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19 **SUPERIOR COURT OF CALIFORNIA**

20 **FOR THE COUNTY OF SACRAMENTO**

21 DANIEL PEREZ, individually and on behalf of
22 all other similarly situated employees,

23 Plaintiff,

24 vs.

25 METRO MAILING SERVICE INC., *et al.*,
26 Defendants.

27 **Case No.: 34-2022-00323567**

28 **PRIVATE ATTORNEYS GENERAL ACT
SETTLEMENT**

Filed: July 18, 2022

FAC Filed: September 1, 2022

Trial Date: None Set

1 This Private Attorneys General Act Settlement is made and entered into between the Plaintiff
2 Daniel Perez ("Plaintiff"), on behalf of himself, the Labor and Workforce Development Agency, and
3 PAGA Employees, and Defendant Metro Mailing Service, Inc. ("Defendant"). This Agreement is subject
4 to the terms and conditions set forth below and approval of the Court.

5 **1. DEFINITIONS**

6 The following terms, when used in this Agreement, have the following meanings:

7 1.1 "Action" means the above stated lawsuit, *Daniel Perez v. Metro Mailing Service Inc.*,
8 Sacramento County Superior Court, Case No. 34-2022-00323567, filed July 18, 2022.

9 1.2 "PAGA Employee(s)" means all individuals who have, or continue to, work for Defendant
10 in California who received the second shift pay differential and who worked overtime, received a meal/rest
11 period premium, and/or received sick leave pay that would have been subject to that differential, from
12 June 24, 2021, through either (1) the Final Approval Date, or (2) thirty calendar days after this Agreement
13 was signed, whichever is earlier.

14 1.3 "Agreement" or "Settlement" or "Settlement Agreement" means this Private Attorneys
15 General Act Settlement.

16 1.4 "Complaint" means the operative Complaint on file in the Action with the Court.

17 1.5 "Court" means the Sacramento County Superior Court.

18 1.6 "Defendant" means Metro Mailing Service, Inc.

19 1.7 "Defendant's Counsel" means Boutin Jones Inc.

20 1.8 "Effective Date" means the Final Approval Date unless there is a timely objection lodged
21 that has not later been withdrawn, in which case the Effective Date will be either (a) the 60th calendar day
22 after a signed order approving this settlement has been filed provided no appellate proceeding has been
23 filed; or (b) seventh (7th) calendar day after any appellate proceeding opposing the settlement has been
24 finally dismissed with no material change to the terms of this settlement and there is no right to pursue
25 further remedies or relief, whichever is later.

26 1.9 "Final Approval Date" means the date the Court enters a signed order granting approval of
27 the Agreement.

1 1.10 "Gross Settlement Amount" is the sum of Eighty-Seven Thousand and Five Hundred
2 Dollars (\$87,500).

3 1.11 "Individual Settlement Amount" means an individual PAGA Employee's allocation of the
4 Net Settlement Amount, as defined in Section 1.13 and 5.7.

5 1.12 "LWDA" means the California Labor and Workforce Development Agency.

6 1.13 "Net Settlement Amount" is the portion of the Gross Settlement Amount available for
7 distribution between PAGA Employees and the LWDA pursuant to Labor Code section 2699(i), after
8 deduction of Plaintiff's attorneys' fees and litigation costs, and Settlement Administrator Costs.

9 1.14 "Notice of Settlement" means the document substantially in the form attached hereto as
10 Exhibit 1.

11 1.15 "PAGA" means Private Attorneys General Act.

12 1.16 "PAGA Claim Period" means June 24, 2021, up to either (1) the Final Approval Date or
13 (2) thirty calendar days after this Agreement signed, whichever is earlier.

14 1.17 "PAGA Payment" means the 75% share of the Net Settlement Amount paid to the LWDA
15 pursuant to Labor Code section 2699(i).

16 1.18 "Parties" mean Defendant and Plaintiff.

17 1.19 "Plaintiff" means Daniel Perez.

18 1.20 "Plaintiff's Counsel" means Galen T. Shimoda, Justin P. Rodriguez and Renald Konini of
19 Shimoda & Rodriguez Law, PC.

20 1.21 "QSF" means a Qualified Settlement Fund set up by the Settlement Administrator for the
21 benefit of the PAGA Employees and from which the payments under this Agreement shall be made. Any
22 amounts Defendant has agreed to pay under this Agreement shall remain the property of Defendant until
23 the payments required under the Agreement are made.

24 1.22 "Qualifying Pay Periods" are pay periods worked by PAGA Employees during the PAGA
25 Claim Period in California during which Defendant paid them the second shift pay differential and they
26 worked overtime, received a meal/rest period premium, and/or received sick leave pay that would have
27 been subject to that differential. The calculation of a PAGA Employee's pay periods and determination
28

1 as to whether a PAGA Employee was actively employed in California in a particular pay period shall be
2 construed from Defendant's records.

3 1.23 "Released PAGA Claims" means any and all claims for civil penalties that were brought
4 under the Private Attorneys General Act, Labor Code §§ 2698 *et seq.*, that were asserted in Plaintiff's
5 notice letter to the LWDA and any additional claims for civil penalties under the PAGA that could have
6 been brought based on the facts alleged therein during the PAGA Claim Period. PAGA Employees cannot
7 opt out of this waiver of claims.

8 1.24 "Released Parties" means Defendant, as well as Defendant's representatives, associates,
9 affiliates, divisions, owners, predecessors, successors, parents, subsidiaries, directors, officers, agents,
10 employees, partners, lawyers, staffing agencies, joint employers, insurers, and reinsurers, and each of their
11 respective predecessors, successors, heirs and assigns.

12 1.25 "Settlement Administrator" means and refers to ILYM Group, Inc., the third-party entity
13 that will administer the Agreement as outlined in Section 7, or any other third-party administrator agreed
14 to by the Parties and approved by the Court for the purposes of administering this Agreement. The Parties
15 each represent that they do not have any financial interest in the Settlement Administrator.

16 1.26 "Settlement Administrator Costs" means the fees and expenses reasonably incurred by the
17 Settlement Administrator as a result of the procedures and processes expressly required by this Agreement,
18 and shall include all costs of administering the Agreement, including, but not limited to, all tax document
19 preparation, custodial fees, and accounting fees incurred by the Settlement Administrator; all costs and
20 fees associated with preparing, issuing and mailing any and all notices and other correspondence to PAGA
21 Employees; all costs and fees associated with communicating with PAGA Employees, Plaintiff's Counsel,
22 and Defendant's Counsel; all costs and fees associated with computing, processing, reviewing, and paying
23 the Individual Settlement Amounts, and resolving disputes; all costs and fees associated with calculating
24 tax withholdings and payroll taxes, if any, making related payment to federal and state tax authorities, if
25 any, and issuing tax forms relating to payments made under the Agreement; all costs and fees associated
26 with preparing any tax returns and any other filings required by any governmental taxing authority or
27 agency; all costs and fees associated with preparing any other notices, reports, or filings to be prepared in
28 the course of administering Individual Settlement Amounts; and any other costs and fees incurred and/or

1 charged by the Settlement Administrator in connection with the execution of its duties under this
2 Agreement.

3 **2. DESCRIPTION OF THE LITIGATION**

4 2.1 On or about June 24, 2022, Plaintiff sent notice to the LWDA to exhaust administrative
5 remedies under the PAGA for alleged (1) Failure to Pay Overtime Wages, (2) Failure to Provide Meal
6 Periods or Pay Premiums in Lieu Thereof, (3) Failure to Provide Rest Periods or Pay Premiums in Lieu
7 Thereof, (4) Failure to Provide Accurate Wage statements, (5) Failure to Pay Final Wages, (6) Failure to
8 Pay Reimbursements for Expenses (7) Violation of Labor Code §§ 558, 558.1 (Provisions Regulating
9 Hours and Days of Work in Any Industrial Welfare Commission Order), and (8) Failure to Provide Paid
10 Sick Leave. The LWDA did not respond to the notice within the statutorily required time frame and, as
11 such, Plaintiff became authorized to act as a Private Attorney General on all alleged PAGA claims.

12 2.2 On July 18, 2022, Plaintiff filed a class action Complaint in the Sacramento County
13 Superior Court on behalf of himself and putative class members alleging claims for (1) Failure to Pay
14 Overtime Wages, (2) Failure to Provide Meal Periods, (3) Failure to Provide Rest Periods, (4) Wage
15 Statement Violations, (5) Failing to Pay Final Wages, (6) Failure to Reimburse Expenses, and (7) Unfair
16 Competition. After exhausting administrative remedies, Plaintiff filed a First Amended Complaint on
17 September 1, 2022, in the Action to add a PAGA cause of action based on the violations alleged in the
18 June 24, 2022, notice to the LWDA on behalf of himself and PAGA Employees.

19 2.3 Through formal discovery, Defendant and Defendant's Counsel provided Plaintiff's
20 Counsel with copies of all applicable versions of its policies and procedures, employee handbooks,
21 information on the number of PAGA Employees, including, but not limited to, PAGA Employees'
22 workweeks, dates of employment, total number of PAGA Employees, their rates of pay, and pay periods
23 as well as timecard data and payroll reports for the PAGA Employees.

24 2.4 After extended litigation and negotiations in the lead up to Plaintiff filing a motion for
25 certification, the Parties were able to come to a resolution. At all times, the Parties' settlement negotiations
26 have been non-collusive, adversarial, and at arm's length. Having assessed the risks and probabilities
27 related to certification, the Parties agreed to resolve the representative claims on a PAGA only basis that
28 is more specifically tied to allegations relating to the payment of shift differentials and the regular rate of

1 pay, as well as to resolve Plaintiff's individual claims, which shall be settled and released through a
2 separate individual "Settlement and Release Agreement" between the Parties. As such, Plaintiff will be
3 seeking to dismiss the class allegations without prejudice as well as the PAGA claims that are outside the
4 scope of the intended resolution without prejudice.

5 2.5 Discussions between Plaintiff and Plaintiff's Counsel, between counsel for the Parties,
6 document productions, extensive legal analysis, the provision of information by Defendant to Plaintiff and
7 the detailed analysis of the records have permitted each side to assess the relative merits of the claims and
8 the defenses to those claims.

9 2.6 In the Action, Plaintiff contends that Defendant violated California law by failing to
10 account for the value of shift differential pay when calculating the regular rate of pay used for overtime
11 premiums, meal and rest period premiums, and sick leave wages. Plaintiff also contends that employees
12 were required to use their personal cell phones for work purposes without being reimbursed for the
13 associated expense. Defendant has denied each of Plaintiff's claims. The agreed upon Gross Settlement
14 Amount was reached after evaluating the Plaintiff's theories of potential exposure and assessing
15 appropriate discounts to the potential liability based on Defendant's factual and legal contentions and
16 defenses.

17 2.7 The Parties agree that the above-described investigation and evaluation, as well as
18 discovery and the information exchanged to date, are more than sufficient to assess the merits of the
19 respective Parties' positions and to compromise the issues on a fair and equitable basis. Plaintiff,
20 Plaintiff's Counsel, Defendant, and Defendant's Counsel have concluded that it is desirable that the claims
21 be settled in a manner and upon such terms and conditions set forth herein in order to avoid further
22 expense, inconvenience and distraction of further legal proceedings, and the risk of an adverse outcome
23 each of the Parties potentially face. Plaintiff, Plaintiff's Counsel, Defendant, and Defendant's Counsel
24 are of the opinion that the Agreement for the consideration and terms set forth herein is fair, reasonable,
25 and adequate in light of all known facts and circumstances.

26 3. THE CONDITIONAL NATURE OF THIS AGREEMENT

27 3.1 This Agreement and all associated exhibits or attachments are made for the sole purpose
28 of settling the claims as outlined herein. This Agreement and the settlement it evidences are made in

1 compromise of disputed claims. The Parties enter into this Agreement and associated settlement on a
2 conditional basis in order for the Court to evaluate and approve the settlement. If the Effective Date does
3 not occur, or if the Court's approval of the settlement is reversed or materially modified on appellate
4 review, this Agreement shall be deemed null and void; it shall be of no force or effect whatsoever; it shall
5 not be referred to or utilized for any purpose whatsoever; and the negotiation, terms and entry of the
6 Agreement shall remain subject to the provisions of California Evidence Code Sections 1119 and 1152,
7 Federal Rule of Evidence 408, and any other analogous rules of evidence that may be applicable.

8 3.2 Defendant has denied all claims as to liability, damages, penalties, interest, fees, injunctive
9 relief and all other forms of relief asserted in the Action. Defendant has agreed to resolve the claims
10 outlined herein via this Agreement, but, to the extent this Agreement is deemed void or the Effective Date
11 does not occur, Defendant does not waive, and is expressly reserving, all rights to challenge all such claims
12 and allegations in the Action upon all procedural and factual grounds, including, without limitation, the
13 ability to challenge representative or collective treatment on any grounds, as well as to assert any and all
14 other potential defenses or privileges.

15 4. SCOPE OF THE PAGA EMPLOYEES

16 4.1 The scope of individuals encompassed under the Agreement, who are entitled to all benefits
17 as authorized under the Agreement and subject to all obligations and duties required under the Agreement,
18 shall include all PAGA Employees as defined in Section 1.2.

19 4.2 PAGA Employees entitled to recover under this Agreement will include only those
20 individuals who are identified in Defendant's records as having worked as a PAGA Employee.

21 5. TERMS OF THE SETTLEMENT

22 The Parties agree as follows:

23 5.1 Gross Settlement Amount: In consideration and exchange for the releases described in
24 Section 6, Defendant shall pay the Gross Settlement Amount (\$87,500). Funding of the Gross Settlement
25 Amount shall occur within twenty-eight (28) calendar days after the Effective Date to be held in trust in a
26 QSF by the Settlement Administrator. The Gross Settlement Amount represents the maximum amount
27 payable under this Agreement by Defendant, and includes without limitation, the PAGA Payment, all
28 payments to the PAGA Employees, all attorneys' fees, costs and litigation expenses directly related to the

1 Action incurred to date, as well as all such fees and costs incurred in documenting the Agreement,
2 administering the Agreement (including Settlement Administrator Costs), and obtaining approval of the
3 Agreement.

4 5.2 Attorneys' Fees and Costs: Plaintiff's Counsel will apply to the Court for attorney's fees
5 in the amount of \$57,500, which shall be paid from the Gross Settlement Amount. Defendant agrees to
6 not oppose Plaintiff's Counsel's application for attorneys' fees so long as it does not exceed \$57,500.
7 Plaintiff's Counsel will also be entitled to reimbursement for advanced litigation expenses not to exceed
8 \$8,000, which shall be paid from the Gross Settlement Amount. Defendant have agreed to not oppose
9 Plaintiff's Counsel's request for reimbursement for advanced litigation expenses so long as they do not
10 exceed the \$8,000 threshold. The Settlement Administrator will issue Plaintiff's Counsel an IRS Form
11 1099 for the attorneys' fees and costs paid under this Agreement. In the event that the Court awards less
12 than the requested attorney's fees and/or costs, the portion of the requested amounts not awarded to
13 Plaintiff's Counsel shall be added to the Net Settlement Amount as defined in section 1.13.

14 5.3 Settlement Administrator Costs: The Settlement Administrator Costs shall be paid from
15 the Gross Settlement Amount and shall not exceed \$2,000. The difference between any actual costs and
16 the allocated \$2,000 shall be added to the Net Settlement Amount as defined in section 1.13.

17 5.4 Treatment of Residue and Cy Pres: For any portion of the Net Settlement Amount allocated
18 to PAGA Employees that was not claimed by PAGA Employees by cashing their respective settlement
19 checks before the deadline to do so, that remaining amount shall be donated equally, *i.e.* 50/50, to Capital
20 Pro Bono, Inc., and the Center for Workers' Rights under the doctrine of *cy pres*. No portion of the Gross
21 Settlement Amount will revert to Defendant for any reason.

22 5.5 No Additional Benefits Contributions: All Individual Settlement Amounts paid to PAGA
23 Employees shall be deemed to be income solely in the year in which such amounts were actually received
24 by PAGA Employees. It is expressly understood and agreed that the receipt of such Individual Settlement
25 Amounts will not entitle any PAGA Employee to any new or additional compensation or benefits under
26 any company bonus or other compensation or benefit plan or agreement in place during the period covered
27 by the Agreement, nor will it entitle any PAGA Employee to any increased retirement, 401(k) benefits or
28 matching benefits, or deferred compensation benefits. It is the intent of this Agreement that the Individual

1 Settlement Amounts provided for in this Agreement are the sole payments to be made by Defendant to
2 the PAGA Employees in connection with this Agreement (notwithstanding any contrary language or
3 agreement in any benefit or compensation plan document that might have been in effect during the period
4 covered by this Agreement).

5 5.6 Tax Allocation: The Parties recognize that the Individual Settlement Amounts to be paid
6 to PAGA Employees reflect settlement of a dispute over claimed penalties. The characterization of
7 Individual Settlement Amounts to PAGA Employees are as follows:

8 5.6.1 One Hundred percent (100%) of each PAGA Employees' Individual Settlement
9 Amount shall be allocated for payment of disputed civil penalties. This portion of the Individual
10 Settlement Amount consists of other income, not wages, for which the PAGA Employees shall receive an
11 IRS form 1099-MISC.

12 5.6.2 PAGA Employees shall be solely responsible for the reporting and payment of their
13 share of any federal, state and/or municipal income or other taxes on payments made pursuant to this
14 Agreement. No party has made any representation to any of the other Parties as to the taxability of any
15 payments pursuant to this Agreement, including the payments to PAGA Employees, the payments to
16 Plaintiff's Counsel, or otherwise as to tax implications of any provision of this Agreement.

17 5.7 Pro Rata Distribution Formula: After Court approved attorneys' fees and costs, and
18 Settlement Administrator Costs are determined and a Net Settlement Amount has been established, that
19 Net Settlement Amount shall be divided between the PAGA Payment and payment to PAGA Employees.
20 The PAGA Payment to the LWDA will be 75% of the Net Settlement Amount. 25% of the Net Settlement
21 Amount will be paid to PAGA Employees. Each individual PAGA Employee's Individual Settlement
22 Amount shall be determined by taking the Qualifying Pay Periods for the individual PAGA Employee and
23 dividing that number by the Qualifying Pay Periods for all PAGA Employees and multiplying that fraction
24 by the 25% share of the Net Settlement Amount. Payment to PAGA Employees of their Individual
25 Settlement Amount will not require the submission of any claim form.

26 5.8 No Additional Contribution by Defendant: Defendant's monetary obligation under this
27 Agreement is limited to the Gross Settlement Amount as described above. All other costs and expenses
28 arising out of or in connection with the performance of this Agreement shall be paid from the Gross

1 Settlement Amount, unless expressly provided otherwise herein. However, in the event this agreement is
2 deemed null and void as described in Section 3, then Defendant and Plaintiff shall be equally responsible
3 for the Settlement Administrator Costs incurred between the date the Agreement was executed and the
4 date of such event.

5 **6. RELEASE**

6 6.1 Upon the Effective Date, Plaintiff and each PAGA Employee shall be deemed to fully,
7 finally, and forever release the Released Parties from all Released PAGA Claims.

8 **7. SETTLEMENT ADMINISTRATION**

9 7.1 Duties of Settlement Administrator: The Settlement Administrator shall be responsible
10 for: 1) receiving and reviewing for accuracy PAGA Employee contact information; 2) calculating
11 estimated Individual Settlement Amounts and any and all taxes associated with the Individual Settlement
12 Amount, including employer taxes, if any; 3) taking appropriate steps to trace and locate any individual
13 PAGA Employees whose address or contact information as provided to the Settlement Administrator is
14 inaccurate or outdated and mailing the Notice of Settlement to PAGA Employees; 4) providing
15 notification to the appropriate state officials of this Agreement as required; 5) maintaining the Gross
16 Settlement Amount in a QSF; 6) determining and paying the final amounts due to be paid under the
17 Agreement after resolution of awarded attorneys' fees and costs and Settlement Administrator Costs; 7)
18 paying any residual funds from uncashed checks to the *cy pres* beneficiaries; 8) reporting to Plaintiff's
19 Counsel and Defendant's Counsel regarding the statistics of the administration, including (a) the number
20 of initial Notice of Settlements mailed; (b) the number of forwarded Notice of Settlements; (c) the number
21 of re-mailed Notice of Settlements; (d) the number of total undeliverable Notice of Settlements; (e) the
22 number of address traces performed for undeliverable Notice of Settlements; (g) the number of Notice of
23 Settlements undeliverable from traced addresses; 9) providing a declaration to the Court regarding the
24 final statistics of the administration and compliance with all payment obligations under the Agreement;
25 10) completing all necessary tax reporting on the QSF and payment of the Individual Settlement Amounts
26 to PAGA Employees; and 11) carrying out other related tasks as necessary to effectuate the terms of this
27 Agreement and any Order of the Court. All disputes relating to the Settlement Administrator's ability and
28 need to perform its duties shall be referred to the Court, if necessary, which will have continuing

1 jurisdiction over the terms and conditions of this Agreement, until all payments and obligations
2 contemplated by the Agreement have been fully executed.

3 7.2 PAGA Employee Data: Within seven (7) calendar days after the Effective Date, Defendant
4 shall provide the Settlement Administrator with the name, last known mailing address, last known
5 telephone number, Social Security Number, and Qualifying Pay Periods of each PAGA Employee. The
6 Settlement Administrator shall review the data to determine the number of Qualifying Pay Periods for
7 each PAGA Employee. Defendant shall not provide any information for pay periods during which a
8 PAGA Employee may have worked as an exempt employee, worked outside California, or worked outside
9 the PAGA Claim Period. The Settlement Administrator shall maintain all information received from
10 Defendant confidential to itself, and Defendant's Counsel. However, Plaintiff's Counsel shall be able to
11 review the breakdown of Qualified Pay Periods and estimated Individual Settlement Amounts for PAGA
12 Employees prior to mailing for quality assurance.

13 7.3 Determination of Payments to PAGA Employees, Plaintiff's Counsel, and the LWDA:
14 Within seven (7) calendar days after Defendant has provided the Settlement Administrator with
15 information regarding PAGA Employees, the Settlement Administrator shall calculate the final Net
16 Settlement Amount, PAGA Payment, and the final Individual Settlement Amounts for PAGA Employees,
17 and report the results of these calculations to Plaintiff's Counsel and Defendant's Counsel.

18 7.4 Settlement Administrator Payments to PAGA Employees, Plaintiff's Counsel, and the
19 LWDA: Defendant shall wire the Gross Settlement Amount as described in Section 5.1 to the Settlement
20 Administrator within fourteen (14) calendar days after receiving the funding calculation and report from
21 the Settlement Administrator to be held in trust in a QSF. Within seven (7) calendar days after the
22 Settlement Administrator receives the Gross Settlement Amount, the Settlement Administrator shall
23 deliver payment of Plaintiff's Counsels' attorney's fees and costs, the PAGA Payment payable to the
24 LWDA, Settlement Administrator Costs, and payment for Individual Settlement Amounts to PAGA
25 Employees as required under this Agreement and approved by the Court. Plaintiff's Counsel shall provide
26 the Settlement Administrator with the pertinent taxpayer identification number and payment instructions
27 for the attorney's fees and costs after the Effective Date.

1 7.5 Notice to PAGA Employees: Defendant represent and warrant that PAGA Employees are
2 able to read and write in English such that no translation of the Notice of Settlement into another language
3 is necessary. The Settlement Administrator will provide a Notice of Settlement, substantially in the form
4 attached as Exhibit 1, to each PAGA Employee concurrently with providing payment for Individual
5 Settlement Amounts as described in Sections 5.7 and 7.4. The Notice of Settlement will inform PAGA
6 Employees of a summary of the terms and conditions of the Agreement. The Notice of Settlement will
7 also inform PAGA Employees of the Gross Settlement Amount, Net Settlement Amount, attorneys' fees
8 and costs allocations, Settlement Administrator Cost allocations, PAGA Payment allocations, the scope
9 of individuals covered by this Agreement, and the nature and extent of the Released PAGA Claims.

10 7.6 PAGA Employee Mailing: Within seven (7) calendar days after the Settlement
11 Administrator receives the Gross Settlement Amount, the Settlement Administrator will perform a
12 national change of address ("NCOA") search, update the addresses per the results of the NCOA search
13 and will mail the respective Individual Settlement Amount, as determined in Sections 5.7 and 7.4, and
14 Notice of Settlement, to each PAGA Employee by first-class mail, postage prepaid.

15 7.7 Returned and/or Re-mailed Notice Packets: In the event that a Notice of Settlement and
16 Individual Settlement Amount payment is returned to the Settlement Administrator as undeliverable, the
17 Notice of Settlement and Individual Settlement Amount payment shall be sent to the forwarding address
18 affixed thereto within seven (7) calendar days. If no forwarding address is provided, then the Settlement
19 Administrator shall promptly attempt to determine a correct address using a single skip-trace, computer
20 or other search using the name, address and/or Social Security number of the individual involved, and
21 shall then perform a single re-mailing within seven (7) calendar days. Following each search that does
22 not result in a corrected address, for those PAGA Employees who appear to be current employees of
23 Defendant at the time of the Effective Date, the Settlement Administrator shall contact Defendant's
24 Counsel for assistance and Defendant shall cooperate in good faith with the Settlement Administrator's
25 reasonable efforts to obtain valid mailing addresses for PAGA Employees to the extent they were active
26 employees of Defendant at the time of the Effective Date. In the event the procedures in this paragraph
27 are followed and the intended recipient of a Notice of Settlement and Individual Settlement Amount
28 payment still does not receive the Notice of Settlement and/or Individual Settlement Amount payment,

1 the PAGA Employee shall still be bound by all terms of the Agreement, including the releases contained
2 in Sections 1.23 and 6.1, and any final judgment entered by the Court.

3 7.8 Due Process Acknowledgement: Compliance with the procedures set forth in Sections 7.2
4 to 7.7 shall constitute due and sufficient notice to PAGA Employees of the Action and the Agreement and
5 shall satisfy PAGA Employees' due process rights. Nothing else shall be required of the Parties, Plaintiff's
6 Counsel, or Defendant's Counsel to provide notice of the Agreement except as expressly required by the
7 Court.

8 7.9 Settlement Check Expiration and Cy Pres: The Settlement Administrator shall issue
9 Individual Settlement Amounts to PAGA Employees in the form of a check, which shall become null and
10 void if not deposited within one hundred eighty (180) calendar days of issuance. After one hundred eighty
11 (180) calendar days of issuance, the checks shall be voided and funds from all undeposited checks shall
12 be transmitted to the *cy pres* beneficiaries identified in Section 5.4. The Settlement Administrator shall
13 deliver the *cy pres* funds within fourteen (14) calendar days after the check cashing deadline.

14 7.10 Settlement Administrator Declaration Regarding Settlement Administration: Within
15 twenty-one (21) calendar days after the last day for PAGA Employees to cash their settlement checks, the
16 Settlement Administrator shall provide Plaintiff's Counsel and Defendant's Counsel with a signed
17 declaration under penalty of perjury providing a complete and detailed report regarding the settlement
18 administration and that all the obligations of the Settlement Administrator have been completed.

19 8. SETTLEMENT ADMINISTRATION SCHEDULE

20 8.1 The schedule may be modified depending on whether and when the Court grants necessary
21 approvals, orders notice to PAGA Employees, and sets further hearings, if any. The schedule may also
22 be modified to correct clerical errors and to reflect the provisions in the Agreement as described above.
23 In the event of such modification, the Parties shall cooperate to complete the settlement procedures as
24 expeditiously as reasonably practicable. The schedule for notice and payment procedures carrying out the
25 Agreement is as follows.

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Last day for Defendant to provide Settlement Administrator with PAGA Employee information	Within 7 calendar days after the Effective Date
Last day for Settlement Administrator to calculate and report to the Parties the Net Settlement Amount, PAGA Payment, and Individual Settlement Amounts for PAGA Employees	Within 7 calendar days after receiving PAGA Employee information
Last day for Defendant to fund Gross Settlement Amount	Within 14 calendar days after the Settlement Administrator calculates and reports to the Parties the Net Settlement Amount, PAGA Payment, and Individual Settlement Amounts for PAGA Employees
Last day for Settlement Administrator to complete NCOA search, update PAGA Employee mailing information, and complete mailing	Within 7 calendar days after Defendant has funded the settlement
Last day for Settlement Administrator to deliver payment of Plaintiff's Counsel's attorney's fees and costs, PAGA Payment, Settlement Administrator Costs, and payment to PAGA Employees	Within 7 calendar days after Defendant has funded the settlement
Last day for PAGA Employees to cash settlement checks	180 calendar days after issuance of checks to PAGA Employees
Last day for Settlement Administrator to deliver value of uncashed settlement checks to <i>cy pres</i> beneficiaries	Within 14 calendar days after settlement check cashing deadline
Last day for Settlement Administrator to provide Parties with compliance declaration	Within 21 calendar days after settlement check cashing deadline

9. MISCELLANEOUS TERMS

9.1 Dismissal and Retention of Jurisdiction to Enforce Agreement: Upon the Effective Date, the class allegations and PAGA claims relating to any individuals from Plaintiff's June 24, 2022, notice to the LWDA that are not within the defined scope of PAGA Employee under this Agreement shall be dismissed without prejudice. The Court shall retain jurisdiction over the Parties to enforce the terms of

1 the Agreement pursuant to Civil Procedure Code section 664.6. The prevailing party in any action to
2 enforce the terms of the Agreement shall be entitled to reasonable attorneys' fees and costs. The Parties
3 agree to meet and confer in good faith to resolve any issue before any such motion for attorney's fees and
4 costs is filed.

5 9.2 Additional Pay Period Contingency: Defendant has represented that there are no more
6 than 1,500 pay periods during the PAGA Claim Period worked by PAGA Employees. In the event the
7 number of pay periods worked by PAGA Employees during the PAGA Claim Period is more than 1,650
8 (*i.e.*, greater than 10% more than 1,500), then Defendant shall have the option to either: (1) increase the
9 Gross Settlement Amount proportionally by the pay periods in excess of 1,650 (e.g., if the number of
10 pay periods increases by 11%, the Gross Settlement Amount will increase by 1%); or (2) agree that the
11 PAGA Claim Period shall only run through the date on which the number of pay periods worked by
12 PAGA Employees during the PAGA Claim Period reached 1,650.

13 9.3 Mutual Cooperation: The Parties agree to cooperate fully with one another to accomplish
14 and implement the terms of this Agreement. Such cooperation shall include, but not be limited to,
15 execution of such other documents and the taking of such other action as may reasonably be necessary to
16 fulfill the terms of this Agreement. The Parties to this Agreement shall use their best efforts, including
17 all efforts contemplated by this Agreement and any other efforts that may become necessary by Court
18 order, or otherwise, to effectuate this Agreement and the terms set forth herein. This may include
19 modifying and/or resubmitting the Agreement for approval. Plaintiff's Counsel shall be responsible for
20 drafting the court approval paperwork. All parties agree to act immediately and diligently to perform their
21 obligations under this Agreement, including the review and approval of settlement documents, such that
22 there are no substantial delays in seeking court approval or administration of this settlement. Plaintiff's
23 Counsel shall endeavor to file a motion for approval of this settlement within sixty (60) calendar days of
24 the date this Agreement is signed. Plaintiff's Counsel shall provide Defendant's Counsel with a draft
25 approval motion within 1 week after this Agreement is fully executed. Defendant's Counsel will provide
26 comments and/or proposed revisions within 1 week after receipt of the draft motion.

27 9.4 No Admission of Liability: Neither the acceptance nor the performance by Defendant of
28 the terms of this Agreement, nor any of the related negotiations or proceedings, is or shall be claimed to

1 be, construed as, or deemed to be, an admission by Defendant of the truth of any of the allegations in the
2 Complaint, the representative character of the Action, the validity of any of the claims that were or could
3 have been asserted by Plaintiff and/or PAGA Employees in the Action, or of any liability or guilt of
4 Defendant in the Action. Nothing in this Agreement shall be construed to be or deemed an admission by
5 Defendant of any liability, culpability, negligence, or wrongdoing toward Plaintiff, the PAGA Employees,
6 or any other person, and Defendant has specifically disclaimed any liability, culpability, negligence, or
7 wrongdoing toward Plaintiff, the PAGA Employees, or any other person. Each of the Parties has entered
8 into this Agreement with the intention to avoid further disputes and litigation.

9 9.5 Notices: Unless otherwise specifically provided herein, all notices, demands, or other
10 communications given hereunder shall be in writing and shall be deemed to have been duly given as of
11 the third business day after mailing by United States certified mail, return receipt requested, addressed as
12 follows:

13 To the Plaintiff:

14 Galen T. Shimoda
15 Justin P. Rodriguez
16 Renald Konini
17 Shimoda & Rodriguez Law, PC
18 9401 East Stockton Blvd., Suite 120
19 Elk Grove, CA 95624

20 To Defendant:

21 James D. McNairy
22 Andrew M. Ducart
23 Boutin Jones Inc.
24 555 Capitol Mall, Suite 1500
25 Sacramento, CA 95814

26 9.6 Mutual Drafting of Agreement: The Parties hereto agree that the terms and conditions of
27 this Agreement are the result of lengthy, intensive, arm's-length negotiations between the Parties and that
28 this Agreement shall not be construed in favor of or against any party by reason of the extent to which any
party or its counsel participated in the drafting of this Agreement.

9.7 Binding Effect of Agreement: The Parties, by signing this Agreement, are bound by the
terms herein. The Parties waive their rights to file an appeal, writ, or any challenge whatsoever to the

1 terms of this Agreement. This Agreement shall be binding upon and inure to the benefit of the Parties
2 hereto and their respective heirs, trustees, executors, Settlement Administrators, successors, and assigns.

3 9.8 Attorneys' Fees and Costs Limitations: Neither Plaintiff's Counsel nor any other attorneys
4 acting for, or purporting to act for, PAGA Employees, or Plaintiff, may recover or seek to recover any
5 amounts for fees, costs, or disbursements from the Released Parties or the Gross Settlement Amount
6 except as expressly provided herein.

7 9.9 No Modifications: This Agreement may not be changed, altered, or modified, except in
8 writing signed by the Parties hereto and approved by the Court. This Agreement may not be discharged
9 except by performance in accordance with its terms.

10 9.10 Counterparts: This Agreement shall become effective upon its execution by all of the
11 undersigned. Plaintiff, Plaintiff's Counsel, Defendant and Defendant's Counsel may execute this
12 Agreement in counterparts, and execution of counterparts shall have the same force and effect as if each
13 had signed the same instrument. Facsimile, electronic, and/or scanned copies of signatures shall have the
14 same force and effect of originals.

15 9.11 Choice of Law: The Agreement and the exhibits hereto shall be considered to have been
16 negotiated, executed, and delivered, and to have been wholly performed, in the State of California, and
17 the rights and obligations of the Parties to the Agreement shall be construed and enforced in accordance
18 with, and governed by, the substantive laws of the State of California without giving effect to that State's
19 choice of law principles.

20 9.12 Headings and Captions: Paragraph titles or captions contained in the Agreement are
21 inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the
22 scope of this Agreement, or any provision thereof.

23 9.13 No Retaliation or Discouragement: The Parties agree they will take no action that could
24 be construed as retaliation against any PAGA Employees for participating in this settlement.

25 9.14 Integrated Agreement: This Agreement sets forth the entire understanding between the
26 Parties with regard to any and all material terms or otherwise and supersedes any and all prior agreements,
27 oral or written, pertaining to the subject matter herein. Each party acknowledges that there is no
28 representation, inducement, promise or agreement which has been made, orally or otherwise, by the other

1 party, concerning the terms or conditions of this Agreement, which is not expressly embodied in this
2 Agreement. In entering into this Agreement, the Parties represent that the terms of this Agreement are
3 fully understood and voluntarily accepted by the Parties.

4 9.15 Exhibits Incorporated by Reference: The terms of this Agreement include the terms set
5 forth in any attached Exhibits, which are incorporated by this reference as though fully set forth in this
6 Agreement. Any Exhibits to this Agreement are an integral part of the Settlement.

7 9.16 Invalidity of Any Provision: Before declaring any provision of this Agreement invalid, the
8 Court will first attempt to construe the provision as valid to the fullest extent possible consistent with
9 applicable precedents so as to define all provisions of this Settlement Agreement valid and enforceable.

10 9.17 Waiver of Compliance: No waiver of any condition or covenant contained in this
11 Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply
12 or constitute a further waiver by such party of the same or any other condition, covenant, right or remedy

13 IN WITNESS WHEREOF, this Agreement is executed by the Parties and their duly authorized
14 attorneys, as of the day and year herein set forth.

15
16
17 **For Plaintiff:**

18 Date: 09/03/2026



Danny Perez (Sep 3, 2026 16:51:10 PDT)

Daniel Perez

19
20
21 **For Defendant:**

22 Date: _____

23 By: Kasey Cotulla, Chief Executive Officer
24 For Metro Mailing Service Inc.
25
26
27
28

1 party, concerning the terms or conditions of this Agreement, which is not expressly embodied in this
2 Agreement. In entering into this Agreement, the Parties represent that the terms of this Agreement are
3 fully understood and voluntarily accepted by the Parties.

4 9.15 Exhibits Incorporated by Reference: The terms of this Agreement include the terms set
5 forth in any attached Exhibits, which are incorporated by this reference as though fully set forth in this
6 Agreement. Any Exhibits to this Agreement are an integral part of the Settlement.

7 9.16 Invalidity of Any Provision: Before declaring any provision of this Agreement invalid, the
8 Court will first attempt to construe the provision as valid to the fullest extent possible consistent with
9 applicable precedents so as to define all provisions of this Settlement Agreement valid and enforceable.

10 9.17 Waiver of Compliance: No waiver of any condition or covenant contained in this
11 Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply
12 or constitute a further waiver by such party of the same or any other condition, covenant, right or remedy

13 IN WITNESS WHEREOF, this Agreement is executed by the Parties and their duly authorized
14 attorneys, as of the day and year herein set forth.

15
16
17 **For Plaintiff:**

18 Date: _____

19 _____
Daniel Perez

20
21 **For Defendant:**

22 Date: 9/4/2026

23 
By: Kasey Cotulla, Chief Executive Officer
For Metro Mailing Service Inc.

Exhibit 1

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

DANIEL PEREZ, individually and on behalf of all
other similarly situated employees,

Plaintiff,

vs.

METRO MAILING SERVICE INC., *et al.*,

Defendants.

Case No. 34-2022-00323567

**NOTICE OF PRIVATE ATTORNEYS GENERAL
ACT SETTLEMENT PAYMENT**

TO: All individuals who have, or continue to, work for Defendant in California who received the second shift pay differential and who worked overtime, received a meal/rest period premium, and/or received sick leave pay that would have been subject to that differential, from June 24, 2021, up to _____ (the "PAGA Employees")

This Notice is being provided to you to inform you of a Private Attorneys General Act ("PAGA") Settlement and your proportional share of this settlement payment. The payment is a result of a Court approved PAGA Settlement in the case of *Daniel Perez v. Metro Mailing Service Inc.*, Sacramento County Superior Court of California, Case No. 34-2022-00323567, filed July 18, 2022 (the "Action"). You are receiving this letter because you fall within the definition of PAGA Employees identified above.

In the Action, Plaintiff Daniel Perez ("Plaintiff") sought to obtain civil penalties, fees, and costs on behalf of himself and PAGA Employees. Plaintiff alleged that Metro Mailing Service, Inc. ("Defendant") violated California law by 1) failing to pay overtime wages; 2) failing to provide accurate wage statements; 3) failing to pay final wages; 4) failing to provide meal and rest periods or pay all premiums owed in lieu thereof; 5) failing to provide paid sick leave; and 6) failing to reimburse all expenses. These claims are based on Plaintiff's contention that Defendant failed to account for the value of shift differential pay when calculating the regular rate of pay used for overtime premiums, meal and rest period premiums, and sick leave wages. The claim is also based on Plaintiff's contention that employees were required to use their personal cell phones for work purposes without being reimbursed for the associated expense.

This notice is not intended to be, and should not be construed as, an expression of any opinion by the Court with respect to the truth of the allegations in the Action or the merits of the claims or defenses asserted. Defendant has denied engaging in any unlawful conduct in any respect and further disputes all of Plaintiff's allegations in the Action. By entering into the PAGA Settlement, Defendant does not admit any liability to Plaintiff or to any other current or former employees, and Defendant does not admit that any violations of Plaintiff's rights, or the rights of any other current or former employee have occurred.

Plaintiff filed a notice with the California Labor and Workforce Development Agency ("LWDA") to exhaust administrative remedies and pursue claims under the PAGA, California Labor Code §§ 2698 *et seq.*, predicated on the claims outlined above. The scope of the PAGA Settlement includes all of the PAGA Employees for the time period identified above. In exchange for payment under the Settlement, Plaintiff has agreed to waive all claims for civil penalties that were brought under the PAGA that were asserted in Plaintiff's notice letter to the LWDA and any additional claims for civil penalties under the PAGA that could have been brought based on the facts alleged therein. The scope of this waiver is limited to only PAGA Employees and only for PAGA claims arising between June 24, 2021, and _____. PAGA Employees cannot opt out of this waiver of claims.

Under the terms of the Settlement, Defendant has agreed to pay a Gross Settlement Amount of \$87,500, in exchange for the waiver identified herein ("Gross Settlement Amount"). Deducted from this Gross Settlement Amount were sums approved by the Court for attorneys' fees (\$ _____), attorneys' costs (\$ _____), and Settlement Administrator Costs (\$ _____), which resulted in a "Net Settlement Amount" of \$ _____ for distribution to between PAGA Employees and the LWDA as required by the California Labor Code. 75% of the Net Settlement Amount (\$ _____) is being paid to the LWDA and 25% of the Net Settlement Amount (\$ _____)

is being paid to PAGA Employees pursuant to Labor Code section 2699(i). Each individual PAGA Employee's share of the Net Settlement Amount was determined by taking their individual number of pay periods worked between June 24, 2021, and _____, during which they received the second shift pay differential and worked overtime, received a meal/rest period premium, and/or received sick leave pay that would have been subject to that differential, and dividing that number by the number of all such pay periods worked by all PAGA Employees between June 24, 2021, and _____, and then multiplying that fraction by the 25% share of the Net Settlement Amount.

Enclosed in this mailing, you will find a check containing your share of the PAGA Settlement based on the above allocation.

Should you have any questions or concerns, you may contact ILYM Group Inc. at (888) 250-6810. You may also contact counsel for Plaintiff and/or Defendant:

Galen T. Shimoda
Justin P. Rodriguez
Renald Konini
Shimoda & Rodriguez Law, PC
9401 East Stockton Blvd., Suite 120
Elk Grove, CA 95624
Telephone: (916) 525-0716
On behalf of Plaintiff

James D. McNairy
Andrew M. Ducart
Boutin Jones Inc.
555 Capitol Mall, Suite 1500
Sacramento, CA 95814
Tel. (916) 321-4444
On behalf of Defendant

Do not call or write the Court or the Office of the Clerk of the Court to ask questions about the settlement or to ask tax-related questions.