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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN MATEO

CATHERINE ELIZABETH ADAMS,
individually, and on behalf of all others similarly
situated,

Plaintiff,

vs.

LAKEPHARMA, INC., a California corporation;
and DOES 1 through 10, inclusive,

Defendants.

Case No.: 22CIV02126

[Hon. Nicole S. Healy]

CLASS ACTION

**DECLARATION OF H. SCOTT LEVIANT
IN SUPPORT OF PLAINTIFF'S MOTION
FOR PRELIMINARY APPROVAL OF
CLASS AND REPRESENTATIVE ACTION
SETTLEMENT**

Date: December 18, 2024
Time: 2:00 p.m.
Courtroom: Dept. 28, Courtroom I
Judge: Hon. Nicole S. Healy

Action Filed: May 26, 2022
Trial Date: Not Set

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DECLARATION OF H. SCOTT LEVIANT

I, H. Scott Leviant, declare as follows:

1. I am admitted, in good standing, to practice as an attorney in the State of California, the United States Supreme Court, the Eighth Circuit Court of Appeals, the Ninth Circuit Court of Appeals, and the United States District Courts for the Central, Eastern, Northern and Southern Districts of California. I have never been subject to discipline by the State Bar of California. I am a fully qualified, adult resident of the State of California, and, if called as a witness herein, I would testify truthfully to the matters set forth herein. All of the matters set forth herein are within my personal knowledge, except those matters that are stated to be upon information and belief. As to such matters, I believe them to be true.

2. I am employed as a Senior Counsel at the law firm of Moon Law Group, PC (formerly Moon & Yang, APC). My business address is 725 S. Figueroa St., 31st Floor, Los Angeles, California 90017 (formerly 1055 W. 7th Street, Suite 1880, Los Angeles, California 90017) and my business telephone number is (213) 232-3128. I am counsel for Plaintiff CATHERINE ELIZABETH ADAMS, and I am proposed counsel for the Settlement Class.

3. This Declaration is submitted in support of Plaintiff's Motion for Preliminary Approval of Class and Representative Action Settlement.

BACKGROUND

4. On May 26, 2022, Plaintiff commenced this Action by filing a Complaint alleging causes of action against Defendant for failure to pay minimum and regular rate wages, failure to pay overtime compensation, failure to provide meal periods, failure to authorize and provide rest breaks, failure to timely pay final wages at termination, failure to provide accurate itemized wage statements, and unfair business practices.

5. Plaintiff sent a letter to the Labor and Workforce Development Agency ("LWDA"), pursuant to California Labor Code § 2699.3, providing notice of her intent to seek civil penalties under the Private Attorneys General Act, California Labor Code § 2698, *et seq.* The LWDA did not indicate that it intended to investigate the alleged violations referenced in the letter, and the 65-day time period

1 permitted for the LWDA to provide such a notification expired. On August 17, 2022, Plaintiff filed a
2 First Amended Complaint alleging an additional cause of action against Defendant for civil penalties
3 under the Private Attorneys General Act (“PAGA”). The First Amended Complaint is the operative
4 complaint in the Action (the “Operative Complaint.”).

5 6. The Parties conducted informal and formal discovery and investigation of the facts and
6 law. Such investigation included, *inter alia*, the exchange of extensive data and discoverable information
7 in preparation for the mediation session. The Parties have analyzed time clock, pay and other data
8 pertaining to Plaintiff and the Class during the relevant Settlement Period, including but not limited to the
9 numbers of former and current members of the Class, average workweeks and pay periods, and average
10 rate of hourly pay. Data for the full Class was analyzed; no sampling was used. In addition, Defendant
11 also provided other data pertaining to Plaintiff and the Class during the relevant Class Period, including
12 but not limited documents reflecting wage and hour policies and practices during the Class Period and
13 information regarding the total number of current and former employees in the Class.

14 7. After reviewing documents regarding Defendant’s wage and hour policies and practices
15 and other information obtained during the exchange of discovery, Class Counsel were able to evaluate
16 the probability of class certification, success on the merits, and the reasonably obtainable maximum
17 monetary exposure for all claims. Class Counsel reviewed these records and prepared a damage analysis
18 prior to mediation. Class Counsel also investigated the applicable law regarding the claims and defenses
19 asserted in the litigation.

20 8. Because of the small size of the Class, and health issues affecting the intended mediator,
21 the Parties agreed to directly negotiate a settlement. The Parties discussed at length the burdens and risks
22 of continuing with the litigation as well as the merits of claims and defenses. After the mediation, and
23 the eventual settlement, the Parties then signed a long form settlement agreement (the “Agreement”).

24 9. Plaintiff and Class Counsel are aware of the burdens of proof necessary to establish
25 liability for the claims asserted in the Action, both generally and in response to Defendant’s defenses
26 thereto. Plaintiff and Class Counsel have also taken into account Defendant’s agreement to enter into a
27 Settlement that confers substantial relief upon the Class.

28 10. Based on the foregoing, Plaintiff and Class Counsel have determined that the Settlement

set forth in this Agreement is a fair, adequate, and reasonable Settlement and is in the best interests of the Class. Solely for the purpose of settling this case, the parties agree that the requirements for establishing class action certification with respect to this class have been met and are met. If this Settlement is not approved by the Court for any reason, Defendant reserves its right to contest class certification. This Settlement, if approved, will result in the termination of the litigation through the entry of the Judgment and the release of all Released Claims for all Class Members, including all within the class definition who have not elected to exclude themselves from the Class.

SUMMARY OF THE SETTLEMENT TERMS

11. Key provisions of the proposed settlement include the following:

- (a) Defendant agrees not to oppose certification for purposes of Settlement (Settlement, ¶ 12.1);
- (b) Class: All persons employed by Defendant in California and classified as hourly, non-exempt employees who worked for Defendant during the Class Period (the “Class Period” is the period from May 26, 2018 to the earlier of 60 days after the execution of the Agreement or the date of preliminary approval of the Settlement). “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Class portion of the Settlement. (Settlement, ¶¶ 1.5, 1.9, 1.12, 1.34.)
- (c) Settlement Amount: Defendant will pay a maximum of **\$125,000.00**, referred to as the Gross Settlement Amount (or GSA herein), resulting in an estimated average **gross** benefit per Class Member of about **\$3,289.47** (Settlement, ¶¶ 1.21, 8; Leviant Decl., ¶ 17.);
- (d) Funding of 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. (Settlement, ¶ 4.2.)
- (e) Class Size: About **38** individuals who worked about 3,188 workweeks.

(Settlement, ¶ 8.);

(f) PAGA Group Size: An estimated **31** aggrieved employees who worked 755 pay periods during the PAGA Period (Settlement, ¶ 8);

(g) PAGA Period: May 21, 2021 to the earlier of 60 days after the execution of this agreement or the date of preliminary approval of the Settlement. (Settlement, ¶ 1.30);

(h) Kullar/Munoz Analysis: Plaintiff addresses the claims analysis in the Motion, at Part V.B.3, and below, at Paragraph 18;

(i) No Reversion: The Settlement is a *non-reversionary* settlement (Settlement, ¶ 3.1);

(j) Certification: Plaintiff addresses certification requisites in the Motion, at Part V.A., and below, at Paragraphs 34-40;

(k) No Claim Form: No claim form is required (Settlement., ¶ 3.1);

(l) Class Release: The Settlement will release wage-and-hour claims for Participating Class Members (those Class Members who do not opt out of the Settlement) all claims that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint (Settlement, ¶ 5.2);

(m) PAGA Release: All Class Members who are Aggrieved Employees will release all claims for civil penalties under PAGA, based on the facts and Labor Code sections that were alleged or reasonably could have been alleged in Plaintiff's PAGA Notice and the Operative Complaint. (Settlement, ¶ 5.3);

(n) Net Settlement Amount Available to the Class: After deducting Class Counsel's attorneys' fees and costs, service payment to Plaintiff, administration costs, and the PAGA penalty, the remainder will be available for distribution to Class Members who do not opt out, with each Class Member receiving a share based on the number of Workweeks each Class Member worked for Defendant within the Class Period. The Net Settlement Amount is estimated to be at least **\$39,333.33**, resulting in an average **net** payment per Class Member of

- approximately **\$1,035.09**, before any tax withholdings. (Settlement, ¶ 1.27.)
- (o) Tax Allocation: The amounts distributed to Class Members will be characterized as 20% alleged unpaid wages, 80% to interest and penalties, and PAGA Settlement payments to Aggrieved Employees will be allocated as 100% penalties. (Settlement, ¶¶ 3.2.4.1, 3.2.5.)
- (p) Employer's Portion of Payroll Taxes Paid Separately: Defendant's portion of payroll taxes (e.g., FICA, FUTA, etc.) owed on any settlement payments to Class Members that constitute wages will be paid separate and apart from the GSA (Settlement, ¶ 3.1);
- (q) Settlement Administrator: The notice portion of the Settlement will be administered by a third-party Administrator, Phoenix Class Action Administration Solutions, with the costs of administration at a flat rate of up to \$10,000.00. Phoenix's estimate for settlement administration services in the amount of **\$4,000.00** was selected as the lowest bid from a competitive bidding process and is below the Parties' estimated cost of \$10,000.00. (Settlement, ¶ 3.2.3; Moore Decl., Exh. B.)
- (r) Class Data for Administration: The Settlement Administrator will receive the Class Data within 15 calendar days of Preliminary Approval, use the National Change of Address ("NCOA") database to update the Class Data, and then use skip tracing on returned Notices (Settlement, ¶¶ 4.2; 1.10);
- (s) Notice: The Notice will issue within 14 days of receipt of the Class List (Settlement, ¶ 7.4.2). The Notice describes how to dispute workweeks, submit an objection in writing, in person, or through an attorney, or request exclusion (Settlement, ¶¶ 7.5 – 7.7);
- (t) Notice Language: Notice will issue in English (Settlement, ¶ 1.11; 7.4.2);
- (u) Objections: Objections can be submitted in person, by attorney, or in writing to the Administrator, with no pre-requisite to being heard (Settlement, ¶¶ 7.7.1 – 7.7.3);

- (v) Exclusion Requests: The procedure for exclusion requests, mailing a request to the Settlement Administrator, is the same as the procedure for submitting a written objection (Settlement, ¶¶ 7.5.1 and 7.7.2);
- (w) PAGA Allocation: From the GSA, **\$12,500.00** will be allocated to settle claims brought pursuant to the California Private Attorneys General Act, Labor Code § 2699 *et seq.* (“PAGA”), and seventy-five percent (75%), or **\$9,375.00**, will be paid to the California Labor & Workforce Development Agency. (Settlement, ¶ 1.33; 3.2.5);
- (x) Notice to LWDA: Notice was provided prior to the filing of this Motion. Evidence is attached to the Leviant Declaration;
- (y) Enhancement/Service Award to Plaintiff: Defendant will not oppose the application for Class Representative Service Payment of up to **\$7,500.00** for Plaintiff, to be paid from the GSA (Settlement, ¶ 3.2.1);
- (z) Fees and Costs: Defendant will not oppose Class Counsel’s application for fees not to exceed 33 1/3% of the GSA (**\$41,666.67**), and actual costs, in an amount not to exceed **\$20,000.00**, to be paid out of the GSA (Settlement, ¶ 3.2.2);
- (aa) Check Void Period: Settlement checks will be valid for 180 days (Settlement, ¶ 4.4.1);
- (bb) Uncashed Checks: Any settlement checks that are mailed to the Class Members and remain uncashed after 180 days of the date of issuance will be cancelled, and the moneys will be directed to the State Controller’s Office, Unclaimed Property Division in the name of the Class Member (Settlement, ¶ 4.4.3);
- (cc) Judgment Notice: Judgment will be posted on the Settlement Administrator’s website after entry (Settlement, ¶ 7.8.1);
- (dd) Confidentiality Provisions: The Settlement permits Class Counsel to discuss the Settlement with Class Members (Settlement ¶ 12.2).

12. A true and correct copy of the CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE is attached hereto as Exhibit “1.”

1
2 THE SETTLEMENT IS FAIR, JUST AND REASONABLE

3 13. Plaintiff and counsel have diligently investigated the claims of the Class Members.
4 Plaintiff and Class Counsel concluded, after taking into account the disputed factual and legal issues
5 involved in this Action, the substantial risks attending further prosecution, including risks related to the
6 outcome of certification and possible summary judgment efforts, the limited financial resources
7 available to Defendant, and the substantial benefits to be received pursuant to the compromise and
8 settlement of the Action as set forth in the Settlement, that settlement on the terms agreed to are in the
9 best interest of Plaintiff and the putative Class and are fair and reasonable. Plaintiff's counsel brought to
10 bear a great deal of experience with class actions in negotiating the settlement of this case.

11 14. One fundamental purpose of the class action device is to promote efficiency. Resolution
12 at this time will forestall the need for additional expensive and time-consuming litigation that could
13 very well result in an outcome less satisfactory than that proposed under this settlement. But, before any
14 other consideration, we have agreed to this settlement because it is objectively reasonable. The potential
15 for resolution benefits the class members, since they do not have to wait additional years for a similar
16 recovery. The efficiency of this litigation benefits the Court, the parties and their counsel. A class-wide
17 resolution is the most realistic method for addressing the claims raised in this matter.

18 15. We have engaged in the necessary investigation in this case that made it possible for us
19 to exercise informed judgment in those aspects of the settlement process in which we were involved.
20 The exchange of time and wage data, wage and hour policy documents, and data about the composition
21 of the Class, were sufficient to permit us counsel to adequately evaluate the settlement. We had more
22 than enough information upon which to evaluate a fair and reasonable settlement amount.

23 16. In addition to disputing the merits of Plaintiff's claims at trial, Defendant intended to
24 aggressively challenge the case at the certification stage. Defendant contends that Plaintiff could not
25 prevail on a certification motion. We believe that the case was viable through to a trial. However, while
26 Plaintiff asserts a belief that this is a viable case for trial, we realize that there are always very
27 significant risks associated with certification and trials, and those risks cannot be eliminated in this
28

case. Continued litigation of this lawsuit presented Plaintiff and Defendant with substantial legal risks and costs that were (and continue to be) difficult to assess. The risks in this matter include:

- the risk that Plaintiff would be unable to establish liability for allegedly unpaid straight time or overtime wages, *see Duran v. US Bank Nat'l Ass'n*, 59 Cal. 4th 1, 39 & fn. 33 (2014) ("*Duran*"), *citing Dilts v. Penske Logistics, LLC* 2014 WL 205039 (S.D. Cal. 2014) (dismissing certified off-the-clock claims based on proof at trial);
- the risk that Defendant's challenged employment policies might not ultimately support class certification or a class-wide liability finding, *see, Duran*, 59 Cal. 4th at 14 & fn. 28 (citing Court of Appeal decisions favorable on class certification issue without expressing opinion as to ultimate viability of proposition);
- the risk that uncertainties pertaining to the legality of Defendant's policies and practices could preclude class-wide awards of penalties under Labor Code §§ 203 and 226(e);
- the risk that individual differences between Class Members could be construed as pertaining to liability, and not solely to damages, *see, Duran*, 59 Cal. 4th at 19;
- the risk that any civil penalties award under the PAGA could be reduced by the Court in its discretion, *see* Labor Code § 2699(e)(1);
- the risk that lengthy trial or appellate litigation could ensue; and,
- the risk violation rate estimates could prove lower than expected.

These risks are non-exhaustive. While we remain confident that we possess credible strategies for responding to the legal and factual risks facing them, those risks cannot be disregarded. We carefully considered the risks created by all of these uncontrollable factors when evaluating the reasonableness of this proposed settlement. This Settlement provides a benefit to the Class Members that is very reasonable in light of these particular risks.

17. The Settlement is the product of arm's-length negotiations between the Parties occurring throughout the litigation. In light of the uncertainties of protracted litigation, the financial limitations placed on Defendant's funds, and the state of the law regarding the legal positions of the Parties, the settlement amount reflects the best feasible recovery for the Class Members. The settlement amount is, of course, a compromise figure. By necessity it took into account risks related to liability,

1 damages, and the defenses asserted by Defendant. Moreover, each Class Member will be given the
2 opportunity to opt-out of the Settlement, allowing those who feel they have claims that are greater than
3 the benefits they can receive under this Settlement to pursue their own claims. For the approximately 38
4 members of the Class, the average **gross** benefit is **\$3,289.47** per class member, and the estimated
5 average **net** recovery for each Class Member would be at least **\$1,035.09**. Given that Defendant could
6 potentially defeat certification, this is a significant sum to have achieved in settlement. Moreover, a
7 Class Member who worked a greater number of weeks for Defendant will receive a larger share of the
8 Settlement than a Class Member who worked for a shorter amount of time during the class period.

9 18. After analyzing the claims in this matter, Plaintiff has concluded that the value of this
10 Settlement is fair, adequate, and reasonable. The Gross Settlement Amount of **\$125,000** is about 96% of
11 the **\$129,728.42** estimate of *risk-adjusted* recovery (excluding interest) at this stage in the litigation. On
12 that basis, it would be unwise to pass up this settlement opportunity. This assessment is based on a
13 carefully constructed model of the current fair value of the case, using estimated risks, average wage
14 rates, numbers of employees, and the amount of time covered by the class period. While Plaintiff would
15 certainly have preferred to recover more (and Defendant would have preferred to pay less), this outcome
16 is in line with a carefully constructed estimate of the current fair value of the case. On that basis, it
17 would be unwise to pass up this settlement opportunity. The risk-adjusted value of each claim, on a
18 claim-by-claim basis, is as follows:

- 19 • A reasonably estimated exposure for unpaid off-the-clock wages was calculated, with the
20 assistance of an expert, to be approximately **\$24,876.67**. However, with the risk factor
21 discounts for certification and liability proof, the value of that claim is estimated by
22 Plaintiff's counsel to be approximately **\$2,985.20**, assuming certification probability of
23 40% and merits success at 30%. The off-the-clock time resulted from COVID-19
24 screening procedures, which occurred for a limited time. Here, a **\$2,985.20** exposure has
25 a value of just over 12% of its maximum, given a likelihood of success on both events,
26 which is an approximation of the chain probability of certification multiplied by merits
27 chances: $0.4 \times 0.3 = 0.12$. This exposure assumption (1) ignores the fact that this is
28 unlikely to have affected every employee, and (2) also assumes the off-the-clock contacts
happened every day *and* took an average of at least 5 minutes, an assumption that is
likely far too optimistic. This theory of recovery also has a high degree of risk because it
depends on Class Member estimates of the frequency and duration and is testimony
dependent.
- A reasonably estimated exposure for unpaid wages due to regular rate errors was
calculated, with the assistance of an expert, to be approximately **\$129.00**. However, with
the risk factor discounts for certification and liability proof, the value of that claim is
estimated by Plaintiff's counsel to be approximately **\$72.56**, assuming certification

probability of 75% and merits success at 75%. This occurred so rarely that the value was negligible for settlement purposes.

- A reasonably estimated exposure for rest break violations over the class period was calculated at **\$119,480.60**, but with chances of certification and proof of liability (20% and 20% respectively) for a risk-adjusted exposure of **\$5,371.46**. This claim is factually disputed, and some inconsistent information from class members indicates that this theory carries the potential for high risk. Because this claim is based entirely on class member testimonials, and the rest break policy of Defendant appeared to be a lawful policy, Plaintiff asserted value for settlement purposes, while understanding that the risk presented by this claim was very high. Based on some allegations that rest breaks were missed “regularly,” Plaintiff calculated the exposure assuming one missed rest break per week for 100% of the Class, an incredibly optimistic assumption.
- A reasonably calculated exposure for meal break violations over the class period was calculated at **\$80,869.00**, with chances of certification and liability risks (50% and 50% respectively) resulting in a risk-adjusted exposure of **\$20,217.25**. This exposure is based upon facial violations of short, missed, or late meal periods. The exposure valuation was still susceptible to attack. Employee choice is a serious issue in the context of a meal period claim. So long as an employee has the opportunity to take a lawful meal period, an employee can choose to take it late, cut it short, or skip it. The total violation rate was about 38%.
- Risk-adjusted penalty recoveries for wage statement and Labor Code § 203 penalties were estimated to be approximately **\$5,499.00** and **\$6,112.68**, respectively, on maximum exposures of **\$45,825.00** and **\$50,939.00**, respectively (with certification and merits success chances of 40% and 30% respectively, based on the off-the-clock theory of unpaid wages).
- After investigation, Plaintiff’s Counsel determined that Defendant has a lawful reimbursable expenses policy, and there were no systematic failures to reimburse necessary expenses on a classwide basis.
- Performing risk-adjusted valuations for all claims yields a total value in the range of **\$39,655.92**, excluding PAGA.¹
- PAGA penalties exposure was calculated to be **\$360,250.00**. But, assuming issues with proof and cooperation of aggrieved employees, along with the Court’s power to reduce penalties, the realistic exposure was calculated to be **\$90,062.50**.

19. The \$125,000.00 settlement here is fully supportable. Many risks are eliminated through settlement. And, with respect to those risks, certification rates in California are *lower* than conventional wisdom holds. The Judicial Council’s Class Certification in California: SECOND INTERIM REPORT

¹ It is difficult to assign specific percentages to future events, but it does provide a specific method for attempting to reduce the concept of “very high risk” or “high risk” to a quantifiable amount. Certification of a claim is typically a binary event. One does not obtain a 20% certification; a claim is either certified or it is not. But the current expected value is best quantified by applying a risk reduction, based on the total experience of counsel. The numbers explain with math what can also be described conceptually in words.

1 FROM THE STUDY OF CALIFORNIA CLASS ACTION LITIGATION - FEBRUARY 2010
2 (“Second Interim Report”), at page 5, states that “less than a quarter of disposed cases in the study
3 sample were certified, either through a litigated motion for certification **or** as part of a classwide
4 settlement agreement.” *See*, Second Interim Report, at 5 (emphasis added).² That “**or**” is significant.
5 The certification rates identified in the study of less than 25% includes **both** contested certifications and
6 settlement certifications, which are the majority of certifications. In other words, one must assume in any
7 wage and hour class action prior to certification that a contested certification motion will have a success
8 rate of well under 25%, and probably closer to 10% as a starting point for risk evaluation. The facts of
9 each case have significant bearing on these percentages. But it cannot be disputed that certification is an
10 exceptionally difficult procedural hurdle to successfully overcome. Thus, it is not unreasonable to start
11 from the proposition that a pre-certification settlement that is 10% to 15% of the maximum plausible
12 exposure is a valid starting point for valuation. If roughly 10% of class actions are certified on a
13 contested basis, then, on average, 90% of the time a class will not be certified and the result for the class
14 is *zero* dollars. Here, the estimated certification probabilities are **above** the average rate at which cases
15 were certified in California over the study years, based upon data available through the California Courts
16 websites, given that well *under* 20% of all cases filed as proposed class actions are ultimately certified by
17 way of a *contested* motion. The recovery falls within the expected outcome range under the likelihood of
18 success metric.³ It would also be appropriate to evaluate the result by examining only the premium
19 wages at issue (approximately \$225,355.27, with no risk reduction), excluding penalties and interest; the
20 settlement is about 55.47% of the premium wages (unpaid wages, meal period premiums, and rest break
21 premiums) at maximum realistic exposure value.⁴ Because the total Settlement amount and the

22
23 ² The report is available at <https://www.courts.ca.gov/documents/classaction-certification.pdf> (last
viewed March 12, 2024).

24 ³ *See, e.g., Ferrell v. Buckingham Property Mgmt.* (E.D. Cal. Jan. 21, 2020) Case No. 1:19-cv-
25 00332-LJO-SAB, 2020 WL 291042, *17-20 (granting preliminary approval of settlement that
represented 5.2% of the original valuation of the claims); *Thomas v. Cognizant Tech. Sols. U.S. Corp.*
26 (C.D. Cal. June 24, 2013) No. SACV111123JSTANX, 2013 WL 12371622, at *6 (granting final
approval of settlement that encompassed between 4.4% and 5% of the maximum estimated liability).

27 ⁴ The exclusion of interest and penalties from the fairness evaluation is proper because, first, PAGA
28 penalties are discretionary (*see* Lab. Code § 2699(e)(2) (the court in its discretion “may award a lesser
amount than the maximum civil penalty amount specified by this part...”)), and, second, courts evaluate

1 proportion of the Settlement allocated to PAGA penalties fall within the range of what is reasonable, the
2 Settlement should be approved.

3 20. To the best of my knowledge there are no other like claims asserted or filed by Class
4 Members. To the best of my knowledge, no Class Member has refrained from bringing an action with
5 claims similar to those raised in the Action, whether in reliance on the Action or otherwise, and who
6 thus might be prejudiced by dismissal of the Action.

7 8 THE EXPERIENCE OF CLASS COUNSEL

9 21. Moon Law Group, PC (former named Moon & Yang, APC), has been engaged in the
10 practice of employment and labor law for almost a decade and presently focuses exclusively on
11 plaintiffs' employment law. The firm and its lawyers have handled many hundreds of wage-related
12 class actions between them. The firm and its lawyers have successfully settled more than 300 class
13 action matters during that time span. The firm and its lawyers have also tried both bench and jury trials
14 (representing both plaintiffs and defendants) relating to employment matters. Moon Law Group, PC, is
15 routinely appointed lead or co-lead class counsel (or counsel for representative plaintiffs in FLSA
16 representative actions) in federal and state courts in California and elsewhere, by way of motion for
17 class certification or motion for settlement approval. I personally participated in the litigation of more
18 than 500 class actions since 1999, and more than 90 percent of those cases were wage and hour matters.
19 While I have not maintained a comprehensive list, I have been appointed as lead or co-lead counsel in
20 many hundreds of class actions.

21 22. Mr. Kane Moon received a B.A. in History in 1998 from UCLA. He received his J.D.
22 from Loyola Marymount Law School in 2006. He became an Active Member of the State Bar of
23 California in June 2007 and has been an Active Member in good standing continuously since then. He
24 is a current member of the California Employment Lawyers Association (CELA).

25 23. Mr. Moon co-founded Moon & Yang, APC, now Moon Law Group, PC, in March
26

27 the strength of a proposed settlement without taking potential penalties or interest into consideration. *See*
28 *Rodriguez v. West Publishing Corp.*, 563 F.3d 948, 955 (9th Cir. 2000); *see also Miller v. CEVA*
Logistics U.S.A., Inc., 2015 WL 729638, at *7 (E.D. Cal. Feb. 19, 2015).

2010. Since that time, Mr. Moon built his practice to have an emphasis on employment and related civil litigation cases. In fact, the practice is focused almost exclusively on advocating for the rights of employees in wage-and-hour litigation through class and representative actions. Moon Law Group, PC is presently class counsel for many dozens of other putative wage-and-hour class and representative action lawsuits pending in various state and federal jurisdictions throughout California. Moon Law Group, PC has also successfully settled hundreds of wage-and-hour cases; tried both bench and jury trials in employment-related matters, representing both plaintiffs and defendants; and been appointed lead or co-lead class counsel in numerous federal and state courts in California. The following is a list of some of the firm's class action settlements that have received preliminary and final approval: *Mark Brulee, et al. v. DAL Global Services, LLC* (C.D. Cal. Dec. 20, 2018) No. CV 17-6433 JVS(JCGx), 2018 WL 6616659 (class size approx. 2,650; lead counsel) (In approving my \$650 hourly rate, the Court found: "Class Counsel's declarations show that the attorneys are experienced and successful litigators. Other courts have approved the attorneys' current rates for the Moon & Yang, APC attorneys." (*Id.* at *10.); *Sison v. Cha Hollywood Medical Center, L.P.*, LASC BC6441 29 (class size approx. 2,100; co-counsel); *Jones v. Fitness Alliance, LLC*, Riverside Superior Court PSC1404079 (class size approx. 1,000; lead counsel); *Gomez v. H Mart Companies, Inc.*, LASC BC671525 (class size approx. 2,500; co-counsel); *Montoya v. Golden 1 Credit Union*, Sacramento Superior Court 34-2018-00228252 (class size approx. 1,900; lead counsel); *Campa v. Bloomingdeals, Inc.*, LASC BC700366 (class size approx. 1,500; lead counsel); *Black v. Mission Healthcare Services, Inc.*, LASC 19STCV04602 (class size approx. 1,000; lead counsel); *Onofre v. Caitac Garment Processing, Inc.*, LASC BC702283 (class size approx. 750; lead counsel); *Martinez v. Bail Hotline Bail Bonds, Inc.*, LASC BC700131 (class size approx. 173; lead counsel); *Jones v. Citiguard, Inc.*, LASC BC664890 (class size approx. 587; lead counsel); *Slaughter v. ACA Security Stems, LP*, LASC BC699137 (class size approx. 300; lead counsel); *Taylor v. Sherman's Delicatessen & Bakery, LLC*, LASC BC722765 (class size approx. 515; lead counsel); *Vertti v. Bagcraft Papercon III, LLC*, LASC 19STCV12729 (class size approx. 260; lead counsel); *Rodriguez v. Rossmoyne, Inc.*, LASC BC699137 (class size approx. 220; lead counsel); *Vargas v. AMS Paving, Inc.*, LASC BC722767 (case size approx. 260; lead counsel); *Garcia v. Comfy U.S.A. Apparel, Inc.*, LASC BC709630 (class

size approx. 210; lead counsel); *Lagos v. ThyssenKrupp Elevator Corporation*, LASC BC682972 (\$750,000 for 79 Class Members; lead counsel); *Aparicio v. Lineage Logistics, LLC*, LASC BC722764 (class size approx. 155; lead counsel). Mr. Moon’s experience is and has been invaluable in assessing the reasonableness of settlements such as the one at issue here.

24. I received my undergraduate degree from Occidental College. Graduating cum laude, I majored in economics and received a “minor” emphasis in mathematics. Along with my study of economics and mathematics, I also had an emphasis in physics. This combination of scientific and economic education has been of assistance during my litigation of complex civil actions. I received my Juris Doctor degree from the University of Southern California Law Center.

25. My experience relevant to class action litigation includes the following:

(a) I have been involved in the litigation of class actions since 1997, working as a law clerk on a number of class action matters. Since 1999, I have participated as an attorney in the litigation of hundreds of class actions, in California Superior Courts and in federal courts in California, Illinois, and Louisiana. I emphasized litigation of wage and hour class actions beginning in 2005, but I have focused on complex litigation of different types at all times since 1999.

(b) Dating back to 1999, some of the earliest cases in which I contributed to my then-firm’s efforts as co-lead/liaison counsel include:

i. *In re Paradise Memorial Park Litigation*, Los Angeles Superior Court Lead Case No. BC130375; and,

ii. *In re Lincoln Memorial Park Litigation*, Los Angeles Superior Court Lead Case No. BC133643.

(c) I have litigated contested class certification motions multiple times, prevailing on many. Examples include the following:

1) In 2023, I certified a rest break claim against SMS Transportation, in the matter of *Beard v. SMS Transportation*. Rest break claims are notably difficult to certify.

- 1 2) In 2023, I certified a regular rate claim against Downtown Women’s
2 Center, in the matter of *Evans v. Downtown Women’s Center*.
- 3 3) In 2018, I certified wage and hour claims against Home Depot, in the
4 matter of *Utne v. Home Depot*, in the United States District Court,
5 Northern District of California. The contested certification resulted in a
6 certified class of roughly 140,000 individuals.
- 7 4) In 2019, I certified a Fair Credit Reporting Act claim related to
8 employment background checks against Wal-Mart Stores, Inc., in the
9 matter of *Pitre v. Wal-Mart Stores, Inc.*, in the United States District
10 Court, Central District of California. The contested certification
11 resulted in a certified class of over 5,000,000 individuals.
- 12 5) In 2018, I fully briefed a contested class certification motion in the
13 matter of *Harelson v. U.S. Aviation*, in the United States District Court,
14 Northern District of California. After certification was fully briefed, the
15 matter successfully settled.
- 16 6) In 2013, I certified an investment fraud suit, in the matter of *Larsen v.*
17 *Coldwell Banker*, in the United States District Court, Central District of
18 California.
- 19 7) In 2012, I fully briefed a contested class certification motion, in the
20 wage and hour matter of *Gillings v. Time Warner*, in the United States
21 District Court, Central District of California. In that matter, summary
22 judgment was granted against my clients and the certification motion
23 was deemed moot. I appealed to the Ninth Circuit and obtained a
24 reversal of the District Court’s decision. Upon remand, the matter
25 settled.
- 26 8) In approximately 2011, I fully briefed a contested class certification
27 motion, in the wage and hour matter of *Gomez v. Lincare, Inc.*, in the
28

1 Superior Court of California, County of Orange. Certification was
2 denied. The result was appealed, and a partial reversal was obtained.

3 9) In approximately 2008, I fully briefed a contested class certification
4 motion, in the wage and hour matter of *Ghazaryan v. Diva Limousine,*
5 *LTD.*, Superior Court of California, County of Los Angeles.
6 Certification was denied. I appealed, handling all briefing, and, in
7 *Ghazaryan v. Diva Limousine, LTD.*, 169 Cal.App.4th 1524 (2009), pet.
8 for rev. denied, I obtained a decision directing the trial court to certify
9 the class. *Ghazaryan* is now widely cited, including by the California
10 Supreme Court, as a comprehensive source for the standards applied to
11 certification motions in California.

12 10) In approximately 2006, I fully briefed a contested class certification
13 motion, in the wage and hour matter of *Laliberte v. Pacific Mercantile*
14 *Bank*, Superior Court of California, County of Orange. Certification
15 was denied. I appealed, handling all briefing. The published opinion of
16 *Laliberte v. Pacific Mercantile Bank*, 147 Cal.App.4th 1 (2007), rev.
17 denied, pet. for cert. den. resulted, and I petitioned for a Writ of
18 Certiorari related to certification due process issues.

19 11) In approximately 2008, I assisted with briefing of a contested class
20 certification motion, in the wage and hour matter, against the
21 Automobile Club of Southern California (AAA). A class was certified
22 and the matter tried.

23 (d) I have prosecuted appeals in more than 20 class action matters alone, arguing
24 before the United States Court of Appeals for the Ninth Circuit Court and
25 several of California's Courts of Appeal. I have taken several appeals through
26 to Petitions for Writs of Certiorari to the United States Supreme Court. In
27 connection with the appeals I have handled, I have participated in appeals
28

1 resulting in decisions concerning or relating to class actions or wage and hour
2 issues. Among others, those include:

- 3 i. *Camp v. Home Depot, U.S.A., Inc.*, 84 Cal. App. 5th 638 (October
4 24, 2022), *rev. granted* (February 1, 2023);
- 5 ii. *Donohue v. AMN Services, Inc.*, (February 25, 2021) (amicus
6 counsel)
- 7 iii. *Gilberg v. California Check Cashing Stores, LLC*, 913 F.3d 1169
8 (9th Cir. Jan. 29, 2019), *pet. for rehearing and pet. for en banc*
9 *rehearing den.*;
- 10 iv. *Troester v. Starbucks Corporation*, 5 Cal. 5th 829 (2018), *as*
11 *modified on denial of reh'g* (Aug. 29, 2018);
- 12 v. *Gillings v. Time Warner Cable LLC*, 583 Fed.Appx. 712 (9th Cir.
13 2014);
- 14 vi. *Ghazaryan v. Diva Limousine, LTD.*, 169 Cal. App. 4th 1524
15 (2009), *pet. for rev. denied*;
- 16 vii. *Laliberte v. Pacific Mercantile Bank*, 147 Cal. App. 4th 1 (2007),
17 *rev. denied, pet. for cert. denied*;
- 18 viii. *Alvarez v. May Dept. Stores Co.*, 143 Cal. App. 4th 1223 (2006),
19 *rev. denied, pet. for cert. denied*;
- 20 ix. *Johnson v. Glaxosmithkline, Inc.*, 166 Cal. App. 4th 1497 (2008),
21 *rev. denied*;
- 22 x. *Howard, et al. v. America Online, Inc.*, 208 F.3d 741 (9th Cir.
23 2000), *pet. for cert. denied*;
- 24 xi. *Brown v. Ralphs Grocery Company*, 197 Cal. App. 4th 489 (2011)
25 (amicus counsel);
- 26 xii. *D. R. Horton, Inc. and Michael Cuda*, Case 12–CA–25764, 357
27 NLRB No. 184 (January 3, 2012) (amicus counsel). This NLRB
28 matter is of particular note, as it is at the center of a dispute

1 regarding the interplay between the Federal Arbitration Act (FAA)
2 and two labor relations laws, the National Labor Relations Act
3 (NLRA) and Norris-LaGuardia Act. Cases highlighting that issue
4 have been accepted by the United States Supreme Court.

5 (e) I was the lead appellate author in a matter before the California Supreme Court
6 that generated substantial interest in the field of wage and hour litigation. That
7 matter, *Troester v. Starbucks Corporation*, resolved a significant issue of
8 whether, under California law, a *de minimis* defense exists to the employer's
9 obligation to pay all wages for all compensable time worked by an employee.

10 (f) I was the lead appellate counsel in a matter before the California Court of
11 Appeal (Sixth Appellate District) that generated substantial interest in the field
12 of wage and hour litigation. That matter, *Camp v. Home Depot, U.S.A., Inc.*,
13 held that prior jurisprudence erroneously concluded that, under California law,
14 underpayment of wages as a result of rounding of time clock punches is lawful
15 so long as the rounding was neutral on its face and as applied. *Camp* is now
16 pending before the California Supreme Court but remains citable as authority
17 pursuant to an Order of the California Supreme Court.

18 (g) In addition to my work on complex litigation matters and class actions, I have
19 authored published articles and columns on issues related to class actions and
20 other litigation issues, including:

21 i. H. Scott Leviant, *Unintended Consequences*, 6 U.C. Davis Bus. L.J.
22 18 (2006), at <http://blj.ucdavis.edu/article.asp?id=636> (May 1,
23 2006);

24 ii. H. Scott Leviant and Lilit Ter-Astvatsatryan, *Where Troester Stops*
25 *Not Even Troester Knows*, DAILY JOURNAL (Los Angeles), July 2,
26 2019;

27 iii. H. Scott Leviant and Lilit Ter-Astvatsatryan, *Unaccounted Time:*
28 *Reading the Tea Leaves of Troester*, DAILY JOURNAL (Los Angeles),

- September 12, 2018;
- iv. Dennis F. Moss and H. Scott Leviant, *Class Actions: One step forward after two steps back*, DAILY JOURNAL (Los Angeles), January 11, 2012;
- v. H. Scott Leviant, *Arbitration: A Look Back, a Look Ahead*, DAILY JOURNAL (Los Angeles), December 28, 2010;
- vi. H. Scott Leviant, *Witnesses Cannot Hide*, Daily Journal (Los Angeles), April 21, 2010;
- vii. H. Scott Leviant, *Divide and Conquer: The New Paradigm of Class Action Defense?*, FORUM, January/February 2009
- viii. H. Scott Leviant, *Class Action Appellate Report*, FORUM, 2009-2010 (Ongoing series);
- ix. H. Scott Leviant & Linh Hua, *Legislature Using Purse Strings to Bind Judiciary*, Daily Journal (San Francisco), March 15, 2010;
- x. H. Scott Leviant, *Wrongfully Recused?*, DAILY JOURNAL (Los Angeles), December 2, 2009;
- xi. H. Scott Leviant, *Cutting Class*, DAILY JOURNAL (Los Angeles), April 15, 2008;
- xii. H. Scott Leviant, *Leveling The Playing Field*, DAILY JOURNAL (Los Angeles), May 4, 2007;
- xiii. H. Scott Leviant, *A Bad Meal Deal: 'Brinker' Gets the Incentive Question Wrong*, DAILY JOURNAL (Los Angeles), August 6, 2008;
- xiv. H. Scott Leviant & Jason E. Barsanti, *Maximize Recovery in Unpaid Wage Cases*, FORUM, January/February 2008;
- xv. H. Scott Leviant, et al., *Electronic Evidence: No Longer an Optional Element in a Comprehensive Litigation Plan*, ADVOCATE, April 2006;

xvi. H. Scott Leviant, *Improving Rule 12(b)(6) survival odds: Some considerations for effective RICO pleading*, CIVIL RICO REPORT, Volume 15, Number 22, April 26, 2000 (LRP Publications).

- (h) In addition to publications in industry newspapers, periodicals and journals, I am the Supervising Editor, primary author and founder of the legal blog The Complex Litigator (<http://www.thecomplexlitigator.com>). The Complex Litigator reports and comments on news and topics relevant to class action and complex litigation practice, with a primary emphasis on wage and hour litigation issues. Through my blog, I have also, on occasion, published podcasts of round table discussions with preeminent members of the wage and hour practice bar on both the plaintiff and defense sides. My blog has been cited to the California Supreme Court in at least one Petition for Review. The Complex Litigator has been in existence since 2008, having outlasted many other legal blogs, and it has a unique readership that numbers in the tens of thousands.
- (i) I have also lectured on issues related to class actions and complex litigation, including the following educational seminars:
- i. *Strategies for Settlement of Individual and Wage & Hour Class Actions*, Bridgeport's Eighth Annual Wage & Hour Litigation Conference (December 16, 2011)
 - ii. *The Year in Review – Staying Abreast of Current Cases*, Consumer Attorneys of San Diego Class Action Symposium (October 14, 2011)
 - iii. *Concepcion v. AT&T and Derivative Wage & Hour Claims*, Bridgeport's Mid Year Wage & Hour Litigation Conference (June 3, 2011)
 - iv. *Advanced Principles: UCL Remedies and Defenses*, 20th Annual Golden State Antitrust and Unfair Competition Law Institute (October 21, 2010)

- v. *Refining Your Wage and Hour Practice*, 2010 CELA Annual Conference (October 2, 2010)
- vi. *Word v. WordPerfect Software, Tips, Tools and Tricks: Legal Technology for Plaintiffs Employment Lawyers* (September 30, 2010)
- vii. *California's 17200 -- Its Use and Abuse*, Federalist Society (May 19, 2010)
- viii. *20 Tips for Successful Navigation of e-Discovery Requirements*, Los Angeles County Bar Association's Thirtieth Annual Labor and Employment Law Symposium (March 31, 2010)
- ix. *Social Networking for Lawyers: A Roadmap to Success*, Los Angeles County Bar Association's 2nd Annual two-day 2009 Small Firm and Solo Practitioners Conference: MISSION POSSIBLE (June 25, 2009)
- x. *A Seminar Overview of the Current State of Employment Law*, The Westchester/LAX/Marina Del Rey Chamber of Commerce (February 23, 2006)

(j) I served three consecutive years as an elected member of the Board of Governors of the Consumer Attorneys of California. In that capacity, I worked to preserve the right of California's consumers and employees to bring proposed class actions. For example, I provided assistance to CAOC in its successful effort to defeat AB 298, which would have substantially impaired the ability of plaintiffs to prosecute class actions in California. More recently, on behalf of CAOC, I co-authored several requests for publication of unpublished class action decisions, including one such request in *Jaimez v. Daihatsu USA, Inc.*, 181 Cal. App. 4th 1286 (2010), and authored amicus briefs for CAOC in the Eighth Circuit matter entitled *Avritt v. Reliastar Life. Ins. Co.*, Case No. 09-2843, the California Supreme Court matter entitled *Californians for Disability Rights v.*

1 *Mervyn's, LLC*, 39 Cal. 4th 223 (2006), and the California Court of Appeal
2 matter entitled *Brown v. Ralphs Grocery Company*, 197 Cal. App. 4th 489
3 (2011).

4 26. My current contingent billing rate is consistent with my practice area, legal market and
5 accepted hourly rates:

6 (a) In the December 8, 2008 article “Billable Hours Aren’t the Only Game in Town
7 Anymore,” *NATIONAL LAW JOURNAL*, the following hourly billing rates were
8 reported by Sheppard Mullin Richter & Hampton, a leading firm in the defense of
9 wage-and-hour class actions that I have frequently opposed when litigating wage-
10 and-hour class actions: Partners: \$475-\$795; Associates: 1st Year - \$275, 2nd Year
11 - \$310, 3rd Year - \$335, 4th Year - \$365, 5th Year - \$390, 6th Year - \$415, 7th
12 Year - \$435, 8th Year - \$455.

13 (b) In 2009 I was retained as appellate counsel in the appeal of a denial of class
14 certification. For the specialized work on that appeal, I charged an hourly rate of
15 \$650.00 per hour, a rate the hiring co-counsel accepted.

16 (c) The 2023-24 Adjusted Laffey Matrix states that an attorney with 20 or more years
17 experience can reasonably charge \$1,057 per hour.
18 <http://www.laffeymatrix.com/see.html>.⁵ That rate is derived from the Washington,
19 D.C. area and requires a costs of living evaluation for use in Los Angeles. Using
20 federal statistics for average attorney salaries, attorney pay is 8.7% lower in Los
21 Angeles, compared to Washington, D.C., indicating an 8.7% downward adjustment
22 to the Laffey Matrix may be appropriate.

23 <https://www.bls.gov/oes/current/oes231011.htm>.⁶ However, using federal
24 employee pay tables, federal employee wages are 0.13% higher when Los Angeles
25 is compared to Washington, D.C., indicating almost no adjustment to the Laffey
26

27 ⁵ Last viewed January 30, 2024.

28 ⁶ Last viewed January 30, 2024.

Matrix is appropriate. <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2024/general-schedule>.⁷ And, using Schedule 9 of 5 U.S.C. § 5332, there is a 3% differential favoring Los Angeles. Thus, something in the range of a 8.7% locality reduction to a 3.0% locality increase appears appropriate here. Thus, applying an adjustment factor of 0.0%, the locality corrected Adjusted Laffey Matrix hourly rate for attorneys with 20 or more years of experience is \$1,057. The complete Adjusted Laffey Matrix is set forth below.

- (d) The full 2023-2024 Adjusted Laffey Matrix provides for the following hourly rates for paralegal/law clerks and attorneys falling into various ranges of years of experience:

Year	Adj. Factor**	Paralegal Clerk	1-3	4-7	8-10	11-19	20+
6/01/22-5/31/23	1.059295	\$239	\$437	\$538	\$777	\$878	\$1,057

- (e) I have been selected to Super Lawyers from 2012-2024, achieving that professional recognition for more than a decade. I was selected for the Rising Stars edition of Super Lawyers in 2009.

- (f) Based upon my practice area, geographic market, experience, including all of the above information, reputation, and generally accepted hourly rates, my current, regular hourly billing rate is now \$975.00, which is well below the presumptively appropriate hourly rate of \$1,057 for attorneys with 20 or more years of experience.

REASONABLENESS OF THE REQUESTED FEE AWARD

27. When this case was taken on a contingent fee basis, with the firm agreeing to assume responsibility for litigation costs, the ultimate result was far from certain. In the course of this litigation, Moon Law Group, PC, paid filing fees, copy charges, Westlaw fees, and mailing, telephone and express

⁷ Last viewed January 30, 2024.

1 mail charges. There was never a guarantee that Moon Law Group, PC, would recoup those expenditures.
2 The firm took on this case, which necessarily required the firm to forego other opportunities, given finite
3 resources to devote to cases.

4 28. Because of the uncertainty of the outcome in this and other wage and hour litigation
5 undertaken by Moon Law Group, PC, we took this case with the expectation that a risk enhancement,
6 either in the form of a lodestar multiplier or a percentage of the fund award equivalent thereto, would be
7 available if we prevailed. This expectation stems from the fact that many cases we undertake as putative
8 class actions do not resolve successfully.

9 29. Class Counsel's experience in employment class actions was integral in evaluating the
10 strengths and weaknesses of the case against Defendant and the reasonableness of the settlement.
11 Practice in the narrow fields of wage and hour litigation requires skill and knowledge concerning the
12 rapidly evolving substantive law (state and federal), as well as the procedural law of class action
13 litigation.

14 30. In the past 5 years, Moon Law Group, PC, has settled hundreds of wage & hour class
15 actions. Just as the Court in *Chavez v. Netflix, Inc.*, 162 Cal. App. 4th 43, 66, n.11 (2008) observed, it
16 has been the experience at Moon Law Group, PC, that attorney fee awards of one-third of a common
17 settlement fund are the rule, rather than the exception. Here, Class Counsel agrees that they will seek
18 no more than one third of the settlement amount in fees. This is consistent with common practice,
19 consistent with Ninth Circuit practice, consistent with California law approving the percentage of the
20 fund method to award fees from a common fund, *Laffitte v. Robert Half Intern. Inc.*, 1 Cal. 5th 480, 503
21 (2016), and not inappropriate in light of the many hours expended by attorneys and paralegals
22 performing work for Plaintiff before and after the filing of this matter. That work includes:

- 23 (a) Numerous interviews with the client, and review of documents provided by
24 Plaintiff;
- 25 (b) Legal research and investigation regarding the Defendant's practices at numerous
26 points in the litigation;
- 27 (c) Preparation of multiple drafts of the original class action complaint and finalization
28 and filing of the original class action complaint;

- (d) Review of the first amended complaint, and finalization of that complaint;
- (e) Extensive “meet and confer” efforts with Defendant’s counsel to obtain relevant documents and information through informal discovery;
- (f) Contacting witnesses;
- (g) Review of data and documents produced by Defendant;
- (h) Analysis of the audit results and preparation of a damages model with the aid of a statistics expert;
- (i) Initial preparations for mediation;
- (j) Direct settlement negotiations after mediation cancellation;
- (k) Drafting, negotiating, and reviewing multiple drafts of the Settlement and attachments; and
- (l) Preparation of the initial motion for preliminary approval and multiple revisions thereafter.

31. I anticipate that Class Counsel will spend an additional 50 hours on this matter, appearing at the hearing of preliminary approval, answering class member calls, working with the administrator to finalize documents in mailing format, conferring with counsel over any notice issues, drafting the final approval motion and motion for fees and costs, appearing at the final approval hearing, and resolving any post-approval issues that may arise, and appearing at a final accounting hearing. Class Counsel intends to request up to \$41,666.67 in attorneys’ fees, as authorized under the Agreement. Class Counsel has also incurred costs in this matter that will be detailed at the time final approval is sought. Class Counsel has agreed to a cap on recoverable costs of \$20,000.00. Class Counsel will request no more than the agreed-upon cap.

THE CONTRIBUTION OF PLAINTIFF AND THE REASONABLENESS OF THE REQUESTED
INCENTIVE AWARD

32. Here, Plaintiff seeks a Service Payment of up to **\$7,500.00**. This amount is very reasonable given the risks undertaken by Plaintiff for involvement in the Action. Plaintiff’s involvement and desire to participate in this matter was instrumental in achieving a settlement. Taking the risk of

1 participating in a lawsuit against an employer also deserves recognition, especially in light of the
2 settlement achieved by Plaintiff. Additionally, Plaintiff actively contributed to the settlement
3 negotiations of this Action, expending considerable effort in advancing the interests of the Class.
4 Plaintiff provided information to counsel before the mediation; assisted with the settlement process
5 (which included conferring with counsel during the preparation of Plaintiff's mediation brief); and,
6 regularly conferred with counsel regarding the case whenever questions arose. Plaintiff's Declaration
7 also confirms that Plaintiff was an active participant in the settlement of this case.
8

9 THE THIRD-PARTY ADMINISTRATOR QUALIFICATIONS AND STATEMENT OF NO
10 CONFLICTS OR AFFILIATION

11 33. The parties have agreed that administration will be handled by a third-party
12 administrator. In counsel's experience as class counsel in similar wage-and-hour actions with a similar
13 number of employees, Phoenix Class Action Administration Solutions, is fully capable of
14 administering the settlement at a competitive and reasonable cost and should be approved by the Court
15 to administer the settlement notice process. Phoenix Class Action Administration Solutions was
16 selected because it submitted a low bid in the amount of **\$4,000.00** for administration services, below
17 the estimated amount of \$10,000.00. Phoenix Settlement Administrators has also provided a
18 declaration confirming its experience and its implementation of measures designed to protect Class
19 Member data and Class Settlement funds. Finally, this firm has no relationship with Phoenix Class
20 Action Administration Solutions other than as a client retaining a vendor of services via an arms-length
21 transaction. We have no ownership interest in Phoenix Class Action Administration Solutions.
22

23 CLASS CERTIFICATION

24 34. The class is ascertainable by objective criteria: All persons employed by Defendant in
25 California and classified as hourly, non-exempt employees who worked for Defendant during the Class
26 Period (the "Class Period" is the period from May 26, 2018 to the earlier of 60 days after the execution
27 of the Agreement or the date of preliminary approval of the Settlement). "Participating Class Member"
28 means a Class Member who does not submit a valid and timely Request for Exclusion from the Class

1 portion of the Settlement. (Settlement, ¶¶ 1.5, 1.9, 1.12, 1.34.)

2 35. The class is sufficiently numerous. Based upon Defendant's records, there are about 38
3 Class Members. Plaintiff's counsel believes that the data is reliable.

4 36. Plaintiff is typical of the Class. Plaintiff was employed by Defendant. Plaintiff worked
5 during the Class Period. Plaintiff's claims are typical of the claims of the Class proposed in this
6 settlement. Like other class members, Plaintiff experienced work under policies and procedures
7 impacting wage and hour compliance. No unique defenses applicable to Plaintiff have been identified
8 that do not also exist as to other Class Members.

9 37. Common *issues* exist. Here, Class Members have shared a common interest in
10 determining whether Defendant violated wage and hour requirements under state law, including the
11 following issues: i. Whether or not Defendant paid proper wages to the Class; ii. Whether or not
12 Defendant provided meal periods to the Class; iii. Whether or not Defendant provided rest periods to
13 the Class; iv. Whether or not Defendant paid compensation timely upon separation of employment to
14 former Class Members; v. Whether or not Defendant paid compensation timely throughout Class
15 Members' employment; vi. Whether or not Defendant provided accurate itemized wage statements to
16 the Class; vii. Whether or not waiting-time penalties are available to the Class for violation of
17 California Labor Code § 203; and, viii. Whether or not Defendant engaged in unlawful or unfair
18 business practices affecting the Class in violation of California Business and Professions Code §§
19 17200-17208.

20 38. From our review of the documentation provided, we determined that for purposes of
21 these claims, Defendant's policies and practices are either identical, or sufficiently similar, to raise the
22 same questions of liability, and applied to all Class Members. Because Class Members would have to
23 prove the same issues of law and fact to prevail, and because their potential legal remedies are identical,
24 it would be preferable to resolve all Class Members' claims by means of the Settlement than to require
25 each Class Member to litigate his or her individual claims. Therefore, common questions predominate
26 over any questions that may be unique to individual Class Members, and class-wide settlement is
27 superior to any other method of resolution.

28 39. My Declaration, in Paragraphs above, summarizes the firm's experience that establishes

1 its adequacy to represent the Class. We have no known conflicts of interest with Class Members.
2 Plaintiff has demonstrated, through participation in this action, a willingness to serve as a Class
3 representative. Plaintiff has no known conflicts of interest with Class Members and has agreed to place
4 the class's interests above Plaintiff's own. Plaintiff's actions also demonstrate adequacy.

5 40. By consolidating all of these potential individual actions into one proceeding, this
6 Court's use of the class action device enables it to manage this litigation in a manner that serves the
7 economics of time, effort and expense for the litigants and the judicial system. Absent class treatment,
8 similarly-situated employees with small but potentially meritorious claims for damages would, as a
9 practical matter, have no means of redress because of the time, effort and expense required to prosecute
10 individual actions. Moreover, in the context of settlement, superiority concerns are almost non-
11 existent, since case management is controlled and a methodology for trial need not be identified.

12 EXHIBITS

13
14 41. As noted above, a true and correct copy of the CLASS ACTION AND PAGA
15 SETTLEMENT AGREEMENT AND CLASS NOTICE is attached hereto as **Exhibit "1."** The
16 Settlement includes Exhibit A (the "Notice").⁸

17 42. Attached hereto as **Exhibit "2"** is a true and correct copy of confirmation of the
18 submission of the settlement to the Department of Industrial Relations, through its online submission
19 portal.

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28 ⁸ The final signature is expected soon, but was not available by filing deadline. Rather than waste a
hearing date space, we will submit the final signature to the Court as soon as it is received.

43. Counsel for Plaintiff provided notice of the requested approval of the PAGA settlement through the online submission portal.


H. Scott Leviant, "Declarant"

Exhibit “1”

Kane Moon (SBN 249834)
kmoon@moonlawgroup.com
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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN MATEO

CATHERINE ELIZABETH ADAMS,
individually, and on behalf of all others
similarly situated,

Plaintiff,

vs.

LAKEPHARMA, INC., a California
corporation; and DOES 1 through 10,
inclusive,

Defendants.

Case No.: 22-CIV-02126

CLASS ACTION

[Hon. Nicole S. Healy]

**CLASS ACTION AND PAGA SETTLEMENT
AGREEMENT AND CLASS NOTICE**

Complaint filed: May 26, 2022
Trial date: Not set

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff Catherine Elizabeth Adams (“Plaintiff”) and defendant LakePharma, Inc. (“Defendant”). The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or individually as “Party.”

1. **DEFINITIONS.**

- 1.1. “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against Defendant captioned *Catherine Elizabeth Adams v. LakePharma, Inc.*, Case Number 22-CIV-02126, initiated on May 26, 2022 and pending in Superior Court of the State of California, County of San Mateo
- 1.2. “Administrator” means Phoenix Class Action Administration Solutions, 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 of the Settlement.
- 1.4. “Aggrieved Employee” means a person employed by Defendant in California and classified as an hourly, non-exempt employee who worked for Defendant during the PAGA Period. “Aggrieved Employees” as used in this Agreement means all individuals who qualify as an Aggrieved Employee, collectively.
- 1.5. “Class” means all persons employed by Defendant in California and classified as hourly, non-exempt employees who worked for Defendant during the Class Period.
- 1.6. “Class Counsel” means Moon Law Group, PC.
- 1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute 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,

and number of Class Period Workweeks and PAGA Pay Periods.

1.9. “Class Member” or “Settlement 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 (“NCOA”) database, skip traces, and direct contact by the Administrator with Class Members.

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 in the form, without material variation unless otherwise agreed by the Parties, attached as Exhibit A and incorporated by reference into this Agreement. The Parties, through counsel, may agree to modifications to the Class Notice required to correct errors or effectuate changes required by the Court without the need to amend this Agreement, and the revised Class Notice shall be incorporated herein in place of the original Exhibit A.

1.12. “Class Period” means the period from May 26, 2018 to the earlier of 60 days after the execution of this agreement or the date of preliminary approval of the Settlement.

1.13. “Class Representative” means the named Plaintiff, Catherine Elizabeth Adams, in the Operative Complaint in the Action seeking Court approval to serve as a Class Representative.

1.14. “Class Representative Service Payment” means the payment to the Class Representative for initiating the Action and providing services in support of the Action.

1.15. “Court” means the Superior Court of California, County of San Mateo

1.16. “Defendant” means named Defendant LakePharma, Inc.

1.17. “Defense Counsel” means Duane Morris LLP.

1.18. “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, 30 days after 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.

1.19. “Final Approval” means the Court’s order granting final approval of the Settlement.

1.20. “Final Approval Hearing” means the Court’s hearing on the motion for final approval of the Settlement.

1.21. “Gross Settlement Amount” means \$125,000.00 which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraphs 3.1 and 8 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.

1.22. “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.

1.23. “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.

1.24. “Judgment” means the judgment entered by the Court based upon the Final Approval.

1.25. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled under Labor Code § 2699(i).

1.26. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code § 2699(i).

1.27. “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 remainder is to be paid to Participating Class Members as Individual Class Payments.

- 1.28. “Non-Participating Class Member” means any Class Member who opts out of the Class portion of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.29. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.
- 1.30. “PAGA Period” means the period from May 21, 2021 to the earlier of 60 days after the execution of this agreement or the date of preliminary approval of the Settlement.
- 1.31. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. *et seq.*).
- 1.32. “PAGA Notice” means Plaintiff’s May 21, 2022 letter to Defendant and the LWDA providing notice pursuant to Labor Code § 2699.3(a).
- 1.33. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees and 75% to the LWDA in settlement of PAGA claims.
- 1.34. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Class portion of the Settlement.
- 1.35. “Plaintiff” means Catherine Elizabeth Adams, the named plaintiff in the Action.
- 1.36. “Preliminary Approval” means the hearing of the motion seeking preliminary approval of the Class portion of the Settlement.
- 1.37. “Preliminary Approval Order” means the order granting preliminary approval of the Class portion of the Settlement.
- 1.38. “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.
- 1.39. “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.
- 1.40. “Released Parties” means: Defendant, its predecessors, its successors (including but not

limited to Curia Global, Inc.), and each of its predecessors, and its successors former and present directors, officers, shareholders, owners, former and present managing employees, members, attorneys, agents, insurers, predecessors, successors, and assigns.

1.41. “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.

1.42. "Response Deadline" means 60 days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Class portion of the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. The Response Deadline for Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall be extended by 14 calendar days beyond the original Response Deadline.

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

1.44. “Workweek” means any week during which a Class Member worked for Defendant for at least one day, during the Class Period.

2. RECITALS.

2.1. On May 26, 2022, Plaintiff commenced this Action by filing a Complaint alleging causes of action against Defendant for failure to pay minimum and regular rate wages, failure to pay overtime compensation, failure to provide meal periods, failure to authorize and provide rest breaks, failure to timely pay final wages at termination, failure to provide accurate itemized wage statements, and unfair business practices. On August 17, 2022, Plaintiff filed a First Amended Complaint alleging an additional cause of action against Defendant for civil penalties under the Private Attorneys General Act (“PAGA”). The First Amended Complaint is the operative complaint in the Action (the “Operative Complaint.”) Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint and denies any and all liability for

the causes of action alleged.

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

2.3. The Parties negotiated this settlement, without the use of a private mediator, and were able to reach an Agreement to settle the Action.

2.4. Prior to negotiating the Settlement, Plaintiff obtained, through informal discovery, policy documents, a sampling of Class Members' time and payroll records, and other relevant data points and information. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.*, 48 Cal. App. 4th 1794, 1801 (1996) and *Kullar v. Foot Locker Retail, Inc.*, 168 Cal. App. 4th 116, 129-130 (2008) ("*Dunk/Kullar*").

2.5. The Court has not granted class certification.

2.6. 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 8 below, Defendant promises to pay \$125,000.00 and no more as the Gross Settlement Amount and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. 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. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the

Court in the Final Approval:

3.2.1. To Plaintiff: Class Representative Service Payment to the Class Representative of not more than \$7,500.00 (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member). Defendant will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiff 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 Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for taxes owed on the Class Representative Service Payment.

3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than 1/3 of the Gross Settlement Amount, which is currently estimated to be \$ 41,666.67, and a Class Counsel Litigation Expenses Payment of not more than \$20,000.00. Defendant will not oppose requests for these payments provided that they 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 Litigation 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.

3.2.3. To the Administrator: An Administration Expenses Payment not to exceed \$10,000.00 except for a showing of good cause and as approved by the Court. To the extent the Administration expenses are less or the Court approves payment less than \$10,000.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4. To Each Participating Class Member: An Individual Class Payment 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.

3.2.4.1. 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. The 80% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for 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 taxes owed on their Individual Class Payment.

3.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Workweeks of Non-Participating Class Members are not included in the calculation of payments to Participating Class Members.

3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$12,500 to be paid from the Gross Settlement Amount, with 75% allocated to the LWDA PAGA Payment and 25% allocated to the Individual PAGA Payments.

3.2.5.1. Calculation of PAGA Payments. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.5.2. 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-MISC Forms.

4. **SETTLEMENT FUNDING AND PAYMENTS.**

4.1. 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.

4.2. Funding of 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.

4.3. Payments from the Gross Settlement Amount. Within 14 days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class 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. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

4.3.1. The Administrator will issue checks for the Individual Class 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 date (not less than 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 Settlement Payments to all Participating Class Members (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 and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the NCOA database.

- 1 4.3.2. The Administrator must conduct a Class Member Address Search for all other
2 Class Members whose checks are returned undelivered without a United States
3 Postal Service (“USPS”) forwarding address. Within 7 days of receiving a
4 returned check the Administrator must re-mail checks to the USPS forwarding
5 address provided or to an address ascertained through the Class Member Address
6 Search. The Administrator need not take further steps to deliver checks to Class
7 Members whose re-mailed checks are returned as undelivered. The Administrator
8 shall promptly send a replacement check to any Class Member whose original
9 check was lost or misplaced, requested by the Class Member prior to the void date.
- 10 4.3.3. For any Class Member whose Individual Class Payment check or Individual
11 PAGA Payment check is uncashed and cancelled after the void date, the
12 Administrator shall transmit the funds represented by such checks to the California
13 Controller's Unclaimed Property Fund in the name of the Class Member thereby
14 leaving no "unpaid residue" subject to the requirements of California Code of Civil
15 Procedure § 384(b).
- 16 4.3.4. The payment of Individual Class Payments and Individual PAGA Payments shall
17 not obligate Defendant to confer any additional benefits or make any additional
18 payments to Class Members (such as 401(k) contributions or bonuses) beyond
19 those specified in this Agreement.
20

21 **5. RELEASES OF CLAIMS.**

22 Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all
23 employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff, Class
24 Members, and Class Counsel will release claims against all Released Parties as follows:

25 5.1. Plaintiff's Release.

- 26 5.1.1. Scope of Plaintiff's Release. Plaintiff and her respective former and present
27 spouses, representatives, agents, attorneys, heirs, administrators, successors, and
28 assigns generally, release and discharge Released Parties from all claims,

1 transactions, or occurrences that occurred during the Class Period, including, but
2 not limited to: (a) all claims that were, or reasonably could have been, alleged,
3 based on the facts contained, in the Operative Complaint and (b) all PAGA claims
4 that were, or reasonably could have been, alleged based on facts contained in the
5 Operative Complaint, Plaintiff's PAGA Notice, or ascertained during the Action
6 and released under 5.2, below. ("Plaintiff's Release.") Plaintiff's Release does not
7 extend to any claims or actions to enforce this Agreement, or to any claims for
8 vested benefits, unemployment benefits, disability benefits, social security benefits,
9 workers' compensation benefits that arose at any time, or based on occurrences
10 outside the Class Period. Plaintiff acknowledges that Plaintiff may discover facts
11 or law different from, or in addition to, the facts or law that Plaintiff now knows or
12 believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and
13 remain effective in all respects, notwithstanding such different or additional facts or
14 Plaintiff's discovery of them.

15 5.1.2. Plaintiff's Waiver of Rights Under California Civil Code § 1542. For purposes of
16 Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions,
17 rights, and benefits, if any, of Section 1542 of the California Civil Code, which
18 reads:

19 **A general release does not extend to claims that the creditor or**
20 **releasing party does not know or suspect to exist in his or her favor**
21 **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.

22 5.2. Release by Participating Class Members: All Participating Class Members, on behalf of
23 themselves and their respective former and present representatives, agents, attorneys, heirs,
24 administrators, successors, and assigns, release Released Parties from (i) all claims that
25 were alleged, or reasonably could have been alleged, based on the Class Period facts stated
26 in the Operative Complaint. Excluded from this portion of the release are claims for PAGA
27 penalties that were alleged, or reasonably could have been alleged, based on the PAGA
28 Period facts stated in the Operative Complaint, and the PAGA Notice. Except as set forth

1 in Section 5.3 of this Agreement, Participating Class Members do not release any other
2 claims, including claims for vested benefits, wrongful termination, violation of the Fair
3 Employment and Housing Act, unemployment insurance, disability, social security,
4 workers' compensation, or claims based on facts that were not alleged and could not have
5 reasonably been alleged in the Operative Complaint.

6 5.3. Release by Class Members Who Are Aggrieved Employees: All Class Members who are
7 Aggrieved Employees are deemed to release, on behalf of themselves and their respective
8 former and present representatives, agents, attorneys, heirs, administrators, successors, and
9 assigns, the Released Parties from all claims for PAGA penalties that were alleged, or
10 reasonably could have been alleged, based on the PAGA Period facts stated in the
11 Operative Complaint, and the PAGA Notice.

12
13 **6. MOTION FOR PRELIMINARY APPROVAL.**

14 The Parties agree to jointly prepare and file a motion for preliminary approval ("Motion for Preliminary
15 Approval") that complies with the Court's current checklist for preliminary approvals, to the extent the
16 Court maintains such a checklist.

17 6.1. Defendant's Declaration in Support of Preliminary Approval. Within 15 days of the full
18 execution of this Agreement, Defendant will prepare and deliver to Class Counsel a signed
19 declaration from Defendant and/or Defense Counsel disclosing all facts relevant to any
20 actual or potential conflicts of interest with the Administrator, *if any such actual or*
21 *potential conflicts exist* (no declaration is required in the absence of any actual or potential
22 conflicts). Similarly, if any other pending matter or action asserting claims will be
23 extinguished or adversely affected by the Settlement, Defendant shall prepare and deliver
24 to Class Counsel a signed declaration from Defendant and/or Defense Counsel identifying
25 any other pending matter or action asserting claims that will be extinguished or adversely
26 affected by the Settlement. Alternatively, if such other actions are filed between the
27 execution of this Agreement and the filing of the Motion for Preliminary Approval and
28 become known to Defendant and/or Defense Counsel, Defense Counsel will advise Class

Counsel.

- 6.2. Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel 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 § 2699(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 Plaintiff, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, or the Administrator; and, (vi) 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; and, all facts relevant to any actual or potential conflict of interest with Class Members, and the Administrator. Class Counsel 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 or disclose the existence of any such pending matters. Alternatively, if such other actions are filed between the execution of this Agreement and the filing of the Motion for Preliminary Approval and become known to Class Counsel, Class Counsel will advise Defense Counsel.
- 6.3. 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

1 Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's
2 Preliminary Approval to the Administrator.

3 6.4. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for
4 Preliminary Approval and/or the supporting declarations and documents, Class Counsel
5 and Defense Counsel will expeditiously work together on behalf of the Parties by meeting
6 in person or by telephone, and in good faith, to resolve the disagreement. If the Court does
7 not grant Preliminary Approval or conditions Preliminary Approval on any material
8 change to this Agreement, Class Counsel and Defense Counsel will expeditiously work
9 together on behalf of the Parties by meeting in person or by telephone, and in good faith, to
10 modify the Agreement and otherwise satisfy the Court's concerns.
11

12 **7. SETTLEMENT ADMINISTRATION.**

13 7.1. Selection of Administrator. The Parties have jointly selected Phoenix Class Action
14 Administration Solutions to serve as the Administrator and verified that, as a condition of
15 appointment, Phoenix Class Action Administration Solutions agrees to be bound by this
16 Agreement and to perform, as a fiduciary, all duties specified in this Agreement in
17 exchange for payment of Administration Expenses. The Parties and their Counsel
18 represent that they have no interest or relationship, financial or otherwise, with the
19 Administrator other than a professional relationship arising out of prior experiences
20 administering settlements.

21 7.2. Employer Identification Number. The Administrator shall have and use its own Employer
22 Identification Number for purposes of calculating payroll tax withholdings and providing
23 reports state and federal tax authorities.

24 7.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets
25 the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation §
26 468B-1.

27 7.4. Notice to Class Members.

28 7.4.1. No later than three (3) business days after receipt of the Class Data, the

1 Administrator shall notify Class Counsel that the list has been received and state
2 the number of Class Members, Aggrieved Employees, Workweeks, and Pay
3 Periods in the Class Data.

4 7.4.2. Using best efforts to perform as soon as possible, and in no event later than 14 days
5 after receiving the Class Data, the Administrator will send to all Class Members
6 identified in the Class Data, via first-class USPS mail, the Class Notice
7 substantially in the form attached to this Agreement as Exhibit A. The first page of
8 the Class Notice shall prominently estimate the dollar amounts of each Individual
9 Class Payment and/or Individual PAGA Payment payable to the Class Member
10 and/or Aggrieved Employee, and the number of Workweeks and PAGA Pay
11 Periods (if applicable) used to calculate these amounts. Before mailing Class
12 Notices, the Administrator shall update Class Member addresses using the NCOA
13 database.

14 7.4.3. Not later than 3 business days after the Administrator's receipt of any Class Notice
15 returned by the USPS as undelivered, the Administrator shall re-mail the Class
16 Notice using any forwarding address provided by the USPS. If the USPS does not
17 provide a forwarding address, the Administrator shall conduct a Class Member
18 Address Search, and re-mail the Class Notice to the most current address obtained.
19 The Administrator has no obligation to make further attempts to locate or send
20 Class Notice to Class Members whose Class Notice is returned by the USPS a
21 second time.

22 7.4.4. The deadlines for Class Members' written objections, challenges to Workweeks
23 and/or pay periods, and Requests for Exclusion will be extended an additional 14
24 days beyond the 60 days otherwise provided in the Class Notice for all Class
25 Members whose notices are re-mailed. The Administrator will inform the Class
26 Member of the extended deadline with the re-mailed Class Notice.

27 7.4.5. If the Administrator, Defendant or Class Counsel is contacted by or otherwise
28 discovers any persons who believe they should have been included in the Class

1 Data and should have received Class Notice, the Parties will expeditiously meet
2 and confer in person or by telephone, and in good faith in an effort to agree on
3 whether to include them as Class Members. If the Parties agree, such persons will
4 be Class Members entitled to the same rights as other Class Members, and the
5 Administrator will send, via email or overnight delivery, a Class Notice requiring
6 them to exercise options under this Agreement not later than 14 days after receipt
7 of Class Notice, or the deadline dates in the Class Notice, which ever are later.

8 7.5. Requests for Exclusion (Opt-Outs).

9 7.5.1. Class Members who wish to exclude themselves (opt-out of) the Class portion of
10 the Settlement must send the Administrator, by fax, email, or mail, a signed written
11 Request for Exclusion not later than 60 days after the Administrator mails the Class
12 Notice (plus an additional 14 days for Class Members whose Class Notice is re-
13 mailed). A Request for Exclusion is a letter from a Class Member or his/her
14 authorized representative that reasonably communicates the Class Member's
15 election to be excluded from the Class portion of the Settlement and includes the
16 Class Member's name, address and email address or telephone number. To be
17 valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the
18 Response Deadline.

19 7.5.2. The Administrator may not reject a Request for Exclusion as invalid because it
20 fails to contain all the information specified in the Class Notice. The Administrator
21 shall accept any Request for Exclusion as valid if the Administrator can reasonably
22 ascertain the identity of the person as a Class Member and the Class Member's
23 desire to be excluded. The Administrator's determination shall be final and not
24 appealable or otherwise susceptible to challenge. If the Administrator has reason to
25 question the authenticity of a Request for Exclusion, the Administrator may
26 demand additional proof of the Class Member's identity. The Administrator's
27 determination of authenticity shall be final as to the Parties, but a Class Member
28 whose Request for Exclusion is rejected by the Administrator may present a

challenge to that determination to the Court.

7.5.3. Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 5.2 and 5.3 of this Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.5.4. Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because the PAGA claims settled as part of this Agreement 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 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

7.6. Challenges to Calculation of Workweeks. Each Class Member shall have 60 days after the Administrator mails the Class Notice (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 PAGA Pay Periods shall be final as to the Parties (although Defendant shall retain the right to correct erroneous Class Data if subsequently discovered), but a Class Member whose Workweek and/or Pay Period challenge is rejected by the Administrator may present the same

evidence supporting the Workweek and/or Pay Period challenge to the Court for review. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or PAGA Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination the challenges.

7.7. Objections to Settlement.

7.7.1. 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.

7.7.2. Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, 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 60 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed).

7.7.3. Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

7.8. 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.

7.8.1. 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 Order, 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 Order 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.

7.8.2. Requests 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 5 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).

7.8.3. 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, and challenges to Workweeks and/or PAGA Pay Periods received and/or resolved (“Weekly Report”). The Weekly Reports must include provide the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received. In addition to the Weekly Reports, the Administrator shall report to the Parties when it has completed the initial distribution of the Individual Class Payments and Individual PAGA Payments to all individuals with valid addresses.

7.8.4. Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or PAGA Pay Periods. The Administrator’s determination of each Class Member’s allocation of Workweeks and/or PAGA Pay Periods shall be final as to the Parties (although Defendant shall retain the right to correct erroneous Class Data if subsequently

discovered), but a Class Member whose Workweek and/or Pay Period challenge is rejected by the Administrator may present the same evidence supporting the Workweek and/or Pay Period challenge to the Court for review.

7.8.5. Administrator's Declaration. Not later than 14 days before the date by which Plaintiff is 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.

7.8.6. Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in 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 15 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.

8. CLASS SIZE ESTIMATES

Based on a review of its records to date, Defendant estimates there are 38 Class Members who collectively worked a total of 3,188 Workweeks, and 31 Aggrieved Employees who worked a total of 755 PAGA Pay Periods.

1 **9. DEFENDANT’S RIGHT TO WITHDRAW.**

2 If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 5% of the total of all
3 Class Members, Defendant may, but is not obligated to, withdraw from the Settlement. The Parties agree
4 that, if Defendant withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and
5 that neither Party will have any further obligation to perform under this Agreement; provided, however,
6 Defendant will remain responsible for paying all Settlement administration expenses incurred to that point.
7 Defendant must notify Class Counsel and the Court of its election to withdraw not later than [seven] days
8 after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no
9 effect.

10
11 **10. MOTION FOR FINAL APPROVAL.**

12 Not later than 16 court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a
13 motion for final approval of the Settlement that includes a request for approval of the PAGA settlement
14 under Labor Code § 2699(l), a Proposed final approval order and a proposed Judgment (collectively
15 “Motion for Final Approval”). Plaintiff shall provide drafts of these documents to Defense Counsel not
16 later than one week prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will
17 expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements
18 concerning the Motion for Final Approval.

19 10.1. Response to Objections. Each Party retains the right to respond to any objection raised by
20 a Participating Class Member, including the right to file responsive documents in Court no
21 later than five court days prior to the Final Approval Hearing, or as otherwise ordered or
22 accepted by the Court.

23 10.2. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final
24 Approval on any material change to the Settlement (including, but not limited to, the scope
25 of release to be granted by Class Members), the Parties will expeditiously work together in
26 good faith to address the Court’s concerns by revising the Agreement as necessary to
27 obtain Final Approval. The Court’s decision to award less than the amounts requested for
28 the 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.

10.3. 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 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.

10.4. Waiver of 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 reflected 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.

10.5. 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 a 50-50 basis, any additional Administration Expenses reasonably incurred after 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.

11. AMENDED JUDGMENT.

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

12. ADDITIONAL PROVISIONS.

12.1. No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that class certification and representative treatment is only for the purpose of finalizing this Settlement. If, for any reason the Court does not grant Preliminary Approval, Final Approval or enter Judgment, Defendant reserves the right to contest certification of any class for any reasons, and Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves 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).

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

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

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

12.5. Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

12.6. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points

1 and authorities as requested by the Court. In the event the Parties are unable to agree upon
2 the form or content of any document necessary to implement the Settlement, or on any
3 modification of the Agreement that may become necessary to implement the Settlement,
4 the Parties will seek the assistance of a mediator and/or the Court for resolution.

5 12.7. No Prior Assignments. The Parties separately represent and warrant that they have not
6 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or
7 encumber to any person or entity and portion of any liability, claim, demand, action, cause
8 of action, or right released and discharged by the Party in this Settlement.

9 12.8. No Tax Advice. Neither Plaintiff, Class Counsel, Defendant nor Defense Counsel are
10 providing any advice regarding taxes or taxability, nor shall anything in this Settlement be
11 relied upon as such within the meaning of United States Treasury Department Circular 230
12 (31 CFR Part 10, as amended) or otherwise.

13 12.9. Modification of Agreement. This Agreement, and all parts of it, may be amended,
14 modified, changed, or waived only by an express written instrument signed by all Parties
15 or their representatives, and approved by the Court.

16 12.10. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the
17 benefit of, the successors of each of the Parties.

18 12.11. Applicable Law. All terms and conditions of this Agreement and its exhibits will be
19 governed by and interpreted according to the internal laws of the state of California,
20 without regard to conflict of law principles.

21 12.12. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of
22 this Agreement. This Agreement will not be construed against any Party on the basis that
23 the Party was the drafter or participated in the drafting.

24 12.13. Confidentiality. To the extent permitted by law, all agreements made, and orders entered
25 during Action and in this Agreement relating to the confidentiality of information shall
26 survive the execution of this Agreement.

27 12.14. Use and Return of Class Data. Information provided to Class Counsel pursuant to
28 Evidence 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, Plaintiff shall destroy, all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.

12.15. 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.

12.16. 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.

12.17. 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 Plaintiff:

Kane Moon (SBN 249834)
kmoon@moonlawgroup.com
H. Scott Leviant (SBN 200834)
hsleviant@moonlawgroup.com
Mariam Ghazaryan (SBN 341119)
mghazaryan@moonlawgroup.com
MOON LAW GROUP, PC
725 S. Figueroa St., 31st Floor
Los Angeles, California 90017
Telephone: (213) 232-3128
Facsimile: (213) 232-3125

To Defendant:

James S. Brown (SBN 135810)
jamesbrown@duanemorris.com
Jesse D. Sutz (SBN 338412)
jdsutz@duanemorris.com
DUANE MORRIS LLP
Spear Tower
One Market Plaza, Suite 2200
San Francisco, CA 94105-1127
Telephone: 415.957.3000
Facsimile: 415.957.3001

Antonio Caldarone
acaldarone@lanermuchin.com
LANER MUCHIN
515 North State Street, Suite 2800
Chicago, Illinois 60654
Telephone: 312.467.9800
Facsimile: 312.467.9479

12.18. 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.

12.19. 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 Code of Civil Procedure § 583.330 to extend the date to bring a case to trial under Code of Civil Procedure § 583.310 for the entire period of this settlement process.

Plaintiff & Class Representative:

11/19/2024

Dated: November __, 2024

By:

Signed by:

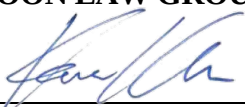


CATHERINE ELIZABETH ADAMS

1 **Plaintiff's Counsel:**

2 Dated: November 19, 2024

MOON LAW GROUP, PC

3
4 By: 

Kane Moon
H. Scott Leviant
Mariam Ghazaryan

6 Attorneys for Plaintiff

7 **Defendant:**

8 Dated: November __, 2024

LAKEPHARMA, INC

9
10 By: _____

Print Name

11
12 _____
Signature

13
14 _____
Title

15 **Defendant's Counsel:**

16 Dated: November __, 2024

DUANE MORRIS, LLP

17
18 By: _____

19 Jim Brown
Jesse D. Sutz

20 Attorneys for Defendant LakePharma, Inc.

21 **LANER MUCHIN**
Antonio Calderone

22
23 Attorneys for Defendant LakePharma, Inc.

1 **Plaintiff's Counsel:**

2 Dated: November __, 2024

MOON LAW GROUP, PC

3
4 By: _____

5 Kane Moon
6 H. Scott Leviant
7 Mariam Ghazaryan

8 Attorneys for Plaintiff

9 **Defendant:**

10 Dated: November __, 2024

LAKEPHARMA, INC

11 By: _____

12 Print Name

13 Signature

14 Title

15 **Defendant's Counsel:**

16 Dated: November 21, 2024

DUANE MORRIS, LLP

17 By: Jim S Brown

18 Jim Brown
19 Jesse D. Sutz

20 Attorneys for Defendant LakePharma, Inc.

21 LANER MUCHIN
22 Antonio Calderone

23 Attorneys for Defendant LakePharma, Inc.

Exhibit “A”

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

Adams v. LakePharma, Inc. Case No. 22-CIV-02126
San Mateo County Superior Court

*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.*

You may be eligible to receive money from an employee class action lawsuit (“Action”) against defendant LakePharma, Inc. (“LakePharma” or “Defendant”) for alleged wage and hour violations. The Action was filed by former LakePharma employee Catherine Elizabeth Adams and seeks payment of (1) back wages and other relief for a class of hourly employees (“Class Members” or “Class Member”) who worked for LakePharma during the “Class Period” (May 26, 2018 through earlier of 60 days after the execution of the long-form settlement agreement or the date of preliminary approval of the Settlement, and, (2) penalties under the California Private Attorney General Act (“PAGA”) for all hourly employees who worked for LakePharma during the “PAGA Period” (May 21, 2021 to the earlier of 60 days after the execution of the long-form settlement agreement or the date of preliminary approval of the Settlement.) (“Aggrieved Employees” or “Aggrieved Employee”).

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

Based on Defendant’s records, your Individual Class Payment is estimated to be \$ [REDACTED] (less withholding) and your Individual PAGA Payment is estimated to be \$ [REDACTED]. (If no amount is stated for your Individual PAGA Payment, then according to Defendant’s records, you are not eligible for such a payment under the Settlement because you didn’t work during the covered period commencing May 21, 2021.)

The above estimates are based on Defendant’s records showing that you worked [REDACTED] workweeks during the Class Period, and you worked [REDACTED] pay periods during the PAGA Period. If you believe that you worked more workweeks or pay periods during either of those periods, you can submit a challenge by the deadline date. See **Section 4** of this Notice.

The court has 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, depending on whether you take action or do nothing in response to this Notice. 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 Plaintiff and Plaintiff’s attorneys (“Class Counsel”). The court will also decide whether to enter a judgment that requires LakePharma to make payments under the Settlement and requires Class Members and the LWDA to give up their rights to assert certain claims against LakePharma. The final approval hearing is scheduled to be held on _____ at _____ in Department 28, Courtroom I of the San Mateo Superior Court, located at 800 North Humboldt St, San Mateo, CA 94401.

If you worked for LakePharma during the Class Period and/or the PAGA 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 as a Class Member and/or an Individual PAGA Payment as an Aggrieved Employee. As a Class Member, though, you will give up your right to assert Class Period wage claims against LakePharma. You will have the right to object to any part of the proposed Settlement if you do not exclude yourself from the Class Settlement.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting a Request for Exclusion to the Administrator, or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against LakePharma, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment in the Action. You cannot opt-out of the PAGA portion of the proposed Settlement.

LakePharma 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 participant in the Settlement, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against LakePharma that are covered by this Settlement ("Released 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 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. LakePharma must pay individual PAGA Settlement payments to all Aggrieved Employees, and the LWDA and Plaintiff give up their rights to pursue Released PAGA Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by	All Class Members who do not opt-out ("Participating Class Members") 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 Plaintiff who pursued the Action on behalf of the class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the Final Approval Hearing	The court's Final Approval Hearing is scheduled to take place on . 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 remote appearance options. Participating Class Members can verbally object to the Settlement at the final approval hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by	The amount of your Individual Class Payment and Individual PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period, and how many pay periods you worked at least one day during the PAGA Period, respectively. The number of Class Period workweeks and number of PAGA Period pay periods you worked according to LakePharma's records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by . See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former LakePharma employee. Plaintiff accuses LakePharma of violating California labor laws by failing to pay overtime wages, minimum wages, wages due upon termination and reimbursable expenses and failing to provide meal periods, rest breaks, and accurate itemized wage statements. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) ("PAGA"). Plaintiff is represented by attorneys in the Action: Moon Law Group, PC ("Class Counsel.")

LakePharma strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the court has made no determination whether LakePharma or Plaintiff are correct on the merits. In the meantime, Plaintiff and LakePharma (the "Parties") in an effort to resolve the Action, negotiated the claims and terms in order to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement ("Agreement") and agreeing to jointly ask the court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and LakePharma 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, LakePharma does not admit any violations or concede the merit of any claims.

Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) LakePharma has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. 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 IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. LakePharma will pay \$125,000.00 as the Gross Settlement Amount ("Gross Settlement"). LakePharma has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsels' attorney's fees and expenses, the Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the court grants final approval, LakePharma will make the settlement payment to the Administrator in two payments. LakePharma will fund the Gross Settlement 15 days after the judgement entered by the court becomes final. The judgment will be final on the date the Court enters judgment, or a later date if Participating Class Members object to the proposed Settlement or the judgment is appealed.

2. Court approved deductions from Gross Settlement. At the final approval hearing, Plaintiff 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:

A. Up to \$41,666.67 (One Third of the Gross Settlement Amount) to Class Counsel for attorneys' fees and up to \$20,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.

B. Up to \$7,500.00 for the class representative service award for filing the Action, working with Class Counsel and representing the Class. A class representative award will be the only monies Plaintiff will receive other than Plaintiff's Individual Class Payment, and any Individual PAGA Payment.

C. Up to an estimated \$10,000.00 to the Administrator for services administering the Settlement.

D. \$12,500.00 for PAGA penalties, allocated 75% to the LWDA and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period pay periods.

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

3. Net Settlement distributed to Class Members. After making the above deductions in amounts approved by the court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making Individual Class Payments to Participating Class Members based on their Class Period workweeks.

4. Taxes owed on payments to Class Members. Plaintiff and LakePharma are asking the Court to approve an allocation of 20% of each Individual Class Payment to taxable wages ("Wage Portion") and 80% to interest and penalties ("Non-Wage Portion"). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. LakePharma will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiff and LakePharma have agreed to these allocations, neither side is giving you any advice on whether your payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

5. Need to promptly cash payment checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments 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 monies will be redirected to the California Controller's Unclaimed Property Fund.

6. Requests for exclusion from the Class Settlement ("Opt-Outs"). You will be treated as a Settlement Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than [REDACTED], that you wish to Opt-Out. The easiest way to notify the Administrator is to send in a Request for Exclusion by the [REDACTED] response deadline. The Request for Exclusion should be signed. Excluded Class Members (i.e., Non-

Participating Class Members) will not receive Individual Class Payments but will preserve their rights to personally pursue wage and hour claims against LakePharma.

You cannot Opt-Out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments in the Action but are required to give up their right to assert PAGA claims against LakePharma based on the PAGA Period facts alleged in the Action.

7. 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. Plaintiff and LakePharma have agreed that, in either case, the Settlement will be void: LakePharma will not pay any money and Class Members will not release any claims against LakePharma.

8. Administrator. The court has appointed a neutral company, [REDACTED] (the “Administrator”), to send this Notice, calculate and make payments, and process Class Members’ requests for exclusion. The Administrator will also decide Class Member challenges over workweeks and/or pay periods, 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.

9. Participating Class Members’ release. After the judgment is final and LakePharma has fully funded the Gross Settlement and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of another lawsuit against LakePharma or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

The “Released Parties” are LakePharma, its predecessors, its successors (including but not limited to Curia Global, Inc.), and each of its predecessors, and its successors former and present directors, officers, shareholders, owners, former and present managing employees, members, attorneys, agents, insurers, predecessors, successors, and assigns.

The Participating Class Members will be bound by the following release:

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 (i) all claims that were pled in the operative complaint, or which were asserted in the litigation, or which could have been pled in any of the complaints in the Action or PAGA notice submitted by Plaintiff with the Labor Workforce Development Agency based on the factual allegations therein, that arose during the Class Period, including:

- a. Failure to Pay Minimum Wages [Cal. Lab. Code §§ 204, 1194, 1194.2, and 1197];
- b. Failure to Pay Overtime Compensation [Cal. Lab. Code §§ 1194 and 1198];
- c. Failure to Provide Meal Periods [Cal. Lab. Code §§ 226.7, 512];
- d. Failure to Authorize and Permit Rest Breaks [Cal. Lab. Code §§ 226.7];
- e. Failure to Indemnify Necessary Business Expenses [Cal. Lab. Code §§ 2800, 2802];
- f. Failure to Timely Pay Final Wages at Termination [Cal. Lab. Code §§ 201- 203];
- g. Failure to Provide Accurate Itemized Wage Statements [Cal. Lab. Code § 226]; and
- h. Unfair Business Practices [Cal. Bus. & Prof. Code §§ 17200, et seq.].

10. The PAGA release. After the court’s judgment is final, and LakePharma has paid the Gross Settlement (and separately paid the employer-side payroll taxes), Plaintiff and the LWDA will release the PAGA claim for violations identified in Plaintiff’s PAGA Notice to the LWDA.

The PAGA Release is as follows:

All Class Members who are Aggrieved Employees 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 all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the PAGA Notice.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of workweeks worked by each individual Participating Class Member.

2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing the individual PAGA amount by the total number of PAGA Period pay periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period pay periods worked by each individual Aggrieved Employee.

3. Workweek/pay period challenges. The number of Class Period workweeks you worked during the Class Period and the number of PAGA pay periods you worked during the PAGA Period, as recorded in LakePharma's records, are stated in the first page of this Notice. You have until [REDACTED] to challenge the number of workweeks and/or pay periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept LakePharma's calculation of workweeks and/or pay periods based on LakePharma'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 and/or pay period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Class Members) and LakePharma's Counsel.

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out), including all Class Members who qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment, if any.

2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member who is eligible as an Aggrieved Employee).

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

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Send in a Request for Exclusion to the Administrator. 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 Class portion of the Settlement and includes the Class Member's name, address and email address or telephone number. The Administrator will exclude you based on any writing communicating your request to be excluded. Be sure to identify the Action in a way that is clear (include the case name and case number). The Administrator must receive your request to be excluded by [REDACTED], or it will be invalid. Section 9 of the Notice has the Administrator's contact information.

If you wish to opt-out of the Class Settlement, DO NOT send in a written objection.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and LakePharma are asking the court to approve. At least 16 court days before the [REDACTED] final approval hearing, Class Counsel and/or Plaintiff 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 for awards of fees, litigation expenses and a service award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representative Service Award. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you.

A Participating Class Member who disagrees with any aspect of the Settlement, the motion for final approval and for awards of fees, litigation expenses and service award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. The deadline for sending written objections to the Administrator is [REDACTED]. Be sure to tell the Administrator in your written objection what you object to, why you object, and any facts that support your objection. If you submit a written objection, make sure you identify the Action (by including the case name and case number) and print your name, address and email address or telephone number and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally hire 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. See Section 8 of this Notice (below) for specifics regarding the final approval hearing.

If you wish to object in writing or in person, DO NOT send in a Request for Exclusion.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the final approval hearing on [redacted] at [redacted] in Department 28, Courtroom I of the San Mateo Superior Court, located at 800 North Humboldt St, San Mateo, CA 94401. At the hearing, the court will decide whether to grant final approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The court will invite comment from objectors, Class Counsel and defense counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or telephonically.

It's possible the court will reschedule the final approval hearing. You should contact Class Counsel to verify the date and time of the final approval hearing if you are planning to attend the hearing or have your own lawyer attend.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything LakePharma and Plaintiff have promised to do under the proposed Settlement. The easiest way to obtain and read the Agreement or any other Settlement document is to go to the Administrator's website at [redacted]. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to <https://sanmateo.courts.ca.gov/online-services/online-case-access>, selecting the case number search and entering the case number for the Action, 22-CIV-02126, as instructed on the web form.

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

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Settlement Administrator:

Name of Company: [redacted]
Email Address:
Mailing Address:
Telephone:

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.

12. WHAT IS A PAGA PENALTY?

The Net Settlement is money paid to settle claims for Participating Class Members. But the PAGA claim is different. PAGA penalties were originally penalties that only the State of California could collect through an enforcement action brought by the State against an employer. In 2004, the State enacted PAGA, a law that allows employees to try to recover those penalties for the State. Under PAGA, the State agrees to share 25% of its penalties with the affected employees (here, the Aggrieved Employees). The PAGA settlement proposed as part of this Settlement is a settlement of the State's PAGA claim.

Exhibit “2”

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PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the State of California, County of Los Angeles. I am over the age of 18 and not a party to the within suit; my business address is 725 S. Figueroa St., Suite 3100, Los Angeles, CA 90017.

On the date indicated below, I served the document described as: **DECLARATION OF H. SCOTT LEVIANT IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT** on the interested parties in this action by sending ☐ the original [or] ☒ a true copy thereof ☒ to interested parties as follows [or] ☐ as stated on the attached service list:

James S. Brown
Antonio Calderone
Jesse D. Sutz
DUANE MORRIS LLP
One Market Plaza, Suite 2200
San Francisco, California 94105
JamesBrown@duanemorris.com
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Antonio Calderone (Pro Hac Vice)
LANER MUCHIN
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Chicago, Illinois 60654
acaldarone@lanermuchin.com

Counsel for Defendant

☐ **BY MAIL (ENCLOSED IN A SEALED ENVELOPE):** I deposited the envelope(s) for mailing in the ordinary course of business at Los Angeles, California. I am "readily familiar" with this firm's practice of collection and processing correspondence for mailing. Under that practice, sealed envelopes are deposited with the U.S. Postal Service that same day in the ordinary course of business with postage thereon fully prepaid at Los Angeles, California.

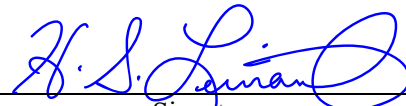
☒ **BY E-MAIL:** I hereby certify that this document was served from Los Angeles, California, by e-mail delivery on the parties listed herein at their most recent known e-mail address or e-mail of record in this action.

☐ **BY PERSONAL SERVICE:** I delivered the document, enclosed in a sealed envelope, by hand to the offices of the addressee(s) named herein.

☐ **BY OVERNIGHT DELIVERY:** I am "readily familiar" with this firm's practice of collection and processing correspondence for overnight delivery. Under that practice, overnight packages are enclosed in a sealed envelope with a packing slip attached thereto fully prepaid. The packages are picked up by the carrier at our offices or delivered by our office to a designated collection site.

I declare under penalty of perjury under the laws of the State of California and the United States that the foregoing is true and correct. Executed this **November 22, 2024** at Los Angeles, California.

H. Scott Leviant
Type or Print Name


Signature