, 1197.1;
- (c) Failure to pay overtime wages in violation of California Labor Code § 510, *et seq.*;
- (d) Failure to provide required meal periods in violation of California Labor Code §§ 226.7 & 512 and the applicable IWC Wage Order;
- (e) Failure to provide required rest periods in violation of California Labor Code §§ 226.7 & 512 and the applicable IWC Wage Order;
- (f) Failed to provide accurate itemized wage statements in violation of California Labor Code § 226;
- (g) Failure to reimburse employees for required expenses in violation of California Labor Code § 2802; and,
- (h) Failure to provide wages when due in violation of California Labor Code §§ 201, 202 and 203.

2.2. On May 5, 2022, Plaintiff McPherson filed a First Amended Complaint, adding Plaintiff Hupp as a named plaintiff and putative class representative.

2.3. On April 13, 2022, Plaintiff McPherson filed a Complaint against Defendant in the Superior Court of the State of California, County of Sacramento, case no. 34-2022-00318236, asserting a single cause of action brought pursuant to the Private Attorney General Act, Cal. Labor Code §§ 2698, *et seq.* (“PAGA”), seeking civil penalties for violations of Labor Code §§ 201, 202, 203, 204, *et seq.*, 210, 221, 226(a), 226.7, 227.3, 351, 510, 512, 558(a)(1)(2), 1194, 1197, 1197.1, 1198, 2802, California Code of Regulations, Title 8, Section 11040, Subdivision 5(A)-(B), and the applicable Wage Order(s) (the “PAGA Action”).

2.4. On May 5, 2022, Plaintiff McPherson filed a First Amended Complaint, adding Plaintiff Hupp as a named plaintiff.

2.5. December 8, 2022, the Court deemed the Class Action and the PAGA Action related and coordinated the cases, making the Class Action the lead case.

2.6. On October 31, 2024, Plaintiffs filed a Second Amended Consolidated Complaint in the Class Action, which includes the PAGA Claims, revises the class definition to include the Inside Sales Subclass for whom all the previously pled claims are also pled, adds an additional claim for failure to pay commissions brought as to the Inside Sales Subclass, and revises the Class and PAGA claims to exclude drivers.

2.7. The Second Amended Consolidated Complaint is the operative complaint in the

Action (the “Operative Complaint”).

- 2.8. Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in the Operative Complaint and denies any and all liability for the causes of action alleged.
- 2.9. On May 20, 2024, the Parties participated in an all-day mediation presided over by the Hon. Carl J. West (Ret.), a respected mediator of wage and hour representative and class actions. Following the mediation, each side, represented by its respective counsel, were able to agree to settle the Action based upon a mediator’s proposal which was memorialized in the form of a Memorandum of Understanding. This Agreement replaces and supersedes the Memorandum of Understanding and any other agreements, understandings, or representations between the Parties.
- 2.10. Prior to mediation, Plaintiffs obtained sufficient documents and information to sufficiently investigate the claims such that Plaintiffs’ investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 (“*Dunk/Kullar*”).
- 2.11. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendant that the claims in the Action of Plaintiffs or the Class have merit or that Defendant bears any liability to Plaintiffs or the Class on those claims or any other claims, or as an admission by Plaintiffs that Defendant’s defenses in the Action have merit. The Parties agree to certification of the Class for purposes of this Settlement only. If for any reason the settlement does not become effective, Defendant reserves the right to contest certification of any class for any reason and reserves all available defenses to the claims in the Action.
- 2.12. The Parties, Class Counsel, and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Defendant promises to pay \$2,500,000 and no more as the Gross Settlement Amount. This amount is all-inclusive of all payments contemplated in this resolution, excluding any employer-side payroll taxes on the portion of the Individual Class Payments allocated to wages which shall be separately paid by Defendant to the Administrator. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members

or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

3.2. Payments from the Gross Settlement Amount. Subject to the terms and conditions of this Agreement, the Administrator will make the following payments out of the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval.

- (a) To Plaintiffs: Class Representative Service Payment to the Class Representatives of not more than \$10,000 each (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representatives are entitled to receive as Participating Class Members). Defendant will not oppose Plaintiffs' request for Class Representative Service Payments that do not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiffs will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payments using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative Service Payment.
- (b) To Class Counsel: A Class Counsel Fees Payment of not more than one-third (1/3) of the Gross Settlement Amount, which is currently estimated to be \$833,333, and a Class Counsel Litigation Expenses Payment of not more than \$50,000. Defendant will not oppose requests for these payments provided that do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these payments.
- (c) To the Administrator: An Administration Expenses Payment not to exceed \$24,500 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses Payment is less or the Court approves payment less than \$24,500, the Administrator will retain the remainder in the Net Settlement Amount for distribution to Participating Class Members.

- (d) To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$50,000 to be paid from the Gross Settlement Amount, with 75% (\$37,500) allocated to the LWDA PAGA Payment and 25% (\$12,500) allocated to the Individual PAGA Payments.
- i. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$12,500) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.
 - ii. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.
- (e) To Each Participating Class Member: The allocation of payment of claims shall be determined by first making a payment to the Inside Sales Subclass Members in the amount of \$600 per workweek, estimated at 622 total workweeks to amount to a total of \$373,200 for the unpaid commissions claim. The allocation of all claims other than the unpaid commission claim for the California Class Members (including the Inside Sales Subclass Members) will then be paid from the balance of the fund based on the number of workweeks worked during the Class Period. An Individual Class Payment will be calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.
- i. Tax Allocation of Individual Class Payments. 20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. 80% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for non-wages, expense reimbursement, interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.
 - ii. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

4. SETTLEMENT FUNDING

- 4.1. Class Workweeks and Aggrieved Employee Pay Periods. Based on its records, Defendant has represented that the Class consists of 3,091 Class Members who collectively worked a total of 150,786 Workweeks, including 622 workweeks worked by the Inside Sales Subclass members, and 2,507 Aggrieved Employees who worked a total of 48,290 PAGA Pay Periods.
- 4.2. Class Data. Not later than 15 days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted Class Member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.
- 4.3. Funding of the Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendant's share of payroll taxes by transmitting the funds to the Administrator no later than 14 days after the Effective Date.

5. PAYMENTS FROM THE GROSS SETTLEMENT AMOUNT

- 5.1. Within 14 days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, Individual Inside Sales Subclass Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment.
- 5.2. The Administrator will issue checks for the Individual Class Payments, Individual Inside Sales Subclass Payments, and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the "void date", which is 180 days after the date of mailing, when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Class Payments and Individual Inside Sales Subclass Payments to all Participating Class Members and Inside Sales Subclass members, respectively (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the

Individual Class Payment, Inside Sales Subclass payment, and the Individual PAGA Payment. Before mailing any checks, the Administrator must update the recipients' mailing addresses using the National Change of Address Database. If a Participating Class Member's or Aggrieved Employee's check is not cashed within 120 days after its last mailing to the affected individual, the Administrator will also send the individual a notice informing him or her that unless the check is cashed by the void date, it will expire and become non-negotiable, and offer to replace the check if it was lost or misplaced but not cashed.

- 5.3. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.
- 5.4. For any Class Member whose Individual Class Payment check, Individual Inside Sales Subclass Payment, or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).
- 5.5. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.
6. **RELEASE OF CLAIMS.** Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff, Participating Class Members, Aggrieved Employees and the LWDA will release claims against all Released Parties as follows:
 - 6.1. Plaintiff's Release. Plaintiff and his or her respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences that occurred during the Class Period, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint, Plaintiff's PAGA Notice ("Plaintiff's Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, or workers' compensation benefits that arose

at any time, or based on occurrences outside the Class Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

- (a) Plaintiff's Waiver of Rights Under Civil Code Section 1542. For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that if known by him or her would have materially affected his or her settlement with the debtor or Released Party.

- 6.2. Release by Participating Class Members. All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from the Released Class Claims.

- 6.3. Release of PAGA Claims. All Aggrieved Employees and the LWDA are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from the Released PAGA Claims.

7. **MOTION FOR PRELIMINARY APPROVAL**. The Parties agree to jointly prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's procedures and instructions.

- 7.1. Defendant's Responsibilities. Within 14 days of the full execution of this Agreement, Defendant will prepare and deliver to Class Counsel a signed Declaration disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator, if any. In the Declaration, Defendant shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement. In this Declaration, Defendant shall also aver as to the number of Class Members and the number of Workweeks for the Class during the Class Period.

- 7.2. Plaintiffs' Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve;

competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiffs, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiffs confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and/or the Administrator; (v) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (1)(1)), this Agreement (Labor Code section 2699, subd. (1)(2)); (vi) a redlined version of the parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (vii) all facts relevant to any actual or potential conflict of interest with Class Members, the Administrator. In their Declarations, Plaintiffs and Class Counsel Declaration shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement

7.3. Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 30 days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

7.4. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

8. SETTLEMENT ADMINISTRATION

8.1. Selection of Administrator. The Parties have jointly selected ILYM Group, Inc. to serve as the Administrator and verified that, as a condition of appointment, ILYM Group, Inc. agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Administrator's duties will include preparing, printing, and mailing the Class Notice Packet to all Class Members; conducting a National Change of Address search to update Class Member addresses before mailing the Class Notice Packets; re-mailing Class Notice Packets that are returned to the Class Member's new address; setting up a toll-free

telephone number and email and a fax number to receive communications from Class Members; receiving and reviewing for validity completed Requests for Exclusion; providing the Parties with weekly status reports about the delivery of Class Notice Packets and receipt of Requests for Exclusion, objections and disputes; calculating Individual Class Payments and Individual PAGA Payments; issuing the checks to effectuate the payments due under the Settlement; issuing the tax reports required under this Settlement; and otherwise administering the Settlement pursuant to this Agreement. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

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

8.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-1.

8.4. Notice to Class Members.

- (a) No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, PAGA Members, Workweeks, and Pay Periods in the Class Data.
- (b) Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class Notice with Spanish translation, if applicable, substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.
- (c) Not later than 7 days after the Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

- (d) The deadlines for Class Members' written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond the Response Deadline provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.
- (e) If the Administrator, the Parties, Defense Counsel or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever are later.

8.5. Requests for Exclusion (Opt-Outs).

- (a) Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than the Response Deadline (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.
- (b) The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.
- (c) Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraph 6.2 of the Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

- (d) Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 6.3 of this Agreement and are eligible for an Individual PAGA Payment. If a Class Member submits both a Request for Exclusion and an objection, only the Request for Exclusion will be accepted and the objection will be void.

8.6. Challenges to Calculation of Workweeks. Each Class Member shall have until the Response Deadline (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination as to the challenges.

8.7. Objections to Settlement.

- (a) Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment.
- (b) Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, or in addition to a written objection, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than the Response Deadline (plus an additional 14 days for Class Members whose Class Notice was re-mailed).
- (c) Non-Participating Class Members have no right to object to any of the class action components of the Settlement. If a Class Member submits both a Request for Exclusion and an objection, only the Request for Exclusion will be accepted and the objection will be void.

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

- (a) Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment, the Final Approval and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.
- (b) Request for Exclusion (Opt-Outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 7 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).
- (c) Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or Pay Periods. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.
- (d) Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.
- (e) Administrator’s Declaration. Not later than 7 days before the date by which Plaintiffs are required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to

locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

- (f) Final Report by Administrator. Within 10 days after the Administrator disburses all funds of the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 7 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court. If a second declaration attesting to the distribution of uncashed checks is required, the Administrator shall provide this second declaration at least 7 days before any deadline for a second declaration and Class Counsel shall be responsible for filing the second declaration with the Court.

9. CLASS SIZE MODIFICATION AND ESCALATOR CLAUSE. Based on its records, Defendant provided figures as to the Class size as set forth in paragraph 4.1 above. In regard hereto, Defendant is providing a declaration as set forth in paragraph 7.1 above. The Gross Settlement Amount will increase proportionally with added Class Members and/or added Workweeks if the actual number of Class Members and/or Workweeks in the Class Period is more than 10% of the estimate stated herein in paragraph 4.1.

10. DEFENDANT'S RIGHT TO WITHDRAW. If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 10% of the total of all Class Members, Defendant may, but is not obligated, elect to withdraw from the Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all Administration Expenses incurred as of the date Defendant makes this election to withdraw. Defendant must notify Class Counsel and the Court of its election to withdraw not later than 7 days after the Administrator sends the final Exclusion List to Defense Counsel. Invalid Requests for Exclusion will have no effect on this threshold for an election.

11. MOTION FOR FINAL APPROVAL. Unless otherwise ordered by the Court, not later than 16 court days before the calendared Final Approval Hearing, Plaintiffs will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699(l), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiffs shall provide drafts of these documents to Defense Counsel not later than 7 days prior to filing the Motion for

Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

- 11.1. Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than 5 court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.
- 11.2. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for a Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administration Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.
- 11.3. Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement under C.C.P. section 664.6 solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.
- 11.4. Waiver of the Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.
- 11.5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on an equal basis, any additional Administration Expenses reasonably incurred at the time of remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a

material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

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

13. ADDITIONAL PROVISIONS

13.1. No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendant's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does not grant Preliminary Approval, Final Approval or Judgment pursuant to this Agreement, Defendant reserves the right to contest certification of any class for any reasons, and Defendant reserves all available defenses to the claims in the Action, and Plaintiffs reserve the right to move for class certification on any grounds available and to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

13.2. Confidentiality Prior to Preliminary Approval. Plaintiffs, Class Counsel, Defendant and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiffs, Class Counsel, Defendant and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

- 13.3. No Solicitation. The Parties separately agree that they and their respective counsel and employees have not and will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 13.4. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 13.5. Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 13.6. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 13.7. Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 13.8. Tax Advice. Neither Plaintiffs, Class Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 13.9. Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 13.10. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

- 13.11. Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 13.12. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 13.13. Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 13.14. Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiffs shall destroy, all paper and electronic versions of Class Data received from Defendant.
- 13.15. Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 13.16. Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 13.17. Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiffs and the Class:

Norman B. Blumenthal
Kyle R. Nordrehaug
Blumenthal Nordrehaug Bhowmik De Blouw LLP
2255 Calle Clara
La Jolla, CA 92037
Tel.: (858) 551-1223
Fax: (858) 551-1232

E-Mail: norm@bamlawca.com
kyle@bamlawca.com

To Defendant:

Eileen R. Ridley
Jason Y. Wu
Foley & Lardner LLP
555 California Street, Suite 1700
San Francisco, CA 94104
Tel: (415)434-4484
Fax: (415) 434-4507
Email: eridley@foley.com
jwu@foley.com

Sara Abarbanel
Foley & Lardner LLP
11988 El Camino Real, Suite 400
San Diego, CA 92130
Tel: (858) 847-6700
Fax: (858) 792-6773
Email: sabarbanel@foley.com

13.18. Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

13.19. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process from the mediation on May 20, 2024 until the earlier of the Effective Date or the date this Agreement shall no longer be of any force or effect.

13.20. Fair Settlement. The Parties, Class Counsel and Defense Counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Agreement through arms-length negotiations, taking into account all relevant factors, both current and potential.

14. EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel hereby execute this Agreement.

Dated: <u>11/18/2024</u>	<u><i>Nina McPherson</i></u> Nina McPherson (Nov 18, 2024 14:36 PST) Plaintiff Nina McPherson
Dated: <u>11/18/2024</u>	<u><i>Doreen Hupp</i></u> Doreen A Hupp (Nov 18, 2024 15:01 PST) Plaintiff Doreen Hupp
Dated: <u>11/27/2024</u>	<u><i>Steven Bergan</i></u> Steven Bergan [name] For Defendant General Logistics Systems US, Inc.
Dated: <u>11/19/24</u>	<u><i>Kyle Nordrehaug</i></u> Kyle Nordrehaug Blumenthal Nordrehaug Bhowmik De Blouw LLP Attorney for Plaintiffs
Dated: <u>12/4/24</u>	<u><i>Eileen Ridley</i></u> Eileen Ridley Foley & Lardner LLP Attorney for Defendant

EXHIBIT A

[NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION AND HEARING DATE FOR
FINAL COURT APPROVAL]

EXHIBIT “A”

**COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT
AND HEARING DATE FOR FINAL COURT APPROVAL**

***McPherson v. General Logistics US, Inc. et al., Superior Court of the State of California,
County of Sacramento, Case No. 34-2022-00318236
(consolidated with Case No. 34-2022-00318125)***

***The Superior Court for the State of California authorized this Notice. Read it carefully!
It’s not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.***

**YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR DO NOT
ACT. PLEASE READ THIS NOTICE CAREFULLY.**

You may be eligible to receive money from an employee class action lawsuit (“Action”) against Defendant General Logistics Systems US, Inc. (“Defendant”) for alleged wage and hour violations. The Action was filed by Plaintiffs Nina McPherson and Doreen Hupp (“Plaintiffs”) and seeks payment of (1) wages and other relief on behalf of all individuals who are or previously were employed by Defendant who were classified as non-exempt and all individuals who are or previously were employed by Defendant who were classified as Inside Sales Employees in the State of California at any time during the Class Period (August 30, 2019 through July 31, 2024), excluding drivers (“Class Members”), and (2) penalties and other relief on behalf of all individuals who are or previously were employed by Defendant who were classified as non-exempt in the State of California, excluding drivers, at any time during the PAGA Period (January 14, 2021 through July 31, 2024) (“Aggrieved Employees”).

The proposed Settlement has two main parts: (1) a Class Settlement requiring Defendant to fund Individual Class Payments to Class Members, and (2) a PAGA Settlement requiring Defendant to fund the PAGA Penalties to pay penalties to the California Labor and Workforce Development Agency (“LWDA”) and Individual PAGA Payments to Aggrieved Employees.

Based on Defendant’s records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be <<\$_____>> (less withholding), and your Individual PAGA Payment is estimated to <<be \$_____>>.** The actual amount you may receive likely will be different and will depend on a number of factors. (If \$0.00 is stated, then according to Defendant’s records you are not eligible for that payment.)

The above estimates are based on Defendant’s records showing that **you worked <<_____>> workweeks** during the Class Period and **you worked <<_____>> pay periods** during the PAGA Period. If you believe that you worked more workweeks and/or pay periods during either period, you can submit a challenge by the deadline date. See Section 5 of this Notice below.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or do not act. Read this Notice carefully. You will be deemed to have

carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiffs and Plaintiffs' attorneys ("Class Counsel"). The Court will also decide whether to enter a judgment that requires Defendant to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendant.

If you worked for Defendant during the Class Period, you have two basic options under the Settlement:

- (1) **Do Nothing.** You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment, and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against Defendant as described in Section 4 below.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment, however you will preserve your right to personally pursue Class Period wage claims against Defendant. If you are an Aggrieved Employee, you cannot opt-out of the PAGA portion of the proposed Settlement.

Defendant will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any) as indicated on page 1. In exchange, you will give up your right to assert the wage claims against Defendant that are covered by this Settlement (Released Class Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is _____.	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 7 of this Notice. However, you cannot opt-out of the PAGA portion of the proposed Settlement. If you are also an Aggrieved Employee and exclude yourself, you will still be paid an Individual PAGA Payment and will remain bound by the release of the Released PAGA Claims regardless of whether you submit a request for exclusion.
Participating Class	All Class Members who do not opt-out ("Participating Class Members")

Members Can Object to the Class Settlement Written Objections Must be Submitted by the Response Deadline _____	can object to any aspect of the proposed Settlement. The Court’s decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiffs who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiffs, but every dollar paid to Class Counsel and Plaintiffs reduces the overall amount paid to Participating Class Members. You can object to any part of the settlement, including the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. See Section 8 of this Notice.
You Can Participate in the _____ Final Approval Hearing	The Court’s Final Approval Hearing is scheduled to take place on _____ at _____ [a.m./p.m.], at the Sacramento County Superior Court, located at 720 9th Street, Sacramento, CA 95814, in Department 23 before Judge Jill H. Talley. This hearing may change as explained below in Section 9. You don’t have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s zoom appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 9 of this Notice.
You Can Challenge the Calculation of Your Workweeks / Pay Periods Written Challenges Must be Submitted by the Response Deadline (_____)	The amount of your Individual Class Payment depends on how many workweeks you worked at least one day during the Class Period. The amount of your Individual PAGA Payment (if any) depends on how many pay periods you worked during the PAGA Period. The number of Class Period workweeks and number of PAGA Period pay periods you worked according to Defendant’s records is stated on the first page of this Notice. If you disagree with either of these numbers and want to challenge either number, you must do so in writing by _____. See Section 5 of this Notice.

1. What is the Action about?

Plaintiffs are former employees of Defendant. The Action accuses Defendant of violating California labor laws by failing to pay minimum wages, failing to pay overtime wages, failing to pay the correct regular rate of pay when necessary, failing to pay for all time worked, failing to provide required meal periods and premiums for non-compliant meal periods, failing to provide required rest periods and premiums for non-compliant rest periods, failing to provide accurate itemized wage statements, failing to provide required expense reimbursement, failing to provide wages when due, and engaging in unfair competition. Plaintiffs also seek civil penalties under the Private Attorneys General Act, Cal. Labor Code §§ 2698, *et seq.* (“PAGA”).

Defendant denies that it has done anything wrong and disputes all the claims in the Action.

A proposed class action settlement (the “Settlement”) of the above-captioned action pending in the Superior Court of the State of California, in and for the County of Sacramento (the “Court”), has been reached between Plaintiffs and Defendant. You may be entitled to receive money from this Settlement.

You have received this Notice because you have been identified as a member of the Class, which is defined as:

All individuals who are or previously were employed by Defendant who were classified as non-exempt and all individuals who are or previously were employed by Defendant who were classified as Inside Sales Employees in the State of California at any time during the Class Period (August 30, 2019 through July 31, 2024), excluding drivers.

In this Class, there is an “Inside Sales Subclass” consisting of all individuals who are or previously were employed by Defendant who were classified as Inside Sales Employees from August 30, 2019 to July 31, 2024.

2. What does it mean that the Action has settled?

So far, the Court has made no determination whether Defendant or Plaintiffs are correct on the merits. In the meantime, Plaintiffs and Defendant hired an experienced, neutral mediator in an effort to resolve the Action by negotiating to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation, the outcome of which is uncertain. The negotiations were successful. By signing a lengthy written Class Action and PAGA Settlement Agreement (“Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiffs and Defendant have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendant does not admit any violations or concede the merit of any claims. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. What are the terms of the Settlement?

Gross Settlement Amount. Defendant has agreed to pay an “all in” amount of Two Million Five Hundred Thousand Dollars (\$2,500,000) (the “Gross Settlement Amount”) to fund the settlement of the Action. The Gross Settlement Amount includes all payments of Individual Class Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payments, the Administration Expenses Payment, and the PAGA Penalties for civil penalties under PAGA. Any employer-side payroll taxes on the portion of the Individual Class Payments allocated to wages shall be separately paid by Defendant. Defendant shall fund the Gross Settlement Amount and the amount necessary to pay payroll taxes thereon no later than 14 days after the Effective Date. The “Effective Date” means the date the Judgment is entered, unless there are objections or an appeal, in which case the Effective Date is the date the Judgment is no longer subject to appeal. The settlement will be paid out 14 days after the Defendant pays the settlement funds.

Court Approved Deductions from Gross Settlement Amount. The proposed payments, subject to Court approval, will be deducted from the Gross Settlement Amount before payments of Individual Class Payments are made to Class Members who do not request exclusion (“Participating Class Members”). At the Final Approval Hearing, Plaintiffs and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:

- Administration Expenses Payment. Payment to the Administrator, estimated not to exceed \$24,500, for expenses, including expenses of notifying the Class Members of the Settlement, processing opt outs, and distributing settlement checks and tax forms.
- Attorneys’ Fees and Costs. Payment to Class Counsel of reasonable attorneys’ fees not to exceed one-third (1/3) of the Gross Settlement Amount, which presently equals \$833,333, and an additional amount to reimburse actual litigation costs incurred by the Plaintiffs not to exceed \$50,000. Class Counsel has been prosecuting the Action on behalf of Plaintiffs and the Class on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses. The amounts stated are what Class Counsel will be requesting and the final amounts to be paid will be decided at the Final Approval Hearing.
- Class Representative Service Payments. Class Representative Service Payments in an amount not more than \$10,000.00 each for the Plaintiffs as a service award, or such lesser amount as may be approved by the Court, to compensate them for services on behalf of the Class in initiating and prosecuting the Action, and for the risks they undertook. The amount stated is what Plaintiffs will be requesting and the final amount to be paid will be decided at the Final Approval Hearing.
- PAGA Penalties. A payment of \$50,000 relating to Plaintiffs’ claim under PAGA, \$37,500 of which will be paid to the State of California’s Labor and Workforce Development Agency (“LWDA”). The remaining \$12,500 will be distributed to the Aggrieved Employees as Individual PAGA Payments. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees’ 25% share of PAGA Penalties (\$12,500) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee’s PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period, which is January 14, 2021 through July 31, 2024.

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

Calculation of Payments to Class Members. After all of the payments of the court-approved Attorneys’ Fees and Costs, the Class Representative Service Payments, the PAGA Penalties, and the Administration Expenses Payment are deducted from the Gross Settlement Amount, the remaining portion, the “Net Settlement Amount”, shall be distributed as Individual Class

Payments to the Participating Class Members. The Net Settlement Amount is estimated to be at least \$ _____. The Administrator will pay an Individual Class Payment from the Net Settlement Amount to each Participating Class Member, determined by first making payment to the Inside Sales Subclass Members in the amount of \$600 per workweek, estimated at 622 total workweeks to amount to a total of \$373,200 for the unpaid commissions claim. The balance of the Net Settlement Amount shall be paid to the Class Members (including the Inside Sales Subclass Members) and calculated by (a) dividing the remaining amount of the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks. "Workweek" means any week during the Class Period in which a Class Member worked for Defendant as a Class Member for at least one day. The number of Workweeks will be based on Defendant's records; however, Class Members may challenge the number of Workweeks as explained below.

If the Settlement is approved by the Court and you do not exclude yourself, you will automatically be mailed a check for your Individual Class Payment to the same address as this Class Notice. You do not have to do anything to receive a payment. If your address has changed, you must contact the Administrator to inform them of your correct address to ensure you receive your payment.

Tax Matters. Twenty Percent (20%) of each Participating Class Member's Individual Class Payment is in settlement of wage claims (the "Wage Portion"). Accordingly, the Wage Portion is subject to wage withholdings and shall be reported on IRS Form W-2. Eighty Percent (80%) of each Participating Class Member's Individual Class Payment is in settlement of claims for non-wage damages, expense reimbursement, interest and penalties allegedly due to employees (collectively the "Non-Wage Portion"). The Non-Wage Portion shall not be subject to wage withholdings and shall be reported on IRS Form 1099. The employee portion of all applicable income and payroll taxes will be the responsibility of the Participating Class Members. Nothing contained in this Class Notice shall constitute advice regarding Participating Class Members' taxes or tax liability. The tax issues for each Participating Class Member are unique to him/her, and each Participating Class Member may wish to consult a tax advisor concerning the tax consequences of the payments received under the Settlement.

Conditions of Settlement. This Settlement and your receipt of the Individual Class Payment is conditioned upon the Court entering an order granting final approval of the Settlement and entering judgment.

The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and Defendant have agreed that, in either case, the Settlement will be void: Defendant will not pay any money and Class Members will not release any claims against Defendant.

Need to Promptly Cash Payment Checks. The front of every check issued will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the funds represented by such checks will go to the California Controller's Unclaimed Property Fund in the name of the individual who failed to cash their

check.

Administrator. The Court has appointed a neutral company, ILYM Group, Inc. (the “Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion. The Administrator will also decide Class Member disputes over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator’s contact information is contained in Section 9 of this Notice.

4. What do I release under the Settlement?

Released Class Claims. Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, all Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from the Released Class Claims. The “Released Class Claims” are all claims that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint which occurred during the Class Period during employment in a non-exempt position in California. Except as expressly set forth in the Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period.

This means that, if you do not timely and formally exclude yourself from the settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendant and any other Released Party about the Released Class Claims resolved by this Settlement. It also means that all of the Court’s orders in the Action will apply to you and legally bind you.

Released PAGA Claims. Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, all Aggrieved Employees and the LWDA are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from the Released PAGA Claims. The “Released PAGA Claims” are all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notice, which occurred during the PAGA Period during employment in a non-exempt position in California. The Released PAGA Claims do not include other PAGA claims, underlying wage and hour claims, claims for wrongful termination, discrimination, unemployment insurance, disability and worker’s compensation, and claims outside of the PAGA Period.

Released Parties. The Released Parties are: Defendant and each of its former and present directors, officers, shareholders, owners, attorneys, insurers, predecessors, successors, assigns and subsidiaries.

5. How much will my payment be?

Individual Class Payments. The Administrator will calculate Individual Class Payments by first making payment to the Inside Sales Subclass Members in the amount of \$600 per workweek, estimated at 622 total workweeks to amount to a total of \$373,200 for the unpaid commissions claim. The balance of the Net Settlement Amount shall be paid to the Class Members (including the Inside Sales Subclass Members) and calculated by (a) dividing the remaining amount of the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.

Defendant's records reflect that you worked << _____ >> Workweeks during the Class Period (August 30, 2019 through July 31, 2024).

Based on this information, your estimated Individual Class Payment from the Net Settlement Amount is << _____ >>.

Defendant's records reflect that you worked << _____ >> PAGA Pay Periods during the PAGA Period (January 14, 2021 through July 31, 2024). Based on this information your estimated Individual PAGA Payment is << _____ >>.

If you wish to challenge the information set forth above, then you must submit a written, signed dispute challenging the information along with supporting documents, to the Administrator at the address provided in this Class Notice no later than the Response Deadline, which is _____ [sixty (60) days after the mailing of the Class Notice or 74 days in the case of re-mailing]. You may also fax the dispute to _____ or email the dispute to _____ by no later than the Response Deadline. Any dispute should include credible written evidence and will be resolved by the Administrator.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendant's calculation of Workweeks based on Defendant's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Defendant's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

6. How can I get a payment?

To get money from the Settlement, you do not have to do anything. A check for your Individual Class Payment will be mailed automatically to the same address as this Class Notice.

Your check will be sent to the same address as this Class Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Class Notice has the Administrator's contact information.

7. What if I don't want to be a part of the Settlement?

If you do not wish to participate in the Settlement, you may exclude yourself from the Class portion of the Settlement or “opt out.” **If you opt out, you will not receive an Individual Class Payment from the Settlement, and you will not be bound by its terms, which means you will retain the right to sue Defendant for the Released Class Claims.** However, Aggrieved Employees who opt out will still be paid their allocation of the PAGA Penalties and will remain bound by the release of the Released PAGA Claims regardless of whether they submit a request for exclusion. Your share of the PAGA Penalties, if any, is set forth in Section 5 above.

To opt out, you must submit to the Administrator a written, signed and dated request to opt-out postmarked no later than the Response Deadline which is _____. You may also fax your request to opt out to _____ or email it to _____ by no later than the Response Deadline. The request to opt-out should state in substance that you wish to be excluded from the class settlement in the *McPherson v. General Logistics US, Inc.* lawsuit. The request to opt-out should state the Class Member’s full name, address and email address or telephone number. Please include the name and number of the case, which is *McPherson v. General Logistics US, Inc.*, Case No. 34-2022-00318236. The request to opt-out must be completed and signed by you. No other person may opt-out for a living member of the Class.

The address for the Administrator is _____. Written requests for exclusion that are postmarked after _____, or are incomplete or unsigned will be rejected, and those Class Members will remain bound by the Settlement and the release described above.

8. How do I object to the Settlement?

Only Participating Class Members have the right to object to the Settlement. At least sixteen (16) court days before the Final Approval Hearing, scheduled for _____, Class Counsel and Plaintiffs will file in Court a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair and a request stating (i) the amount Class Counsel is requesting for attorneys’ fees and litigation expenses; and (ii) the amount Plaintiffs are requesting as Class Representative Service Payments. Upon reasonable request, Class Counsel (whose contact information is below) will send you copies of these documents at no cost to you. You can also view them on Class Counsel’s website at www.bamlawca.com under “Class Notices” for *McPherson v. General Logistics US, Inc.* or via the Civil Case Search page for the California Superior Court for the County of Sacramento (<https://services.saccourt.ca.gov/PublicCaseAccess/Civil/SearchByCaseNumber>) and by entering the Case No. 34-2022-00318236.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and for Fees, Litigation Expenses and Service Payments may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiffs are too high or too low. **The Response Deadline for sending written objections to the Administrator is _____** [sixty (60) days after the date of the Notice or 74 days after the Notice in the case of re-mailing]. You may also fax the objection to _____ or email the objection to _____ by no later than this Response Deadline. Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action, *McPherson v. General*

Logistics US, Inc., Case No. 34-2022-00318236, and include your name, current address, email or telephone number, and approximate dates of employment for Defendant and sign the objection. The Administrator's contact information is as follows:

Administrator:

Name of Company: _____

Email Address: _____

Mailing Address: _____

Telephone Number: _____

Fax Number: _____

Alternatively, or in addition to a written objection, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. You also have the option to appear at the hearing remotely via zoom. Check the Court's website at <https://www.saccourt.ca.gov/civil/complex-civil-cases.aspx#remote> for the most current information on how to appear for this hearing. Check the Court's website for the most current information. See Section 9 of this Notice (immediately below) for specifics regarding the Final Approval Hearing

The addresses for Parties' counsel are as follows:

CLASS COUNSEL:

Kyle Nordrehaug
Blumenthal Nordrehaug Bhowmik DeBlouw LLP
2255 Calle Clara
La Jolla, CA 92037
Tel.: (858) 551-1223
Fax: (858) 551-1232
E-Mail: kyle@bamlawca.com

COUNSEL FOR DEFENDANT:

Eileen R. Ridley
Jason Y. Wu
Foley & Lardner LLP
555 California Street, Suite 1700
San Francisco, CA 94104

Sara Abarbanel
Foley & Lardner LLP
11988 El Camino Real, Suite 400
San Diego, CA 92130

9. Can I attend the Final Approval Hearing?

You can, but don't have to, attend the Final Approval Hearing at _____ (Pacific Standard Time) on _____, in Department 23 of the Superior Court of California, County of Sacramento, Gordon D. Schaber Courthouse, 720 9th Street, Sacramento, CA 95814, before Judge Jill H. Talley. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. The purpose of this hearing is for the Court to determine whether to grant final approval to the Settlement and to fix the amounts to be paid as attorneys' fees and

costs to Class Counsel and as a service payments to Plaintiffs. If there are objections, the Court will consider them. **You are not required to attend** the Final Approval Hearing, although any Class Member is welcome to attend the hearing remotely or in person. Check the Court's tentative ruling website the day before at <https://www.saccourt.ca.gov/indexes/new-portal-info.aspx> for the most current information on how to appear for this hearing. For assistance in making an appearance at the Final Approval Hearing, please contact Class Counsel below.

It's possible the Court will reschedule the Final Approval Hearing. If the hearing is continued, notice will be posted on Class Counsel's website at www.bamlawca.com under "Class Notices" for *McPherson v. General Logistics US, Inc.* In addition, hearing dates are posted on the Internet via the Civil Case Search page for the California Superior Court for the County of Sacramento (<https://www.saccourt.ca.gov/indexes/new-portal-info.aspx>) and by entering the Case No. 34-2022-00318236.

10. How can I get more information?

You may call the Administrator at _____ or write to *McPherson v. General Logistics US, Inc.* Administrator, c/o _____.

This Class Notice summarizes the proposed settlement. More details are in the Settlement Agreement. You may receive a copy of the Class Action and PAGA Settlement Agreement, the Judgment, the motion for final approval, or other Settlement documents by going to Class Counsel's website at www.bamlawca.com under "Class Notices" for *McPherson v. General Logistics US, Inc.* where these documents will be posted as they become available. You may get more details by examining the Court's file on the Internet via the Civil Case Search page for the California Superior Court for the County of Sacramento (<https://www.saccourt.ca.gov/indexes/new-portal-info.aspx>) and entering the Case No. 34-2022-00318236. If you wish to view the Court files in person, you may go to the Clerk's Office at Room 102, 720 9th Street, Sacramento, CA 95814.

PLEASE DO NOT CALL THE COURT ABOUT THIS NOTICE.

IMPORTANT:

- **What if Your Address Changes** - To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.
- **What if You Fail to Cash a Check** - Settlement checks will be null and void 180 days after issuance if not deposited or cashed, and this expiration date is printed on the check. In such events, the Administrator shall direct all unclaimed funds to be paid to the California Controller's Unclaimed Property Fund in the name of and for the benefit of the individual who did not cash their check. The funds may be claimed at https://www.sco.ca.gov/upd_msg.html.
- **What if You Lose Your Check** - If your check is lost or misplaced, you should contact the Administrator immediately to request a replacement.

EXHIBIT B

[ORDER GRANTING PRELIMINARY APPROVAL]

EXHIBIT "B"

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SACRAMENTO

NINA MCPHERSON and DOREEN HUPP,
individuals, on behalf of themselves and on
behalf of all persons similarly situated,

Plaintiffs,

vs.

GENERAL LOGISTICS SYSTEMS US,
INC., a California Corporation; and DOES 1
through 50, inclusive,

Defendants.

CASE NO.: 34-2022-00318236-CU-OE-GDS

**[PROPOSED] PRELIMINARY
APPROVAL ORDER**

Hearing Date: _____
Hearing Time: _____

Judge: Hon. Jill H. Talley
Dept: 23

Date Filed: April 13, 2022
Trial Date: Not set

This matter came before the Honorable Jill H. Talley of the Superior Court of the State of California, in and for the County Sacramento, on _____[DATE], for hearing on the unopposed motion by Plaintiffs Nina McPherson and Doreen Hupp ("Plaintiffs") for preliminary approval of the Settlement with Defendant General Logistics Systems US, Inc. ("Defendant").

PRELIMINARY APPROVAL ORDER

1 The Court, having considered the briefs, argument of counsel and all matters presented to the
2 Court and good cause appearing, hereby GRANTS Plaintiffs' Motion for Preliminary Approval of
3 Class Action Settlement.

4
5 **IT IS HEREBY ORDERED:**

6 1. The Court preliminarily approves the Class Action and PAGA Settlement
7 Agreement ("Agreement") attached as Exhibit ____ to the Declaration of Kyle Nordrehaug in
8 Support of Plaintiffs' Motion for Preliminary Approval of Class Action Settlement. This is based
9 on the Court's determination that the Settlement set forth in the Agreement is within the range of
10 possible final approval, pursuant to the provisions of Section 382 of the California Code of Civil
11 Procedure and California Rules of Court, rule 3.769.

12 2. This Order incorporates by reference the definitions in the Agreement, and all
13 terms defined therein shall have the same meaning in this Order as set forth in the Agreement.

14 3. The Gross Settlement Amount is Two Million Five Hundred Thousand Dollars
15 (\$2,500,000). It appears to the Court on a preliminary basis that the settlement amount and terms
16 are fair, adequate, and reasonable as to all potential Class Members when balanced against the
17 probable outcome of further litigation and the significant risks relating to certification, liability and
18 damages issues. It further appears that investigation and research have been conducted such that
19 counsel for the Parties are able to reasonably evaluate their respective positions. It further appears
20 to the Court that the Settlement will avoid substantial additional costs by all Parties, as well as
21 avoid the delay and risks that would be presented by the further prosecution of the Action. It
22 further appears that the Settlement has been reached as the result of serious and non-collusive,
23 arm's-length negotiations.

24 4. The Court preliminarily finds that the Settlement appears to be within the range of
25 reasonableness of a settlement that could ultimately be given final approval by this Court. The
26 Court has reviewed the monetary recovery that is being granted as part of the Settlement and
27 preliminarily finds that the monetary settlement made available to the Class is fair, adequate, and
28

PRELIMINARY APPROVAL ORDER

1 reasonable when balanced against the probable outcome of further litigation and the significant
2 risks relating to certification, liability, and damages issues.

3 5. The Agreement specifies for an attorneys' fees award not to exceed one-third of the
4 Gross Settlement Amount, an award of litigation expenses incurred, not to exceed \$50,000, and
5 proposed Class Representative Service Payments to the Plaintiffs in an amount not more than
6 \$10,000 each. The Court will not approve the amounts of attorneys' fees and costs, nor the
7 amount of any service award, until the Final Approval Hearing. Plaintiffs will be required to
8 present evidence supporting these requests, including lodestar, prior to final approval.

9 6. The Court recognizes that Plaintiffs and Defendant stipulate and agree to
10 certification of a class for settlement purposes only. This stipulation will not be deemed
11 admissible in this or any other proceeding should this Settlement not become final. For settlement
12 purposes only, the Court conditionally certifies the Class which consists of "all individuals who
13 are or previously were employed by Defendant who were classified as non-exempt and all
14 individuals who are or previously were employed by Defendant who were classified as Inside
15 Sales Employees in the State of California at any time during the Class Period (August 30, 2019
16 through July 31, 2024), excluding drivers."

17 7. The Court concludes that, for settlement purposes only, the Class meets the
18 requirements for certification under section 382 of the California Code of Civil Procedure in that:
19 (a) the Class is ascertainable and so numerous that joinder of all members of the Class is
20 impracticable; (b) common questions of law and fact predominate, and there is a well-defined
21 community of interest amongst the members of the Class with respect to the subject matter of the
22 litigation; (c) the claims of the Plaintiffs are typical of the claims of the members of the Class; (d)
23 the Plaintiffs will fairly and adequately protect the interests of the members of the Class; (e) a
24 class action is superior to other available methods for the efficient adjudication of this controversy;
25 and (f) counsel for the Class is qualified to act as counsel for the Class and the Plaintiffs are
26 adequate representatives of the Class.

27 8. The Court provisionally appoints Plaintiffs as the representatives of the Class. The
28

PRELIMINARY APPROVAL ORDER

1 Court provisionally appoints Norman B. Blumenthal, Kyle R. Nordrehaug, and Aparajit Bhowmik
2 of Blumenthal Nordrehaug Bhowmik De Blouw LLP as Class Counsel.

3 9. The Agreement provides for a PAGA Penalty out of the Gross Settlement Amount
4 of \$50,000, which shall be allocated \$37,500 to the Labor & Workforce Development Agency
5 (“LWDA”) as the LWDA’s 75% share of the settlement of civil penalties paid under this
6 Agreement pursuant to the PAGA and \$12,500 to the Aggrieved Employees. “Aggrieved
7 Employees” are all individuals who are or previously were employed by Defendant who were
8 classified as non-exempt in the State of California, excluding drivers, at any time during the
9 PAGA Period (January 14, 2021 through July 31, 2024). Pursuant to Labor Code section 2699,
10 subdivision (l)(2), the LWDA will be provided notice of the Agreement and these settlement
11 terms. The Court finds these PAGA Penalties to be reasonable.

12 10. The Court hereby approves, as to form and content, the Class Notice attached to the
13 Agreement as Exhibit A. The Court finds that the Class Notice appears to fully and accurately
14 inform the Class of all material elements of the proposed Settlement, of the Class Members’ right
15 to be excluded from the Class by submitting a written opt-out request, and of each Class
16 Member’s right and opportunity to object to the Settlement. The Court further finds that the
17 distribution of the Class Notice substantially in the manner and form set forth in the Agreement
18 and this Order meets the requirements of due process, is the best notice practicable under the
19 circumstances, and shall constitute due and sufficient notice to all persons entitled thereto. The
20 Court orders the mailing of the Class Notice by first class mail pursuant to the terms set forth in
21 the Agreement. If a Class Notice Packet is returned because of an incorrect address, the
22 Administrator will promptly search for a more current address for the Class Member and re-mail
23 the Class Notice Packet to any new address for the Class Member no later than seven (7) days
24 after the receipt of the undelivered Class Notice.

25 11. The Court hereby appoints ILYM Group, Inc. as the Administrator. No later than
26 15 days after this Order, Defendant will provide the Class Data to the Administrator. The
27 Administrator will perform address updates and verifications as necessary prior to the first
28

PRELIMINARY APPROVAL ORDER

1 mailing. Using best efforts to mail it as soon as possible, and in no event later than fourteen (14)
2 days after receiving the Class Data, the Administrator will mail the Class Notice Packet to all
3 Class Members via first-class regular U.S. Mail to their last known address.

4 12. The Court hereby preliminarily approves the proposed procedure for exclusion
5 from the Settlement. Any Class Member may individually choose to opt out of and be excluded
6 from the Class as provided in the Class Notice by following the instructions for requesting
7 exclusion from the Class that are set forth in the Class Notice. All requests for exclusion must be
8 postmarked or received no later than sixty (60) calendar days after the date of the mailing of the
9 Class Notice (“Response Deadline”). If a Class Notice Packet is re-mailed, the Response Deadline
10 for requests for exclusion will be extended an additional fourteen (14) days. A Request for
11 Exclusion may also be faxed or emailed to the Administrator as indicated in the Class Notice.
12 Any such person who chooses to opt out of and be excluded from the Class will not be entitled to
13 any recovery under the Class Settlement and will not be bound by the Class Settlement or have
14 any right to object, appeal or comment thereon. Class Members who have not requested exclusion
15 shall be bound by all determinations of the Court, the Agreement and the Judgment. A request for
16 exclusion may only opt out that particular individual, and any attempt to effect an opt-out of a
17 group, class, or subclass of individuals is not permitted and will be deemed invalid.

18 13. Any Class Member who has not opted out may appear at the Final Approval
19 Hearing and may object or express the Member’s views regarding the Settlement and may present
20 evidence and file briefs or other papers that may be proper and relevant to the issues to be heard
21 and determined by the Court as provided in the Class Notice. Class Members will have until the
22 Response Deadline to submit their written objections to the Administrator. Written objections
23 may also be faxed or emailed to the Administrator as indicated in the Class Notice. If a Class
24 Notice Packet is re-mailed, the Response Deadline for written objections will be extended an
25 additional fourteen (14) days. Alternatively, Class Members may appear at the Final Approval
26 Hearing to make an oral objection.

1 14. A final approval hearing shall be held before this Court on _____
2 _____ at _____ in Department 23 at the Gordon D. Schaber Courthouse of the
3 Sacramento County Superior Court to hear the motion for final approval and for attorneys' fees
4 and costs, and to determine all necessary matters concerning the Settlement, including: whether
5 the proposed settlement of the Action on the terms and conditions provided for in the Agreement
6 is fair, adequate and reasonable and should be finally approved by the Court; whether the Final
7 Approval Order and Judgment should be entered herein; whether the plan of allocation contained
8 in the Agreement should be approved as fair, adequate and reasonable to the Class Members; and
9 to finally approve attorneys' fees and costs, service awards, and the fees and expenses of the
10 Administrator. All papers in support of the motion for final approval and for attorneys' fees, costs
11 and service awards shall be filed with the Court and served on all counsel no later than sixteen
12 (16) court days before the hearing and the motion shall be heard at this final approval hearing.

13 15. Neither the Settlement nor any exhibit, document, or instrument delivered
14 thereunder shall be construed as a concession or admission by Defendant in any way that the
15 claims asserted have any merit or that this Action was properly brought as a class or representative
16 action, and shall not be used as evidence of, or used against Defendant as, an admission or
17 indication in any way, including with respect to any claim of any liability, wrongdoing, fault or
18 omission by Defendant or with respect to the truth of any allegation asserted by any person.
19 Whether or not the Settlement is finally approved, neither the Settlement, nor any exhibit,
20 document, statement, proceeding or conduct related to the Settlement, nor any reports or accounts
21 thereof, shall in any event be construed as, offered or admitted in evidence as, received as or
22 deemed to be evidence for any purpose adverse to the Defendant, including, but not limited to,
23 evidence of a presumption, concession, indication or admission by Defendant of any liability,
24 fault, wrongdoing, omission, concession or damage.

25 16. In the event the Settlement does not become effective in accordance with the terms
26 of the Agreement, or the Settlement is not finally approved, or is terminated, canceled or fails to
27 become effective for any reason, this Order shall be rendered null and void and shall be vacated,
28

PRELIMINARY APPROVAL ORDER

1 and the Parties shall revert to their respective positions as of before entering into the Agreement,
2 and expressly reserve their respective rights regarding the prosecution and defense of this Action,
3 including all available defenses and affirmative defenses, and arguments that any claim in the
4 Action could not be certified as a class action and/or managed as a representative action. In such
5 an event, the Court's orders regarding the Settlement, including this Order, shall not be used or
6 referred to in litigation for any purpose. Nothing in this paragraph is intended to alter the terms of
7 the Agreement with respect to the effect of the Agreement if it is not approved.

8 17. The Court reserves the right to adjourn or continue the date of the final approval
9 hearing and all dates provided for in the Agreement without further notice to Class Members and
10 retains jurisdiction to consider all further applications arising out of or connected with the
11 proposed Settlement.

12 **IT IS SO ORDERED.**

13 Dated: _____

14 _____
15 HON. JILL H. TALLEY
16 JUDGE OF THE SUPERIOR COURT OF CALIFORNIA
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PRELIMINARY APPROVAL ORDER

EXHIBIT C

[FINAL APPROVAL ORDER AND JUDGMENT]

EXHIBIT "C"

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SACRAMENTO

NINA MCPHERSON and DOREEN HUPP,
individuals, on behalf of themselves and on
behalf of all persons similarly situated,

Plaintiffs,

vs.

GENERAL LOGISTICS SYSTEMS US,
INC., a California Corporation; and DOES 1
through 50, inclusive,

Defendants.

CASE NO.: 34-2022-00318236-CU-OE-GDS

**[PROPOSED] FINAL APPROVAL
ORDER AND JUDGMENT**

Hearing Date: _____
Hearing Time: _____

Judge: Hon. Jill H. Talley
Dept: 23

Date Filed: April 13, 2022
Trial Date: Not set

FINAL APPROVAL ORDER AND JUDGMENT

1 The unopposed motion of Plaintiffs Nina McPherson and Doreen Hupp (“Plaintiffs”) for
2 an order finally approving the Class Action and PAGA Settlement Agreement (“Agreement”) with
3 Defendant General Logistics Systems US, Inc. (“Defendant”), attorneys’ fees and costs, service
4 payment, and the expenses of the Administrator duly came on for hearing on _____
5 before the Honorable Jill H. Talley.

6 **I.**

7 **FINDINGS**

8 Based on the oral and written argument and evidence presented in connection with the
9 motion, the Court makes the following findings:

- 10 1. All terms used herein shall have the same meaning as defined in the Agreement.
- 11 2. This Court has jurisdiction over the subject matter of this litigation pending before
12 the Superior Court for the State of California, in and for the County of Sacramento, and over all
13 Parties to this litigation, including the Class.
- 14 3. Based on a review of the papers submitted by Plaintiffs and a review of the
15 applicable law, the Court finds that the Gross Settlement Amount of Two Million Five Hundred
16 Thousand Dollars (\$2,500,000) and the terms set forth in the Agreement are fair, reasonable, and
17 adequate.
- 18 4. The Court further finds that the Settlement was the result of arm’s length
19 negotiations conducted after Class Counsel had adequately investigated the claims and became
20 familiar with the strengths and weaknesses of those claims. In particular, the amount of the
21 Settlement, and the assistance of an experienced mediator in the settlement process, among other
22 factors, support the Court’s conclusion that the Settlement is fair, reasonable, and adequate.

23 **Preliminary Approval of the Settlement**

- 24 5. On _____, the Court granted preliminary approval of the Settlement. At
25 this same time, the Court approved conditional certification of the Class for settlement purposes
26 only.

27 **Notice to the Class**

1 6. In compliance with the Preliminary Approval Order, the Court-approved Class
2 Notice was mailed by first class mail to members of the Class at their last-known addresses on or
3 about _____. Mailing of the Class Notice to their last-known addresses was the best
4 notice practicable under the circumstances and was reasonably calculated to communicate actual
5 notice of the litigation and the proposed settlement to the Class. The Class Notice given to the
6 Class Members fully and accurately informed the Class Members of all material elements of the
7 proposed Settlement and of their opportunity to object to or comment thereon or to seek exclusion
8 from the Settlement; was valid, due, and sufficient notice to all Class Members; and complied
9 fully with the laws of the State of California, the United States Constitution, due process and other
10 applicable law. The Class Notice fairly and adequately described the Settlement and provided
11 Class Members adequate instructions and a variety of means to obtain additional information.

12 7. The Response Deadline for opting out or submitting written objections to the
13 Settlement was _____, which for re-mailings was extended by fourteen (14) days. There
14 was an adequate interval between notice and the deadline to permit Class Members to choose what
15 to do and to act on their decision. A full and fair opportunity has been afforded to the Class
16 Members to participate in this hearing, and all Class Members and other persons wishing to be
17 heard have had a full and fair opportunity to be heard. Class Members also have had a full and
18 fair opportunity to exclude themselves from the proposed Settlement and Class. Accordingly, the
19 Court determines that all Class Members who did not timely and properly submit a request for
20 exclusion are bound by the Settlement and this Final Approval Order and Judgment.

21 **Fairness of the Settlement**

22 8. The Agreement is entitled to a presumption of fairness. *Dunk v. Ford Motor Co.*,
23 48 Cal. App. 4th 1794, 1801 (1996).

24 a. The settlement was reached through arm's-length bargaining between the
25 Parties during an all-day mediation before Hon. Carl West (Ret.), an experienced mediator of
26 wage and hour class actions. There has been no collusion between the Parties in reaching the
27 Settlement.

1 b. Plaintiffs and Class Counsel's investigation and discovery have been
2 sufficient to allow the Court and counsel to act intelligently.

3 c. Counsel for all Parties are experienced in similar employment class action
4 litigation. Class Counsel recommended approval of the Agreement.

5 d. The percentage of objectors and requests for exclusion is small. ____
6 objections were received. _____ requests for exclusion were received.

7 e. The participation rate was high. _____ Class Members will be mailed a
8 settlement payment, representing ____% of the overall Class.

9 9. The consideration to be given to the Class Members under the terms of the
10 Agreement is fair, reasonable, and adequate considering the strengths and weaknesses of the
11 claims asserted in this action and is fair, reasonable, and adequate compensation for the release of
12 Class Members' claims, given the uncertainties and significant risks of the litigation and the
13 delays which would ensue from continued prosecution of the action.

14 10. The Agreement is approved as fair, adequate, and reasonable and in the best
15 interests of the Class Members.

16 **Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment**

17 11. An award of \$_____ for attorneys' fees, representing one-third of the
18 Gross Settlement Amount, and \$_____ for litigation costs and expenses, is reasonable,
19 in light of the contingent nature of Class Counsel's fee, the hours worked by Class Counsel, and
20 the results achieved by Class Counsel. The requested award has been supported by Class
21 Counsel's lodestar and billing statement.

22 **Class Representative Service Payments**

23 12. The Agreement provides for Class Representative Service Payments in an amount
24 not more than \$10,000 each for the Plaintiffs, subject to the Court's approval. The Court finds
25 that Class Representative Service Payments in the amount of \$_____ each to the Plaintiffs
26 are reasonable in light of the risks and burdens undertaken by the Plaintiffs in this litigation and
27 for their time and effort in bringing and prosecuting this matter on behalf of the Class.

1 **Administration Expenses Payment**

2 13. The Administrator shall calculate and administer the payment to be made to the
3 Class Members, transmit payment for attorneys' fees and costs to Class Counsel, transmit the
4 Class Representative Service Payments to the Plaintiffs, issue all required tax reporting forms,
5 calculate withholdings and perform the other remaining duties set forth in the Agreement. The
6 Administrator has documented \$ _____ in fees and expenses, and this amount is reasonable in
7 light of the work performed by the Administrator.

8 **PAGA Penalties**

9 14. The Agreement provides for a PAGA Penalty out of the Gross Settlement Amount
10 of \$50,000, which shall be allocated \$37,500 to the Labor & Workforce Development Agency
11 ("LWDA") as the LWDA's 75% share of the settlement of civil penalties paid under this
12 Agreement pursuant to the PAGA and \$12,500 to be distributed to the Aggrieved Employees and
13 allocated by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties
14 (\$12,500) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during
15 the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay
16 Periods. "Aggrieved Employees" are all individuals who are or previously were employed by
17 Defendant who were classified as non-exempt in the State of California, excluding drivers, at any
18 time during the PAGA Period (January 14, 2021 through July 31, 2024). Pursuant to Labor Code
19 section 2699, subdivision (1)(2), the LWDA was provided notice of the Agreement and these
20 settlement terms and has not indicated any objection thereto. The Court finds these PAGA
21 Penalties to be reasonable.

22 **II.**

23 **ORDERS**

24 Based on the foregoing findings, and good cause appearing, IT IS HEREBY ORDERED:

25 15. The Class is certified for the purposes of settlement only. The Class is defined as
26 follows:

27 All individuals who are or previously were employed by Defendant who were
28 classified as non-exempt and all individuals who are or previously were employed
by Defendant who were classified as Inside Sales Employees in the State of

FINAL APPROVAL ORDER AND JUDGMENT

1 California at any time during the Class Period (August 30, 2019 through July 31,
2 2024), excluding drivers.

3 16. All persons who meet the foregoing definition are members of the Class, except for
4 those individuals who filed a valid request for exclusion (“opt out”) from the Class. [INSERT
5 REFERENCE TO IDENTIFY ANY OPT OUTS].

6 17. The Agreement is hereby finally approved as fair, reasonable, adequate, and in the
7 best interest of the Class. Defendant shall fund the Gross Settlement Amount, and also fund the
8 amounts necessary to fully pay Defendant’s share of payroll taxes, by transmitting the funds to the
9 Administrator no later than 14 days after the Effective Date.

10 18. Class Counsel are awarded attorneys’ fees in the amount of \$_____ and
11 costs in the amount of \$_____. Class Counsel shall not seek or obtain any other
12 compensation or reimbursement from Defendant, Plaintiffs, or members of the Class.

13 19. The payment of Class Representative Service Payments in the amount of
14 \$_____ to each Plaintiff is approved.

15 20. The payment of \$_____ to the Administrator for its fees and expenses is
16 approved.

17 21. The PAGA Penalty amount of \$50,000 is approved and is to be distributed in
18 accordance with the Agreement.

19 22. Pursuant to Labor Code section 2699, subdivision (l)(2), Class Counsel shall
20 submit a copy of this Final Approval Order and Judgment to the LWDA within 10 days after its
21 entry.

22 23. Neither the Agreement nor this Settlement is an admission by Defendant, nor is this
23 Final Approval Order and Judgment a finding, of the validity of any claims in the Action or of any
24 wrongdoing by Defendant or that this Action is appropriate for class or representative treatment
25 (other than for settlement purposes). Neither this Final Approval Order and Judgment, the
26 Agreement, nor any document referred to herein, nor any action taken to carry out the Agreement
27 is, may be construed as, or may be used as an admission by or against Defendant of any fault,
28 wrongdoing, or liability whatsoever. The entering into or carrying out of the Agreement, and any

1 negotiations or proceedings related thereto, shall not in any event be construed as, or deemed to be
2 evidence of, an admission or concession with regard to the denials or defenses by Defendant.
3 Notwithstanding these restrictions, Defendant may file in the Action or in any other proceeding
4 this Final Approval Order and Judgment, the Agreement, or any other papers and records on file in
5 the Action as evidence of the Settlement to support a defense of *res judicata*, collateral estoppel,
6 release, or other theory of claim or issue preclusion or similar defense as to the Released Class
7 Claims and/or Released PAGA Claims.

8 24. Notice of entry of this Final Approval Order and Judgment shall be given to all
9 Parties by Class Counsel on behalf of Plaintiffs and all Class Members. The Final Approval Order
10 and Judgment shall be posted on Class Counsel's website as set forth in the Class Notice to the
11 Class. It shall not be necessary to send notice of entry of this Final Approval Order and Judgment
12 to individual Class Members.

13 25. If the Agreement is not finally approved, then this Final Approval Order and
14 Judgment, and all orders entered in connection with it, shall be rendered null and void. The
15 Parties shall cooperate in good faith to address any deficiencies identified by the Court.

16 **IT IS HEREBY ORDERED, ADJUDICATED AND DECREED THAT:**

17 26. Except as set forth in the Agreement and this Final Approval Order and Judgment,
18 Plaintiffs, and all members of the Class, shall take nothing in the Action.

19 27. All Parties shall bear their own attorneys' fees and costs, except as otherwise
20 provided in the Agreement and in this Final Approval Order and Judgment.

21 28. Effective on the date when Defendant fully funds the entire Gross Settlement
22 Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class
23 Payments, Plaintiffs, Participating Class Members, Aggrieved Employees and the LWDA will
24 release claims against all Released Parties as follows:

25 (a) All Participating Class Members, on behalf of themselves and their
26 respective former and present representatives, agents, attorneys, heirs, administrators, successors,
27 and assigns, release Released Parties from the Released Class Claims. The "Released Class
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1 Claims” are all claims that were alleged, or reasonably could have been alleged, based on the facts
2 stated in the Operative Complaint which occurred during the Class Period during employment of a
3 Participating Class Member in California. Except as expressly set forth in the Agreement,
4 Participating Class Members do not release any other claims, including claims for vested benefits,
5 wrongful termination, violation of the Fair Employment and Housing Act, unemployment
6 insurance, disability, social security, workers’ compensation, or claims based on facts occurring
7 outside the Class Period.

8 (b) All Aggrieved Employees and the LWDA are deemed to release, on behalf
9 of themselves and their respective former and present representatives, agents, attorneys, heirs,
10 administrators, successors, and assigns, the Released Parties from the Released PAGA Claims.
11 The “Released PAGA Claims” are all claims for PAGA penalties that were alleged, or reasonably
12 could have been alleged, based on the facts stated in the Operative Complaint and the PAGA
13 Notice, which occurred during the PAGA Period during employment of an Aggrieved Employee
14 in California. The Released PAGA Claims do not include other PAGA claims, underlying wage
15 and hour claims, claims for wrongful termination, discrimination, unemployment insurance,
16 disability and worker’s compensation, and claims outside of the PAGA Period.

17 (c) Plaintiffs and their respective former and present spouses, representatives,
18 agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge
19 Released Parties from all claims, transactions, or occurrences that occurred during the Class
20 Period, as set forth fully in the Agreement.

21 29. For any Class Member or Aggrieved Employee whose Individual Class Payment
22 check or Individual PAGA Payment check is uncashed and cancelled after the void date, the
23 Administrator shall transmit the funds represented by such checks to the California Controller's
24 Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue"
25 subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).

26 30. The Court hereby enters judgment in the entire Action as of the filing date of this
27 Order and Judgment, pursuant to the terms set forth in the Settlement. Without affecting the
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1 finality of this Order and Judgment in any way, the Court hereby retains continuing jurisdiction
2 over the interpretation, implementation, and enforcement of the Settlement and all orders entered
3 in connection therewith pursuant to California Code of Civil Procedure section 664.6.

4 **LET JUDGMENT BE FORTHWITH ENTERED ACCORDINGLY. IT IS SO ORDERED.**

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6 Dated: _____

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8 HON. JILL H. TALLEY
9 JUDGE OF THE SUPERIOR COURT OF CALIFORNIA
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EXHIBIT #2

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FIRM RESUME

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ATTORNEY BIOGRAPHIES

Norman B. Blumenthal

Partner, Blumenthal Nordrehaug Bhowmik De Blouw LLP (2018 to present)

Practice Areas: Consumer and Securities Class Action, Civil Litigation, Wage and Hour Class Actions, Transactional Law

Admitted: 1973, Illinois; 1976, California

Biography: Law Clerk to Justice Thomas J. Moran, Illinois Supreme Court, 1973-1975, while on Illinois Court of Appeals. Instructor, Oil and Gas Law: California Western School of Law, 1981; University of San Diego School of Law, 1983. Sole Practitioner 1976-1987. Partner, Blumenthal & Ostroff, 1988-1995. Partner, Blumenthal, Ostroff & Markham, 1995-2001. Partner, Blumenthal & Markham, 2001-2007. Partner, Blumenthal & Nordrehaug, 2007. Partner, Blumenthal, Nordrehaug & Bhowmik, 2008-2018. Partner, Blumenthal Nordrehaug Bhowmik De Blouw LLP, 2018 - present.

Member: San Diego County, Illinois State and American Bar Associations; State Bar of California.

Educated: University of Wisconsin (B.A., 1970); Loyola University of Chicago (J.D., 1973);

Summer Intern (1971) with Harvard Voluntary Defenders

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Biography: Associate, Blumenthal, Ostroff & Markham, 1999-2001. Associate, Blumenthal & Markham, 2001-2007. Partner, Blumenthal & Nordrehaug, 2007. Partner, Blumenthal, Nordrehaug & Bhowmik, 2008-2017

Member: State Bar of California, Ninth Circuit Court of Appeals, Third Circuit Court of Appeals

Educated: University of California at Berkeley (B.A., 1994); University of San Diego School of Law (J.D. 1999)

Awards: Top Labor & Employment Attorney 2016; Top Appellate Reversal - Daily Journal 2015; Super Lawyer 2015-2018

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Practice Areas: Civil Litigation; Consumer Class Actions, Wage and Hour Class Actions

Admitted: 2006, California

Educated: University of California at San Diego (B.A., 2002); University of San Diego School of Law (J.D. 2006)

Biography: Partner, Blumenthal, Nordrehaug & Bhowmik, 2008-2017

Awards: Rising Star 2015

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Practice Areas: Civil Litigation; Consumer Class Actions, Wage and Hour Class Actions

Admitted: 2011, California

Educated: Wayne State University (B.A. 2008); California Western School of Law (J.D. 2011)

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Practice Areas: Civil Litigation; Consumer Class Actions, Wage and Hour Class Actions

Admitted: 2010, California

Educated: University of California, San Diego (B.S. 2006); University of Southern California, Gould School of Law (J.D. 2010)

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Practice Areas: Civil Litigation; Consumer Class Actions, Wage and Hour Class Actions

Admitted: 2011, California

Educated: University of California at San Diego (B.A., 2003); George Washington University Law School (J.D. 2010)

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Practice Areas: Civil Litigation; Wage and Hour Class Actions

Admitted: 2018, California; 2004, Nevada

Educated: University of California, San Diego (B.A. 1998); Loyola Law School (J.D. 2001)

Jeffrey S. Herman

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Practice Areas: Civil Litigation; Wage and Hour Class Actions

Admitted: 2011, California; 2016 Arizona

Educated: University of Michigan (B.A. 2008); California Western School of Law (J.D. 2011)

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Practice Areas: Civil Litigation; Wage and Hour Class Actions

Admitted: 2016, California

Educated: San Diego State University; California Western School of Law

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Practice Areas: Civil Litigation; Wage and Hour Class Actions

Admitted: 2012, California

Educated: University of California, Irvine; California Western School of Law

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Practice Areas: Civil Litigation; Wage and Hour Class Actions

Admitted: 2016, California

Educated: Arizona State University; University of San Diego School of Law

Scott Blumenthal

Associate Attorney

Practice Areas: Civil Litigation; Wage and Hour Class Actions

Admitted: 2020, New Mexico

Educated: University of Southern California; California Western School of Law

Sergio Julian Puche

Associate Attorney

Practice Areas: Civil Litigation; Wage and Hour Class Actions

Admitted: 2013, California

Educated: University of California, Irvine; California Western School of Law

Trevor Moran

Associate Attorney

Practice Areas: Civil Litigation; Wage and Hour Class Actions

Admitted: 2020, California

Educated: University of Rhode Island; California Western School of Law

Adolfo Sanchez Contreras

Associate Attorney

Practice Areas: Civil Litigation; Wage and Hour Class Actions

Admitted: 2024, California; 2014, Mexico

Educated: The Juarez University

REPORTED CASES

Sakkab v. Luxottica Retail N. Am., Inc., 803 F.3d 425 (9th Cir. 2015) (The panel reversed the district court's order granting Luxottica Retail North America, Inc.'s motion to compel arbitration of claims and dismissing plaintiff's first amended complaint, in a putative class action raising class employment-related claims and a non-class representative claim for civil penalties under the Private Attorney General Act.);

Securitas Security Services USA, Inc. v. Superior Court, 234 Cal. App. 4th 1109 (Cal. Feb. 27, 2015) (Court of Appeal concluded the trial court correctly ruled that *Iskanian* rendered the PAGA waiver within the parties' dispute resolution agreement unenforceable. However, the Court of Appeal then ruled the trial court erred by failing to invalidate the non-severable class action waiver from the agreement and remanded the entire complaint, including class action and PAGA claims, be litigated in the Superior Court);

Sussex v. United States Dist. Court for the Dist. of Nev., 781 F.3d 1065 (9th Cir. 2015) (The panel determined that the district court clearly erred in holding that its decision to intervene mid-arbitration was justified under *Aerojet-General*. Specifically, the panel held that the district court erred in predicting that an award issued by the arbitrator would likely be vacated because of his "evident partiality" under 9 U.S.C. § 10(a)(2).);

Provost v. YourMechanic, Inc., 2020 Cal. App. Lexis 955 (Oct. 15, 2020) (Court of Appeals affirmed denial of arbitration of PAGA claim, and held in a case of first impression, that there was no additional standing rules for PAGA claim brought by independent contractor);

In re Tobacco Cases II, 41 Cal. 4th 1257 (2007); Washington Mutual Bank v. Superior Court, 24 Cal. 4th 906 (2001); Rocker v. KPMG LLP, 148 P.3d 703; 122 Nev. 1185 (2006); PCO, Inc. v. Christensen, Miller, Fink, Jacobs, Glaser, Weil & Shapiro, LLP, 150 Cal. App. 4th 384 (2007); Hall v. County of Los Angeles, 148 Cal. App. 4th 318 (2007); Coshov v. City of Escondido, 132 Cal. App. 4th 687 (2005); Daniels v. Philip Morris, 18 F.Supp 2d 1110 (S.D. Cal.1998); Gibson v. World Savings & Loan Asso., 103 Cal. App. 4th 1291 (2003); Jordan v. Department of Motor Vehicles,

75 Cal. App. 4th 445 (1999); Jordan v. Department of Motor Vehicles, 100 Cal.App. 4th 431 (2002); Norwest Mortgage, Inc. v. Superior Court, 72 Cal.App.4th 214 (1999); Hildago v. Diversified Transp. Sya, 1998 U.S. App. LEXIS 3207 (9th Cir. 1998); Kensington Capital Mgal. v. Oakley, Inc., 1999 U.S. Dist LEXIS 385; Fed.Sec.L.Rep. (CCH) P90, 411 (1999 C.D. Cal.); Lister v. Oakley, Inc., 1999 U.S. Dist. LEXIS 384; Fed. Sec. L. Rep. (CCH) P90,409 (C.D. Cal. 1999); Olszewski v. Scripps Health, 30 Cal. 4th 798 (2003); Steroid Hormone Product Cases, 181 Cal. App. 4th 145 (2010); Owen v. Macy's, Inc., 175 Cal. App. 4th 462 (2009); Taiheiyo Cement Corp. v. Superior Court, 117 Cal. App. 4th 380 (2004); Taiheiyo Cement Corp. v. Superior Court, 105 Cal.App. 4th 398 (2003); McMeans v. Scripps Health, Inc., 100 Cal. App. 4th 507 (2002); Ramos v. Countrywide Home Loans, 82 Cal.App. 4th 615 (2000); Tevssier v. City of San Diego, 81 Cal.App. 4th 685 (2000); Washington Mutual Bank v. Superior Court, 70 Cal. App. 4th 299 (1999); Silvas v. E*Trade Mortg. Corp., 514 F.3d 1001 (9th Cir. 2008); Silvas v. E*Trade Mortg. Corp., 421 F. Supp. 2d 1315 (S.D. Cal. 2006); McPhail v. First Command Fin. Planning, Inc., 2009 U.S. Dist. LEXIS 26544 (S.D. Cal. 2009); McPhail v. First Command Fin. Planning, Inc., 251 F.R.D. 514 (S.D. Cal. 2008); McPhail v. First Command Fin. Planning, Inc., 247 F.R.D. 598 (S.D. Cal. 2007); Barcia v. Contain-A-Way, Inc., 2009 U.S. Dist. LEXIS 17118 (S.D. Cal. 2009); Barcia v. Contain-A-Way, Inc., 2008 U.S. Dist. LEXIS 27365 (S.D. Cal. 2008); Wise v. Cubic Def. Applications, Inc., 2009 U.S. Dist. LEXIS 11225 (S.D. Cal. 2009); Gabisan v. Pelican Prods., 2009 U.S. Dist. LEXIS 1391 (S.D. Cal. 2009); La Jolla Friends of the Seals v. Nat'l Oceanic & Atmospheric Admin. Nat'l Marine Fisheries Serv., 630 F. Supp. 2d 1222 (S.D. Cal. 2009); La Jolla Friends of the Seals v. Nat'l Oceanic & Atmospheric Admin. Nat'l Marine Fisheries Serv., 2008 U.S. Dist. LEXIS 102380 (S.D. Cal. 2008); Louie v. Kaiser Found. Health Plan, Inc., 2008 U.S. Dist. LEXIS 78314 (S.D. Cal. 2008); Weltman v. Ortho Mattress, Inc., 2010 U.S. Dist. LEXIS 20521 (S.D. Cal. 2010); Weltman v. Ortho Mattress, Inc., 2008 U.S. Dist. LEXIS 60344 (S.D. Cal. 2008); Curry v. CTB McGraw-Hill, LLC, 2006 U.S. Dist. LEXIS 5920; 97 A.F.T.R.2d (RIA) 1888; 37 Employee Benefits Cas. (BNA) 2390 (N.D. Cal. 2006); Reynov v. ADP Claims Servs. Group, 2006 U.S. Dist. LEXIS 94332 (N.D. Cal. 2006); Kennedy v. Natural Balance Pet Foods, Inc., 2010 U.S. App. LEXIS 248 (9th Cir. 2010); Kennedy v. Natural Balance Pet Foods, Inc., 2008 U.S. Dist. LEXIS 38889 (S.D. Cal. 2008); Kennedy v. Natural Balance Pet Foods, Inc., 2007 U.S. Dist. LEXIS 57766 (S.D. Cal. 2007); Sussex v. Turnberry/MGM Grand Towers, LLC, 2009 U.S. Dist. LEXIS 29503 (D. Nev. 2009); Picus v. Wal-Mart Stores, Inc., 256 F.R.D. 651 (D. Nev. 2009); Tull v. Stewart Title of Cal., Inc., 2009 U.S. Dist. LEXIS 14171 (S.D. Cal. 2009); Keshishzadeh v. Gallagher, 2010 U.S. Dist. LEXIS 46805 (S.D. Cal. 2010); Keshishzadeh v. Arthur J. Gallagher Serv. Co., 2010 U.S. Dist. Lexis 116380 (S.D. Cal. 2010); In re Pet Food Prods. Liab. Litig., MDL Docket No. 1850 (All Cases), 2008 U.S. Dist. LEXIS 94603 (D.N.J. 2008); In re Pet Food Prods. Liab. Litig., 629 F.3d 333 (3rd Cir. 2010); Puentes v. Wells Fargo Home Mortgage, Inc., 160 Cal. App. 4th 638 (2008); Rezec v. Sony Pictures Entertainment, Inc., 116 Cal. App. 4th 135 (2004); Badillo v. Am. Tobacco Co., 202 F.R.D. 261 (D. Nev. 2001); La Jolla Friends of the Seals v. Nat'l Oceanic & Atmospheric Admin., 2010 U.S. App. Lexis 23025 (9th Cir. 2010); Dirienzo v. Dunbar Armored, Inc., 2011 U.S. Dist. Lexis 36650 (S.D. Cal. 2011); Rix v. Lockheed Martin Corp., 2011 U.S. Dist Lexis 25422 (S.D. Cal. 2011); Weitzke v. Costar Realty Info., Inc., 2011 U.S. Dist Lexis 20605 (S.D. Cal. 2011); Goodman v. Platinum Condo. Dev., LLC, 2011 U.S. Dist. LEXIS 36044 (D. Nev. 2011); Sussex v. Turnberry/MGM Grand Towers, LLC, 2011 U.S. Dist. LEXIS 14502 (D. Nev. 2011); Smith v. Kaiser Foundation Hospitals, Inc., 2010 U.S. Dist. Lexis 117869 (S.D. Cal. 2010); Dobrosky v. Arthur J. Gallagher Serv. Co., LLC, No. EDCV 13-0646 JGB (SPx), 2014 U.S. Dist. LEXIS 106345 (C.D. Cal. July 30, 2014); Metrow v. Liberty Mut. Managed Care LLC - Class Certification Granted, Metrow v. Liberty Mut. Managed Care LLC, No. EDCV 16-1133 JGB (KKx), 2017 U.S. Dist. LEXIS 73656 (C.D. Cal. May 1, 2017); Nelson v. Avon Products, Inc., Class Certification Granted, U.S. District Court for The Northern District of California, Case No. 13-cv-02276-BLF, 2015 U.S. Dist. LEXIS 51104 (N.D. Cal. Apr. 17, 2015); Orozco v. Illinois Tool Works Inc., Class Certification Granted, 2017 U.S. Dist. LEXIS 23179 (E.D. Cal. Feb. 16, 2017); Rieve v. Coventry Health Care, Summary Judgment *Sua*

Sponte Granted for Plaintiff, Rieve v. Coventry Health Care, Inc., 870 F. Supp. 2d 856 (C.D. Cal. 2012)

CLASS ACTION & REPRESENTATIVE CASES

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Holdings Inc., Santa Clara County Superior Court, Case No. 1-13-cv-240830; Davis v. Clear Connection, LLC, San Diego County Superior Court, Case No. 37-2014-00035173-CU-OE-CTL; Day v. WDC Exploration, Orange County Superior Court, Case No. 30-2010-00433770; Dedrick v. Hollandia Dairy, San Diego County Superior Court, Case No. 37-2014-00004311-Cu-OE-CTL; Delmare v. Sungard Higher Education - Settled U.S. District Court, Southern District of California, Case No. 07-cv-1801; Del Rio v. Tumi Stores, Inc., San Diego County Superior Court, Case No. 37-2015-00022008-CU-OE-CTL; Dewane v. Prudential, U.S. District Court, Central District of California, Case No. SA CV 05-1031; Diesel v. Wells Fargo Bank, Orange County Superior Court, Case No. 30-2011-00441368; Dirienzo v. Dunbar Armored, U.S. District Court, Southern District of California, Case No. 09-cv-2745; Dobrosky v. Arthur J. Gallagher Service Company, LLC, Class certification Granted, No. EDCV 13-0646 JGB (Spx); Dodds v. Zaven Tootikian, Los Angeles County Superior Court, Case No. BC494402; Drumheller v. Radioshack Corporation, United States District Court, Central District of California, Case No. SACV11-355; Enger v. Kaiser Foundation Health Plan, U.S. District Court, Southern District of California, Case No. 09-cv-1670; Escobar v. Silicon Valley Security & Patrol, Inc., Santa Clara County Superior Court, Case No. 1-14-cv272514; Fierro v. Chase Manhattan - Class Certification Granted, Settled San Diego Superior Court, Case No. GIN033490; Figueroa v. Circle K Stores, Inc., San Diego County Superior Court, Case No. 37-2012-00101193-CU-OE-CTL; Finch v. Lamps Plus, (Lamps Plus Credit Transaction Cases), San Diego Superior Court, Case No. JCCP 4532; Fletcher v. Verizon, U.S. District Court, Southern District of California, Case No. 09-cv-1736; Francisco v. Diebold, U.S. District Court, Southern District of California, Case No. 09-cv-1889; Friend v. Wellpoint, Los Angeles Superior Court, Case No. BC345147; Frudakis v. Merck Sharp & Dohme, U.S. District Court, Central District California, Case No. SACV 11-00146; Fulcher v. Olan Mills, Inc., U.S. District Court, Northern District of California, Case No. 11-cv-1821; Gabisan v. Pelican Products, U.S. District Court, Southern District California, Case No. 08 cv 1361; Galindo v. Sunrun Installation Services Inc., San Diego County Superior Court, Case No. 37-2015-00008350-CU-OE-CTL; Gallagher v. Legacy Partners Commercial, Santa Clara County Superior Court, Case No. 112-cv-221688; Ghattas v. Footlocker Retail, Inc., U.S. District Court Central District of California, Case No. CV 13-0001678 PA; Gibson v. World Savings, Orange County Superior Court, Case No. 762321; Goerzen v. Interstate Realty Management, Co., Stanislaus County Superior Court, Case No. 679545; Gomez v. Enterprise Rent-A-Car, U.S. District Court, Southern District of California, Case No. 3:10-cv-02373; Gordon v. Wells Fargo Bank, U.S. District Court, Southern District of California, Case No. 3:11-cv-00090; Grabowski v. CH Robinson, U.S. District Court, Southern District of California, Case No. 10-cv-1658; Gross v. ACS Compiq Corporation, Orange County Superior Court, Case No. 30-2012-00587846-CU-OE-CXC; Gripenstraw v. Buffalo Wild Wings, U.S. District Court, Eastern District of California, Case No. 12-CV-00233; Gruender v. First American Title, Orange County Superior Court, Case No. 06 CC 00197; Guillen v. Univision Television Group, Inc. & Univision Management Co., San Francisco County Superior Court, Case No. CGC-12-526445; Gujjar v. Consultancy Services Limited, Orange County Superior Court, Case No. 30-2010-00365905; Gutierrez v. Five Guys Operations, LLC, San Diego County Superior Court, Case No. 37-2012-00086185-CU-OE-CTL; Handler v. Oppenheimer, Los Angeles Superior Court, Civil Action No. BC343542; Harley v. Tavistock Freebirds, LLC, Sacramento County Superior Court, Case No. 34-2014-00173010; Harrington v. Corinthian Colleges – Class Certification Granted, Orange Superior Court; United States Bankruptcy Court District of Delaware; Harvey v. PQ Operations, Inc., Los Angeles County Superior Court, Case No. BC497964; Henshaw v. Home Depot U.S.A., United States District Court, Central District of California, Case No. SACV10-01392; Heithold v. United Education Institute, Orange County Superior Court, Case No. 30-2013-00623416-CU-OE-CXC; Hibler v. Coca Cola Bottling, Settled U.S. District Court, Southern District of California, Case No. 11cv0298; Hildebrandt v. TWC Administration LLC & Time Warner NY Cable, LLC, U.S. District Court, Central District of California, Case No. ED-cv-13-02276-JGB; Hopkins v. BCI Coca-Cola Bottling Company of Los Angeles, United states District Court, Central District of California; U.S. Court of Appeals 9th Circuit; Howard v. Southern California Permanente

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Court, Case No. RG17862924; Karr v. Tristar Managed Care, Inc. – Contra Costa Superior Court, case No. MSC17-00650; Gouveia v. Central Cal Transportation – San Joaquin County Superior Court, Case No. STK-CV-UOE-2017-0001765; Miranda v. Genex Services, LLC – U.S. District Court, Northern District of California, Case No. 17-CV-01438-JD; Spears v. Health Net of California, Inc. – Sacramento County Superior Court, Case No. 34-2017-00210560; Martinez v. Geil Enterprises, Inc. – Fresno County Superior Court, Case No. 17CECG01879; McComack v. Marriott Ownership Resorts, Inc. – U.S. District Court, Southern District of California, Case No. 17CV1663 BEN WVG; Velasco v. Lemonade Restaurant Group, LLC – Los Angeles County Superior Court, Case No. BC672235; Smith v. Personnel Services, Inc. – U.S. District Court, Northern District of California, Case No. 17-CV-03594-SK; Gabriel v. Kuni SDA, LLC – San Diego County Superior Court, Case No. 37-2017-000251191-CU-OE-CTL; Miller v. Mattress Firm, Inc. – Santa Clara County Superior Court, Case No. 17CV313148; Provost v. Yourmechanic, Inc. – San Diego County Superior Court, Case No. 37-2017-00024056-CU-OE-CTL; Zirpolo v. UAG Stevens Creek II, Inc. – Santa Clara County Superior Court, Case No. 17CV313457; Salazar v. Aids Healthcare Foundation – San Diego County Superior Court, Case No. 37-2017-00033482-CU-OE-CTL; Knipe v. Amazon.com, Inc. – San Diego County Superior Court, Case No. 37-2017-00029426-CU-OE-CTL; Erwin v. Caremeridian, LLC – Fresno County Superior Court, Case No. 17CECG03048; Davis v. Cox Communications California, LLC – U.S. District Court, Southern District of California, Case No. 16-CV-00989-BAS-BLM; Lara v. RMI International, Inc. – Los Angeles County Superior Court, Case No. BC597695; Harper v. C.R. England, Inc. – U.S. District Court, Utah Central Division, Case No. 16-CV-00906-DB; Mrazik v. C.H. Robinson Company – U.S. District Court, Central District of California, Case No. 12-CV-02067-CAS-PLA; Horn v. Rise Medical Staffing, LLC – U.S. District Court, Eastern District of California, Case No. 2:17-cv-01967-MCE-KJN; Pasallo v. GSG Protective Services CA Inc. – San Diego Superior Court, Case No. 37-2018-00037611-CU-OE-CTL; Smith v. Pacific Personnel Services, Inc. – U.S. District Court, Northern District of California, Case No. 17-cv-03594-SK; Terrado v. Accredited Debt Relief, LLC – San Diego Superior Court, Case No. 37-2018-00014181-CU-OE-CTL; Escobedo v. Pacific Western Bank – Los Angeles Superior Court, Case No. BC682686; Wade v. Automobile Club of Southern California – Orange County Superior Court, Case No. 30-2017-00960268-CU-OE-CXC; Montano v. American Automobile Association of Northern California – Contra Costa County Superior Court, Case No. CIVMSC18-01539; Perez v. Summit Interconnect, Inc. – Orange County Superior Court, Case No. 30-2018-00995403-CU-OE-CXC; Wolleson v. Gosch Imports, Inc. – Riverside County Superior Court, Case No. RIC170356; Banuelos v. Ortho Mattress, Inc. – Orange County Superior Court, Case No. 30-2020-01161304-CU-OE-CXC; Castellanos v. Miller Automotive Group, Inc. – Los Angeles County Superior Court, Case No. BC699211; Tressler v. Spoonful Management, LLC – Los Angeles County Superior Court, Case No. BC71940; Delph v. Employee Retention Services, LLC – San Diego County Superior Court, Case No. 37-2018-00007885; Romero v. May Trucking Company – U.S. District Court, Central District of California, Case No. 5:17-cv-02166-JGB-SHK; Miranda v. Genex Services, LLC – San Bernardino County Superior Court, Case No. CIVDS1700779; Moore v. Zirx Transportation Services, Inc. – Los Angeles County Superior Court, Case No. CGC-18-566655; Sottile v. Motion Recruitment Partners – Santa Clara County Superior Court, Case No. 18CV321677; Shahbazian v. Fast Auto Loans, Inc. – U.S. District Court, Central District of California, Case No. 2:18-cv-03076-ODW-KS; Salazar v. Johnson & Johnson Consumer Inc. – Los Angeles County Superior Court, Case No. BC702468; Conti v. L’Oreal USA S/D, Inc. – U.S. District Court, Eastern District of California, Fresno, Case No. 1:19-CV-00769-LJO-SKO; Mercado v. Security Industry Specialists, Inc. – Santa Clara County Superior Court, Case No. 17CV320059; Vikili v. Dignity Health – San Francisco County Superior Court, Case No. CGC-18-569456; Bagby v. Swissport SA, LLC – Los Angeles County Superior Court, Case No. BC691058; Henry v. Motion Entertainment Group, LLC – San Francisco County Superior Court, Case No. CGC18565643; Dandoy v. West Coast Convenience, LLC – Alameda County Superior Court, Case No. HG20051121; Lanuza v. AccentCare, Inc. – San Francisco County Superior Court, Case No. CGC-18-565521; Thomas v. Easy Driving School, LLC – San Diego County Superior Court, Case

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Case No. 37-2018-00058254-CU-OE-CTL; Tarkington v. Freetime, Inc. – San Diego County Superior Court, Case No. 37-2019-00011473-CU-OE-CTL; McIntyre v. J.J.R. Enterprises, Inc. – Sacramento County Superior Court, Case No. 34-2019-00251220; Bucur v. Pharmaca Integrative Pharmacy, Inc. – San Diego County Superior Court, Case No. 37-2019-00009409-CU-OE-CTL; Batin v. McGee Air Services, Inc. – Santa Clara County Superior Court, Case No. 19CV347733; Terry v. McGee Air Services, Inc. – King County Superior Court of Washington, Case No. 19-2-3321-5 KNT; Weiss v. Niznik Behavioral Health Resources, Inc. – San Diego County Superior Court, Case No. 37-2019-00039441-CU-OE-CTL; Cavada v. Inter-Continental Hotels Group, Inc. – U.S. District Court, Southern District of California, Case No. 3:19-cv-01675-GPC-AHG; Lešević v. Spectraforce Technologies, Inc. – U.S. District Court, Northern District of California, Case No. 5:19-cv-03126-LHK; Mutchler v. Circle K Stores, Inc. – San Diego County Superior Court, Case No. 37-2020-00016331-CU-OE-CTL, Azima v. CSI Medical Group, – Santa Clara County Superior Court, Case No. 19CV345450; Porrás v. Baypointe Enterprises, LLC – Los Angeles County Superior Court, Case No. 19STCV31015; Mitchell v. Mack Trucking, Inc. – San Bernardino County Superior Court, Case No. CIVDS1928334; Watts v. T.R.L. Systems, Incorporated – Orange County Superior Court, Case No. 30-2019-01102457-CU-OE-CXC; Price v. DMSD Restaurants Inc. – San Diego County Superior Court, Case No. 37-2019-00024062-CU-OE-CTL; Jacobs v. Nortek Security & Control LLC – San Diego County Superior Court, Case No. 37-2019-0019735-CU-OE-CTL; Gonzalez v. Hub International Midwest – San Bernardino County Superior Court, Case No. CIVDS1900463; Cisneros v. Bluepearl California, Inc. – San Mateo Superior Court, Case No. 19-CIV-05707; Garcia v. Gallagher Basset Services – San Bernardino Superior Court, Case No. CIVDS2004140; Callow v. Adventist Health System/West – Placer County Superior Court, Case No. SCV0043607; Dominguez v. Kimco Facility Services, LLC – Los Angeles County Superior Court, Case No. 19STCV37592; Searles v. Robert Heath Trucking, Inc. – Los Angeles County Superior Court, Case No. 19STCY30808; Rangel v. Pioneer Hi-Bred international, Inc. – Yolo County Superior Court, Case No. CV-19-1797; Ivon v. Sinclair Television of California, Humboldt County Superior Court, Case No. DR190699; Williams v. Henkels & McCoy, Inc. – San Bernardino County Superior Court, Case No. CIVDS2003888; Cano v. Larry Green Chrysler Jeep Dodge, Inc. – Riverside County Superior Court, Case No. BLC1900184; Lopez v. Cepheid – Santa Clara County Superior Court, Case No. 19CV358827; Hernandez v. Quick Dispense, Inc. – Los Angeles County Superior Court, Case No. 19STCV29405; Lopez v. Lacoste USA, Inc. – San Bernardino County Superior Court, Case No. CIVDS1914626; Duhe v. Hospital Couriers Nevada, LLC – Contra Costa County Superior Court, Case No. MSC19-01377; Law v. Sequoia Equities, Incorporated – Contra Costa Superior Court, Case No. C19-01925; Dvorak v. Rockwell Collins, Inc. – San Diego County Superior Court, Case No. 37-2019-00064397-CU-OE-CTL; Noguera v. Metal Container Corporation – Riverside County Superior Court, Case No. RIC2003235; Leon v. Miller Event Management, Inc. – San Luis Obispo Superior Court, Case No. 19CV-0435; Leon v. Miller Event Management, Inc. – San Luis Obispo County Superior Court, Case No. 19CV-0435, Camacho-Bias v. Serve U Brands Inc. – Butte County Superior Court, Case No. 20CV00603; La Pietra v. Entertainment Partners Services, LLC – Los Angeles County Superior Court, Case No. 19STCV39529; Celis v. Theatre Box - San Diego, LLC – San Diego County Superior Court, Case No. ____; Ignacio v. Laboratory Corporation of America – U.S. District Court, California Central District, Case No. 2:19-cv-06079-AB-RAO; Kovnas v. Cahill Contractors LLC – Alameda County Superior Court, Case No. RG19037852; Hersh v. Mrs. Gooch's Natural Food – Los Angeles County Superior Court, Case No. 19STCV10444; Miller v. The Permanente Medical Group – Alameda County Superior Court, Case No. RG19045904; Vasquez v. Autoalert, LLC – Orange County Superior Court, Case No. 30-2019-01114549-CU-OE-CXC; Cavanaugh v. Morton Golf, LLC – Sacramento County Superior Court, Case No. 34-2019-00270176; Coley v. Monroe Operations, LLC – Alameda County Superior Court, Case No. RG20063188; Ramirez v. Sierra Aluminum Company – U.S. District Court, California Central District Court, Case No. 5:20-cv-00417-JGB-KK; Marrero v. Stat Med, P.C. – Alameda County Superior Court, Case No. HG19043214; Enriquez v. Solari Enterprises, Inc. – Los Angeles County Superior Court, Case No. 20STCV11129; Craig v.

Hometown Heart – San Francisco County Superior Court, Case No. CGC-20-582454; Lopez v. Hy0Lang Electric California, Inc. – San Diego County Superior Court, Case No. 37-2020-00012543-CU-OE-CTL; Heuklom v. Clara Medical Group, P.C. – San Francisco County Superior Court, Case No. CGC-20-585918; Dominguez v. Lifesafer of Northern California – Monterey County Superior Court, Case No. 20CV002586; Kiseleva v. Totalmed Staffing Inc. – U.S. District Court, California Northern District, Case No. 5:19-cv-06480; Vires v. Sweetgreen, Inc. – Santa Clara County Superior Court, Case No. 20CV365918; Kim v. Wireless Vision, LLC – San Bernardino County Superior Court, Case No. CIVDS2000074; Senoren v. Air Canada Corporation – Los Angeles County Superior Court, Case No. 20STCV13942; Clark v. Quest Diagnostics Incorporated – San Bernardino County Superior Court, Case No. CIVDS2018707; Green v. Shipt, Inc. – Los Angeles County Superior Court, Case No. 20STCV01001; Respass v. The Scion Group LLC – Sacramento County Superior County, Case No. 34-2020-00285265; Jackson v. Decathlon USA LLC – Alameda County Superior Court, Case No. RG2003024; Avacena v. FTG Aerospace Inc. – Los Angeles County Superior Court, Case No. 20STCV28767; Perez v. Butler America, LLC – Los Angeles County Superior Court, Case No. 20STCV20218; Christensen v. Carter’s Retail, Inc. – Orange County Superior Court, Case No. 30-2020-01138792-CU-OE-CXC; Astudillo v. Torrance Health Association, Inc. – Los Angeles County Superior Court, Case No. 20STCV18424; Hansen v. Holiday AI Management Sub LLC – Contra Costa County Superior Court, Case No. CIVMSC20-00779; Almahdi v. Vitamin Shoppe Industries Inc – Santa Clara County Superior Court, Case No. 20CV365150; Krisinda v. Loyal Source Government Services LLC – U.S. District Court, California Southern District, Case No. 3:20-cv-879-LAB-NLS; Ettedgui v. WB Studio Enterprises Inc – U.S. District Court, California Central District, Case No. 2:20-CV-08053-MCS (MAAx); Fernandez v. Nuvision Federal Credit Union – Orange County Superior Court, Case No. 30-2020-01161691-CU-OE-CJC; Aviles v. UPS Supply Chain Solutions, Inc. – Riverside County Superior Court, Case No. RIC2000727; Alcocer v. DSV Solutions, LLC – San Bernardino Superior Court, Case No. CIVDS2010345; Wilson v. Wholesome Harvest Baking, LLC – U.S. District Court, California Northern District, Case No. 4:20-cv-05186-YGR; Gregory v. Verio Healthcare, Inc. – Los Angeles County Superior Court, Case No. 20STCV37254; Rose v. Impact Group, LLC – Orange County Superior Court, Case No. 30-2020-01141107-CU-OE-CXC; Monasterio v. Citibank, N.A. – San Mateo County Superior Court, Case No. 20-CIV-03650; Martinez-Lopez v. Medamerica, Inc. – San Diego County Superior Court, Case No. 37-2020-00034393-CU-OE-CTL; Cox v. PRB Management, LLC – Solano County Superior Court, Case No. FCS055514; Nash v. K. Hovnanian Companies, LLC – Riverside County Superior Court, Case No. RIC2003319; Kyler v. Harbor Freight Tools USA, Inc. – San Diego County Superior Court, Case No. 37-2020-00015828-CU-OE-CTL; Roberts v. Solantic Corporation – Los Angeles County Superior Court, Case No. 20STCV41117; Price v. Mistras Group, Inc. – Los Angeles County Superior Court, Case No. 20STCV22485; Macias v. ABM Electrical & Lighting Solutions, Inc. – San Diego County Superior Court, Case No. 37-2020-00024997-CU-OE-CTL; Basu-Kesselman v. Garuda Labs, Inc. – San Francisco County Superior Court, Case No. CGC-20-585229; Armstrong v. Prometric LLC – Los Angeles County Superior Court, Case No. 20STCV29967; Ashlock v. Advantis Medical Staffing, LLC – San Diego County Superior Court, Case No. 37-2020-00022305-CU-OE-CTL; Wilson v. WXI Global Solutions, LLC – Los Angeles County Superior Court, Case No. 20STCV25007; Gandhale v. Select Rehabilitation, LLC – Monterey County Superior Court, Case No. 20CV002240; Starvoice v. G4S Secure Solutions (USA) Inc. – San Diego County Superior Court, Case No. 37-2020-00029421-CU-OE-CTL; Mbise v. Axlehire, Inc. – Alameda County Superior Court, Case No. RG20067350; Points v. C&J Services, Inc. – Kern County Superior Court, Case No. BCV-20-102483; Marshall v. PHI Air Medical, LLC – Lassen County Superior Court, Case No. 62973; Jauregui v. Cyctec Engineered Materials, Inc. – Orange County Superior Court, Case No. 30-2020-01164932-CU-OE-CXC

EXHIBIT #3

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**WRITERS EXT:
1004**

January 14, 2022
CA2523

VIA ONLINE FILING TO LWDA AND CERTIFIED MAIL TO DEFENDANT

Labor and Workforce Development Agency
Online Filing

General Logistics Systems US, Inc.
Certified Mail #70211970000003066613
Registered Agent Solutions, Inc.
720 14th Street
Sacramento, CA 95814

Re: Notice Of Violations Of California Labor Code Sections §§ 201, 202, 203, 204 *et seq.*, 210, 221, 226(a), 226.7, 227.3, 246 *et seq.*, 351, 510, 512, 558(a)(1)(2), 1194, 1197, 1197.1, 1198, 2802, California Code of Regulations, Title 8, Section 11040, Subdivision 5(A)-(B), California Code of Regulations, Title 8, Section 1 1070(14) (Failure to Provide Seating), Violation of Applicable Industrial Welfare Commission Wage Order(s), and Pursuant To California Labor Code Section 2699.5.

Dear Sir/Madam:

“Aggrieved Employees” refers to all individuals who are or previously were employed by General Logistics Systems US, Inc. in California and classified as non-exempt employees but excluding employees who were employed as drivers during the time period of January 14, 2021 until a date as determined by the Court. Our offices represent Plaintiffs Nina McPherson and Doreen Hupp (“Plaintiffs”) and other Aggrieved Employees in a lawsuit against General Logistics Systems US, Inc. (“Defendant”). Plaintiff McPherson was employed by Defendant in California as a non-exempt employee from February of 2010 to October of 2021 and entitled to the legally required meal and rest breaks and payment for all time worked under Defendant’s control. Plaintiff Hupp was employed by Defendant in California as a non-exempt employee from 2010 to October of 2021 and entitled to the legally required meal and rest breaks and payment for all time worked under Defendant’s control. Defendant, however, unlawfully failed to record and pay Plaintiffs and other Aggrieved Employees for, including but not limited to, all of their time worked, including minimum and overtime wages, for all of their missed meal and rest breaks, and for all of their time spent working off the clock, and failed to pay these employees all their earned gratuities. Moreover, when Defendant required Plaintiffs and Aggrieved Employees to report for work, but “furnished less than half said employee’s usual or scheduled day’s work,” Defendant violated Cal. Code Regs., tit. 8 § 11040, subd. 5(A) by failing to pay

Plaintiffs and Aggrieved Employees for at least two (2) hours' worth of work at their regular rate of pay. In addition, when Defendant required Plaintiffs and Aggrieved Employees to respond to and engage in additional work, this resulted in a second reporting for work in a single workday, and Defendant failed to pay these employees reporting time pay as required by Cal. Code Regs., tit. 8, § 11040, subd. 5(B). Further, Defendant failed to advise Plaintiffs and the other Aggrieved Employees of their right to take separately and hourly paid duty-free ten (10) minute rest periods. *See Vaquero v. Stoneledge Furniture, LLC*, 9 Cal. App. 5th 98, 110 (2017). Additionally, pursuant to Labor Code § 204 *et seq.*, Defendant failed to timely provide Plaintiffs and other Aggrieved Employees with their wages. Plaintiffs further contend that Defendant failed to provide accurate wage statements to them, and other Aggrieved Employees, in violation of California Labor Code section 226(a). Specifically, Plaintiffs and Aggrieved Employees were paid on an hourly basis. As such, the wage statements should reflect all applicable hourly rates during the pay period and the correct total hours worked, and the applicable pay period in which the wages were earned pursuant to California Labor Code Section 226(a). The wage statements Defendant provided to Plaintiffs and other Aggrieved Employees failed to identify such information. More specifically, the wage statements failed to identify the accurate total hours worked each pay period in violation of Cal. Lab. Code Section 226(a)(2) as when the hours were added up they did not equal the actual amount of hours worked each pay period. Additionally, Plaintiffs contend that Defendant failed to comply with Industrial Wage Order 7(A)(3) in that Defendant failed to keep time records showing when Plaintiffs began and ended each shift and meal period. Plaintiffs and other Aggrieved Employees performed tasks that reasonably permit sitting, and a seat would not interfere with their performance of any of their tasks that may require them to stand. Defendant failed to provide Plaintiffs and other Aggrieved Employees with suitable seats. Said conduct, in addition to the foregoing, as well as the conduct alleged in the incorporated Complaint, violates Labor Code §§ 201, 202, 203, 204 *et seq.*, 210, 221, 226(a), 226.7, 227.3, 246, 351, 510, 512, 558(a)(1)(2), 1194, 1197, 1197.1, 1198, 2802, California Code of Regulations, Title 8, Section 11040, Subdivision 5(A)-(B), California Code of Regulations, Title 8, Section 1 1070(14) (Failure to Provide Seating), Violation of the applicable Industrial Welfare Commission Wage Order(s), and is therefore actionable under California Labor Code section 2699.3.

A true and correct copy of the Complaint by Plaintiffs against Defendant, which (i) identifies the alleged violations, (ii) details the facts and theories which support the alleged violations, (iii) details the specific work performed by Plaintiffs, (iii) sets forth the people/entities, dates, classifications, violations, events, and actions which are at issue to the extent known to Plaintiffs, and (iv) sets forth the illegal practices used by Defendant, is attached hereto. This information provides notice to the Labor and Workforce Development Agency of the facts and theories supporting the alleged violations for the agency's reference. Plaintiffs therefore incorporate the allegations of the attached Complaint into this letter as if fully set forth herein. If the agency needs any further information, please do not hesitate to ask.

This notice is provided to enable Plaintiffs to proceed with the Complaint against Defendant as authorized by California Labor Code section 2699, *et seq.* The lawsuit consists of other Aggrieved Employees. As counsel, our intention is to vigorously prosecute the claims as alleged in the Complaint, and to procure civil penalties as provided by the Private Attorney General Statute of 2004 on behalf of Plaintiffs and all Aggrieved Employees. Your

earliest response to this notice is appreciated. If you have any questions of concerns, please do not hesitate to contact me at the above number and address.

Respectfully,

/s/Nicholas J. De Blouw

Nicholas J. De Blouw, Esq.

EXHIBIT #4

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Attorneys for Defendant GENERAL LOGISTICS
SYSTEMS US, INC.

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SACRAMENTO

NINA MCPHERSON AND DOREEN HUPP,
individuals on behalf themselves and on behalf of
all persons similarly situated,

PLAINTIFF,

v.

GENERAL LOGISTICS SYSTEMS US, INC., a
California Corporation; and DOES 1 through 50,
Inclusive,

DEFENDANTS.

CASE No: 34-2022-00318125-CU-OE-GDS;
CONSOLIDATED WITH CASE No.:
34-2022-00318236-CU-OE-GDS

**DECLARATION OF TIFFANY LEWIS OF
GENERAL LOGISTICS SYSTEMS US, INC.**

DECLARATION OF TIFFANY LEWIS

I, Tiffany Lewis, declare as follows:

1. I am the SR Payroll and Benefits Manager for General Logistics Systems US, Inc. ("GLS"), a defendant in the above-entitled action. The facts stated in this declaration are of my own personal knowledge, including knowledge based on my review of records kept by GLS in the ordinary course of business. If called to testify, I could and would testify competently to the facts stated in this declaration.

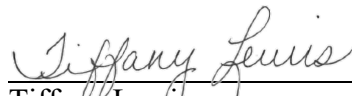
2. To the knowledge of GLS, there are no actual or potential conflicts of interest between the Settlement Administrator in this matter, ILYM Group, Inc., and GLS.

3. GLS is not aware of any other pending matters or actions asserting claims that will be extinguished or adversely affected by the Settlement in this matter.

4. I have reviewed the employee records for the class period, August 30, 2019-July 31, 2024. During that time period, there were 3,091 current and former non-exempt employees, including all individuals who are or previously were employed by GLS who were classified as Inside Sales Employees in the State of California, excluding drivers. Those 3,091 worked a total of 150,786 workweeks during the class period.

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

Executed on this 4th day of March 2025, at Stratford, Oklahoma.



Tiffany Lewis

EXHIBIT #5

From: [DIR PAGA Unit](#)
To: kyle@bamlawca.com
Subject: Thank you for your Proposed Settlement Submission
Date: Friday, February 28, 2025 2:09:55 PM

02/28/2025 02:09:39 PM

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

Item submitted: Proposed Settlement

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

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: http://labor.ca.gov/Private_Attorneys_General_Act.htm