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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

REBEKAH DIAZ, RANDI STENSBERG,
RAFAEL URIBE, and VIRGINIA ZEBLEY,
individuals, on behalf of themselves and on
behalf of all persons similarly situated,

Plaintiff,

vs.

LOYAL SOURCE GOVERNMENT
SERVICES LLC, a limited liability company;
and DOES 1 through 50, inclusive,

Defendants.

CASE NO.: 22STCV15413

[consolidated with Case No. 22STCV22205]

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

Hearing Date: April 19, 2024 _____

Hearing Time: 10:30 a.m.

Judge: Hon. Stuart M. Rice

Dept: SS-1

Date Filed: May 10, 2022

Trial Date: Not set

1 The unopposed motion of Plaintiffs Rebekah Diaz, Randi Stensberg, Rafael Uribe, and
2 Virginia Zebley (collectively “Plaintiffs”) for an order finally approving the Class Action and
3 PAGA Settlement Agreement (“Agreement”) with Defendant Loyal Source Government Services
4 LLC (“Defendant”), attorneys’ fees and costs, service payments, and the expenses of the
5 Administrator duly came on for hearing on April 19, 2024 before the Honorable Stuart M. Rice.

6 **I.**

7 **FINDINGS**

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

- 10 1. All terms used herein shall have the same meaning as defined in the Agreement.
- 11 2. This Court has jurisdiction over the subject matter of this litigation pending before
12 the Superior Court for the State of California, in and for the County of Los Angeles, and over all
13 Parties to this litigation, including the Class.
- 14 3. Based on a review of the papers submitted by Plaintiffs and a review of the
15 applicable law, the Court finds that the Gross Settlement Amount of One Million Nine Hundred
16 Fifty Thousand Dollars (\$1,950,000) and the terms set forth in the Agreement are fair, reasonable,
17 and adequate.
- 18 4. The Court further finds that the Settlement was the result of arm’s length
19 negotiations conducted after Class Counsel had adequately investigated the claims and became
20 familiar with the strengths and weaknesses of those claims. In particular, the amount of the
21 Settlement, and the assistance of an experienced mediator in the settlement process, among other
22 factors, support the Court’s conclusion that the Settlement is fair, reasonable, and adequate.

23 **Preliminary Approval of the Settlement**

- 24 5. On October 4, 2023, the Court granted preliminary approval of the Settlement. At
25 this same time, the Court approved conditional certification of the Class for settlement purposes
26 only.

1 **Notice to the Class**

2 6. In compliance with the Preliminary Approval Order, the Court-approved Class
3 Notice was mailed by first class mail to members of the Class at their last-known addresses on or
4 about November 3, 2023. Mailing of the Class Notice to their last-known addresses was the best
5 notice practicable under the circumstances and was reasonably calculated to communicate actual
6 notice of the litigation and the proposed settlement to the Class. The Class Notice given to the
7 Class Members fully and accurately informed the Class Members of all material elements of the
8 proposed Settlement and of their opportunity to object to or comment thereon or to seek exclusion
9 from the Settlement; was valid, due, and sufficient notice to all Class Members; and complied
10 fully with the laws of the State of California, the United States Constitution, due process and other
11 applicable law. The Class Notice fairly and adequately described the Settlement and provided
12 Class Members adequate instructions and a variety of means to obtain additional information.

13 7. The Response Deadline for opting out or submitting written objections to the
14 Settlement was December 18, 2023, which for re-mailings was extended by fourteen (14) days.
15 There was an adequate interval between notice and the deadline to permit Class Members to
16 choose what to do and to act on their decision. A full and fair opportunity has been afforded to the
17 Class Members to participate in this hearing, and all Class Members and other persons wishing to
18 be heard have had a full and fair opportunity to be heard. Class Members also have had a full and
19 fair opportunity to exclude themselves from the proposed Settlement and Class. Accordingly, the
20 Court determines that all Class Members who did not timely and properly submit a request for
21 exclusion are bound by the Settlement and this Final Approval Order and Judgment.

22 **Fairness of the Settlement**

23 8. The Agreement is entitled to a presumption of fairness. *Dunk v. Ford Motor Co.*
24 48 Cal.App.4th 1794, 1801 (1996).

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

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

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

5 d. The percentage of objectors and requests for exclusion is small. No
6 objections were received. No requests for exclusion were received.

7 e. The participation rate was high. 1,304 Participating Class Members will be
8 mailed a settlement payment, representing 100% of the overall Class.

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

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

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

17 11. An award of \$650,000 for attorneys' fees, representing one-third of the Gross
18 Settlement Amount, and \$25,000 for litigation costs and expenses, is reasonable, in light of the
19 contingent nature of Class Counsel's fee, the hours worked by Class Counsel, and the results
20 achieved by Class Counsel. The requested award has been supported by Class Counsel's lodestar
21 and billing statement.

22 **Class Representative Service Payments**

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

1 in bringing and prosecuting this matter on behalf of the Class, and for their execution of a general
2 release.

3 **Administration Expenses Payment**

4 13. The Administrator shall calculate and administer the payment to be made to the
5 Class Members, transmit payment for attorneys' fees and costs to Class Counsel, transmit the
6 Class Representative Service Payments to the Plaintiffs, issue all required tax reporting forms,
7 calculate withholdings and perform the other remaining duties set forth in the Agreement. The
8 Administrator has documented \$20,000 in fees and expenses, and this amount is reasonable in
9 light of the work performed by the Administrator.

10 **PAGA Penalties**

11 14. The Agreement provides for a PAGA Penalties out of the Gross Settlement
12 Amount of \$50,000, which shall be allocated \$37,500 to the Labor & Workforce Development
13 Agency ("LWDA") as the LWDA's 75% share of the settlement of civil penalties paid under this
14 Agreement pursuant to the PAGA and \$12,500 to be distributed to the Aggrieved Employees and
15 allocated by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties
16 (\$12,500) by the total number of weeks worked during the PAGA Period by all Aggrieved
17 Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's
18 weeks worked during the PAGA Period. "Aggrieved Employees" are all hourly, non-exempt
19 employees who were employed in California at any time during the PAGA Period (May 10, 2021
20 through February 2, 2023). Pursuant to Labor Code section 2699, subdivision (l)(2), the LWDA
21 was provided notice of the Agreement and these settlement terms and has not indicated any
22 objection thereto. The Court finds the PAGA Penalties to be reasonable.

23 **II.**

24 **ORDERS**

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

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

1 All individuals who are or previously were employed by Defendant in California
2 who were classified as hourly, non-exempt employees at any time during the Class
3 Period (September 29, 2020 through February 2, 2023), but excluding individuals
4 who: (a) were hired on or before September 29, 2020, (b) have not worked for
5 Defendant in California at any time since on or after January 29, 2021, and (c) were
"Participating Class Members" in the settlement of the consolidated matters of
Ortega, et al. v. Loyal Source Government Services, LLC, Case No. 3:20-cv-00879
and *Ortega v. Loyal Source Government Services, LLC*, Case No. 3:20-cv-01173.

6 2. All persons who meet the foregoing definition are members of the Class, except for
7 those individuals who filed a valid request for exclusion ("opt out") from the Class. There were
8 no individuals who requested exclusion.

9 3. The Agreement is hereby finally approved as fair, reasonable, adequate, and in the
10 best interest of the Class.

11 4. Class Counsel are awarded attorneys' fees in the amount of \$650,000 and costs in
12 the amount of \$25,000. Class Counsel shall not seek or obtain any other compensation or
13 reimbursement from Defendant, Plaintiffs or members of the Class.

14 5. The payment of Class Representative Service Payments in the amount of \$10,000
15 each to the Plaintiffs is approved.

16 6. The payment of \$20,000 to the Administrator for its fees and expenses is approved.

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

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

22 9. Neither the Agreement nor this Settlement is an admission by Defendant, nor is this
23 Final Approval Order and Judgment a finding, of the validity of any claims in the Action or of any
24 wrongdoing by Defendant or that this Action is appropriate for class or representative treatment
25 (other than for settlement purposes). Neither this Final Approval Order and Judgment, the
26 Agreement, nor any document referred to herein, nor any action taken to carry out the Agreement
27 is, may be construed as, or may be used as an admission by or against Defendant of any fault,
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1 wrongdoing or liability whatsoever. The entering into or carrying out of the Agreement, and any
2 negotiations or proceedings related thereto, shall not in any event be construed as, or deemed to be
3 evidence of, an admission or concession with regard to the denials or defenses by Defendant.
4 Notwithstanding these restrictions, Defendant may file in the Action or in any other proceeding
5 this Final Approval Order and Judgment, the Agreement, or any other papers and records on file in
6 the Action as evidence of the Settlement to support a defense of *res judicata*, collateral estoppel,
7 release, or other theory of claim or issue preclusion or similar defense as to the Released Class
8 Claims and/or Released PAGA Claims.

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

14 11. If the Agreement does not become final and effective in accordance with the terms
15 of the Agreement, then this Final Approval Order and Judgment, and all orders entered in
16 connection herewith, shall be rendered null and void and shall be vacated, and the Parties shall
17 revert to their respective positions as of before entering into the Agreement, and expressly reserve
18 their respective rights regarding the prosecution and defense of this Action, including all available
19 defenses and affirmative defenses, and arguments that any claim in the Action could not be
20 certified as a class action and/or managed as a representative action.

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

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

24 2. The Court shall retain jurisdiction to construe, interpret, implement and enforce the
25 Agreement, to hear and resolve any contested challenge to a claim for settlement benefits, and to
26 supervise and adjudicate any dispute arising from or in connection with the distribution of
27 settlement benefits.

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

3 4. Effective on the date when Defendant fully fund the Gross Settlement Amount and
4 all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs,
5 Participating Class Members, Aggrieved Employees and the LWDA will release claims against all
6 Released Parties as follows:

7 (a) All Participating Class Members, on behalf of themselves and their
8 respective former and present representatives, agents, attorneys, heirs, administrators, successors,
9 and assigns, release Released Parties from the Released Class Claims. The "Released Class
10 Claims" are all claims that were alleged, or reasonably could have been alleged, under federal,
11 state, or local law arising out of or related to the facts stated in the Operative Complaint which
12 occurred during the Class Period, including all causes of action pled in the Operative Complaint.
13 Except as expressly set forth in this Agreement, Participating Class Members do not release any
14 other claims, including claims for vested benefits, wrongful termination, violation of the Fair
15 Employment and Housing Act, unemployment insurance, disability, social security, workers'
16 compensation, or claims based on facts occurring outside the Class Period.

17 (b) All Aggrieved Employees and the LWDA are deemed to release, on behalf
18 of themselves and their respective former and present representatives, agents, attorneys, heirs,
19 administrators, successors, and assigns, the Released Parties from all of the Released PAGA
20 Claims. The "Released PAGA Claims" are all claims for PAGA penalties that were alleged, or
21 reasonably could have been alleged, arising out of or related to the facts stated in the Operative
22 Complaint and the PAGA Notice, including all violations alleged in the Operative Complaint,
23 which occurred during the PAGA Period. The Released PAGA Claims do not include other
24 PAGA claims, underlying wage and hour claims, claims for wrongful termination, discrimination,
25 unemployment insurance, disability and worker's compensation, and claims outside of the PAGA
26 Period.

1 (c) Plaintiffs and their respective former and present spouses, representatives,
2 agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge
3 Released Parties from all claims, transactions, or occurrences that occurred during the Class
4 Period ("Plaintiffs' Release") as fully set forth in the Agreement.

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

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

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

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17 Dated: _____

18 _____
19 HON. STUART M. RICE
20 JUDGE OF THE SUPERIOR COURT OF CALIFORNIA
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