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8 *Attorneys for Plaintiff and the Class*

9
10 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
11 **FOR THE COUNTY OF SONOMA**

12 SETH SWAN; individually, and on behalf of
13 other members of the general public similarly
14 situated and on behalf of other aggrieved
15 employees pursuant to the California Private
16 Attorneys General Act;

17 Plaintiff,

18 vs.

19 PACE SUPPLY CORP., a California corporation;
20 and DOES 1 through 100 inclusive,

21 Defendants.

Case No.: SCV258764

Honorable René Auguste Chouteau
Department 18

CLASS ACTION

**DECLARATION OF JEREMIAH
KINCANNON REGARDING NOTICE AND
SETTLEMENT ADMINISTRATION**

Date: February 6, 2019
Time: 3:00 p.m.
Department: 18

Complaint Filed: May 6, 2016
Trial Date: None Set

DECLARATION OF JEREMIAH KINCANNON

I, JEREMIAH KINCANNON, declare the following facts to be true and correct and if called as a witness would testify competently to the same:

1. I am employed as a Case Manager by Simpluris, Inc. ("Simpluris"), the settlement administrator in the above-entitled action. My business address is 3194-C Airport Loop Drive, Costa Mesa, California 92626. My telephone number is (714) 640-5653. I am over 21 years of age and authorized to make this declaration on behalf of Simpluris and myself.

2. Simpluris is a class action settlement administration company headquartered in Costa Mesa, California. It was founded by individuals who have each managed hundreds of settlements along with professionals in the areas of software development, third-party claims administration, mail-house operations and call center support management.

3. Simpluris was appointed by the Court as Settlement Administrator to administer the settlement in accordance with the terms of the Class Action and PAGA Settlement Agreement (the "Settlement" or "Settlement Agreement") entered into by the parties on or about April 11, 2018. Simpluris has been responsible, among other things, for: (a) formatting, printing, and mailing the Notice of Class Action Settlement ("Notice"); (b) receiving undeliverable Notices, performing skip-trace searches to locate updated addresses, and re-mailing the Notice to any addresses located; (c) receiving and processing requests to be excluded from the Class Settlement ("Requests for Exclusion"), objections to the Class Settlement ("Objections"), and disputes regarding the number of weeks that each Class Member worked during the period from May 6, 2012 to August 9, 2017 ("workweeks"); (d) calculating each Class Member's *pro rata* portion of the Net Settlement Fund ("Individual Settlement Share") and each PAGA Group Member's *pro rata* share of twenty-five percent (25%) of the PAGA Payment ("PAGA Settlement Share"); (e) and answering questions from Class Members regarding the Settlement. If the Court grants final approval of the Class Settlement, Simpluris will be responsible, among other things, for: (e) calculating payments for Individual Settlement Shares to Class Members who do not submit timely and valid Requests for Exclusion ("Settlement Class Members") and PAGA Settlement Shares to PAGA Group Members, distributing funds, and tax-reporting following final approval; (f) mailing

1 settlement checks; and (g) for such other tasks as the parties mutually agree or the Court orders
2 Simpluris to perform.

3 **NOTIFICATION TO THE CLASS**

4 4. On September 19, 2018, Simpluris received the Court-approved Notice from Class
5 Counsel. The Notice contained information regarding Class Members' right to opt out from the
6 Class Settlement, object to the Class Settlement, or do nothing, and the implications of each such
7 action; applicable deadlines and other events, including the date for the Final Approval Hearing;
8 and how Class Members could obtain additional information. An exemplar Notice is attached
9 hereto as "Exhibit A."

10 5. On November 8, 2018, Defendant's Counsel provided Simpluris with a data list
11 containing the names, last known addresses, Social Security numbers, and last known telephone
12 numbers for Class Members, as well as the dates of employment and number of workweeks that
13 each Class Member worked for Defendant during the period of May 6, 2012 to August 9, 2017
14 ("Class Data"). The Class Data contained data for one thousand thirty (1,030) individuals
15 identified as Class Members, of which eight hundred sixty (860) worked for Defendant during the
16 period from February 25, 2015 to August 9, 2017 ("PAGA Group Members").

17 6. The mailing addresses contained in the Class Data were processed and updated
18 utilizing the National Change of Address Database ("NCOA") maintained by the U.S. Postal
19 Service. The NCOA contains changes of address filed with the U.S. Postal Service. In the event
20 that any individual had filed a U.S. Postal Service change of address request, the address listed
21 with the NCOA was utilized in connection with the mailing of the Notices.

22 7. On November 16, 2018, after updating the mailing addresses through the NCOA,
23 Notices were mailed via first class U.S. mail to one thousand thirty (1,030) Class Members
24 contained in the Class Data.

25 8. As of this date, one (1) Notice was returned by the USPS with forwarding address
26 information. Simpluris promptly re-mailed the Notice to the address information received from the
27 USPS.

28 ///

1 9. As of this date, forty-three (43) Notices were returned as undeliverable without
2 forwarding addresses. If a Class Member's Notice was returned by the USPS as undeliverable and
3 without a forwarding address, Simpluris performed an advanced address search (i.e. skip trace) on
4 all of these addresses by using Accurant, a reputable research tool owned by Lexis-Nexis.
5 Simpluris used the Class Member's name, previous address and Social Security number to locate a
6 more current address. Through the advanced address searches, Simpluris was able to locate
7 twenty-seven (27) updated addresses, and Simpluris promptly re-mailed the Notice to those
8 updated addresses. Ultimately, sixteen (16) Class Member's Notices remain undeliverable
9 because Simpluris was unable to locate a more current address through skip-tracing.

10 10. As of this date, Simpluris has re-mailed forty (40) Notices to either a forwarding
11 address provided by the Post Office, a newfound address using Accurant, or an alternative address
12 provided by the Class Member.

13 11. The deadline for Class Members to submit a Request for Exclusion, Objection, or
14 workweeks dispute was December 17, 2018 ("Response Deadline"), and for any Notice that was
15 re-mailed, the Response Deadline was extended ten (10) calendar days after the date the Notice
16 was re-mailed, the latest of which was December 20, 2018.

17 12. After the Response Deadline lapsed, it was discovered that the incorrect date of
18 February 25, 2016 (instead of February 25, 2015) with respect to the time period used to determine
19 if an individual is a PAGA Group Member ("PAGA Period") was inserted into the Notice in
20 connection with the definition of PAGA Group Members and used for the calculation of each
21 PAGA Group Member's estimated PAGA Settlement Share. Simpluris re-calculated the number
22 of PAGA Group Members and workweeks in the corrected PAGA Period (i.e., February 25, 2015
23 to August 9, 2017), which is set forth in the chart below:

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Re-Calculation of PAGA Workweeks and PAGA Group Members

	Using incorrect start date of February 25, 2016	Using correct start date of February 25, 2015	Difference
Workweeks	44,059.41 workweeks	68,535.70 workweeks	+ 24,476.29 workweeks
Workweek Value	\$1.42	\$0.91	- \$0.51
Number of PAGA Group Members	772 individuals	860 individuals	+ 88 individuals

EXCLUSIONS, OBJECTIONS, AND DISPUTES

13. Class Members were directed to submit any Requests for Exclusion to the Settlement Administrator. As of this date, Simpluris received one (1) Request for Exclusion from the Class Settlement from Class Member, Christopher Barbush. The one (1) valid Request for Exclusion represents 0.09% of the Class.

14. Class Members who wished to object to the Class Settlement were directed to mail their Objection to Simpluris by the Response Deadline. As of this date, Simpluris has not received any Objections.

15. Class Members were directed to submit any workweeks disputes to the Settlement Administrator. As of this date, Simpluris has not received any workweeks disputes from Class Members.

BREAKDOWN OF GROSS SETTLEMENT FUND

16. As of this date, there are one thousand twenty-nine (1,029) Settlement Class Members. The Net Settlement Amount available to Settlement Class Members is estimated to be \$2,900,934.00 and was determined as follows:

Gross Settlement Fund:	\$5,000,000.00
Less Attorneys' Fees (requested)	- \$1,750,000.00
Less Litigation Costs and Expenses (max allocated)	- \$80,000.00
Less Settlement Administration Expenses (requested)	- \$13,066.00
Less Service Award (requested)	- \$6,000.00
Less PAGA Payment	- \$250,000.00
NET SETTLEMENT FUND	\$2,900,934.00

1 17. Based on the Net Settlement Fund estimated to be \$2,900,934, the highest Individual
2 Settlement Share to a Settlement Class Member is approximately \$6,688.05 and the average
3 Individual Settlement Share is approximately \$2,819.18.

4 18. Twenty-five percent (25%) of the PAGA Payment, or \$62,500, will be paid to PAGA
5 Group Members on a *pro rata* basis, based on workweeks. The highest PAGA Settlement Share is
6 estimated to be \$107.64 and the average PAGA Settlement Share is estimated to be \$72.67.

7 **SETTLEMENT ADMINISTRATION EXPENSES**

8 19. Simpluris' total costs for services in connection with the administration of this
9 Settlement, including fees incurred and anticipated future costs for completion of settlement
10 administration (including fees associated with providing a corrective postcard to the PAGA Group
11 Members), are \$13,066. Simpluris' work in connection with this matter will continue with the
12 calculation of the settlement checks, issuance and mailing of those settlement checks, etc., and to do
13 the necessary tax reporting on such payments. A true and correct copy of an invoice showing the
14 breakdown of Settlement Administration Expenses is attached hereto as "Exhibit B."

15 I declare under penalty of perjury under the laws of the State of California that the
16 foregoing is true and correct. Executed this 11th day of January, 2019, at Costa Mesa, California.

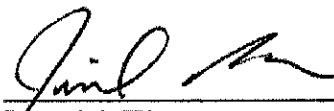
17
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19 _____
20 Jeremiah Kincannon
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EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT

Seth Swan v. PACE Supply Corp.

Superior Court of California, County of Sonoma

Case No. SCV258764

To: All current and former hourly-paid or non-exempt employees who directly worked for PACE Supply Corp. within the State of California at any time during the period from May 6, 2012 continuing up to and including August 9, 2017;

«Notice_Updated»

«Notice»

SIMID «SIMID»

«FirstName» «LastName»

«Address1» «Address2»

«City» «State» «Zip»

PLEASE READ THIS NOTICE CAREFULLY

IT MAY AFFECT YOUR LEGAL RIGHTS

YOU MAY BE ENTITLED TO MONEY FROM THIS SETTLEMENT

I. INTRODUCTION

A proposed class action settlement (the "Settlement") of the above-captioned action (the "Action") filed in the Superior Court of the State of California, in and for the County of Sonoma (the "Court" or "Sonoma County Superior Court"), has been reached by the parties and been granted preliminary approval by the Court on September 7, 2018.

A settlement of the PAGA portion of the case was granted approval on September 7, 2018. A hearing will be held on **February 6, 2019 at 3:00 p.m.** to determine whether the class action portion of the Settlement ("Class Settlement") should be granted final approval.

PACE Supply Corp.'s ("PACE Supply" or "Defendant") records show that you directly worked for PACE Supply as an hourly-paid or non-exempt employee within the State of California at some time during the period from May 6, 2012 continuing up to and including August 9, 2017 and therefore are a Class Member in this Action. As a Class Member, you may be entitled to money under the Settlement and, if so, unless you request exclusion from the Settlement, your legal rights will be affected. The purpose of this Notice is to

- (1) describe the Action,
- (2) inform you of the terms of the Settlement, and
- (3) inform you of your rights and options in connection with the Settlement.

II. SUMMARY OF THE ACTION

On May 6, 2016, former employee Seth Swan ("Plaintiff") filed a Class Action Complaint for Damages and Enforcement under the Private Attorneys General Act, California Labor Code § 2698, *et seq.* against PACE Supply in the Sonoma County Superior Court (referred to in this Notice as the "Complaint").

Plaintiff alleges that, within the period from May 6, 2012 to August 9, 2017 ("Settlement Period"), PACE Supply failed to pay overtime wages, failed to pay minimum wages, failed to provide meal periods and pay meal period premiums, failed to provide rest periods and pay rest period premiums, failed to reimburse employees for business expenses, failed to timely pay wages, failed to provide accurate and itemized wage statements, and failed to keep accurate pay records, thereby engaging in unfair competition and giving rise to civil penalties under California Labor Code § 2698, *et seq.*, Private Attorneys General Act of 2004 ("PAGA"). Plaintiff alleges that these violations resulted in the underpayment of wages and business expenses to Defendant's hourly-paid or non-exempt employees during the Settlement Period. Plaintiff seeks to maintain a class action for his claims on behalf of himself and all persons who were employed by PACE Supply within the Settlement Period and worked for PACE Supply as an hourly-paid or non-exempt employee in the State of California.

PACE Supply denies all of Plaintiff's allegations and specifically denies that it violated the law in any way as described in the lawsuit. Nothing in this Notice, or the Settlement itself, or any actions to carry out the terms of the Settlement means that PACE Supply admits any fault, guilt, negligence, wrongdoing or liability whatsoever. There has been no finding of any wrongdoing by PACE Supply. PACE Supply wishes to settle in order to avoid the costs, time, and disruption caused by litigation.

Plaintiff and Defendant participated in a mediation before an experienced wage-and-hour mediator, which has resulted in a settlement of the Action. The Court granted preliminary approval of the Settlement on September 7, 2018 on behalf of a settlement class defined as:

All current and former hourly-paid or non-exempt employees who directly worked for PACE Supply Corp. within the State of California at any time during the period from May 6, 2012 up to and including August 9, 2017.

At that time, the Court also preliminarily approved Plaintiff Seth Swan to serve as Class Representative, and Edwin Aiwazian, Esq., Arby Aiwazian, Esq., and Joanna Ghosh, Esq. of Lawyers for Justice, PC to serve as Class Counsel.

III. SUMMARY OF SETTLEMENT TERMS

Settlement Amount. PACE Supply has agreed to pay the amount of \$5,000,000 (the "Gross Settlement Fund") to fully resolve the claims in the Action (as described in further detail below). The Gross Settlement Fund includes all settlement payments to the Class Members who do not timely request exclusion from the Settlement ("Settlement Class" or "Settlement Class Members"), Class Counsel's attorney's fees and litigation costs and expenses, PAGA Payment, the Settlement Administration Expenses, and Service Award to the Class Representative, as outlined below.

Settlement Administration and Other Payments. The Court has tentatively approved certain payments to be made from the Gross Settlement Fund as follows, which will be subject to final Court approval at the Final Approval Hearing:

- **Settlement Administration Expenses.** Payment to the Settlement Administrator, in an amount estimated not to exceed \$16,000, for the expense of notifying the Class Members of the Settlement, processing Requests for Exclusion, Objections, and disputes regarding Employment Information submitted by Class Members, calculating Individual Settlement Shares and PAGA Settlement Shares, and distributing settlement payments.
- **Attorney's Fees and Litigation Costs and Expenses.** Payment to Court-approved Class Counsel of reasonable attorney's fees in an amount not to exceed \$1,750,000 as reasonable compensation for the work Class Counsel performed in this Action, and will continue to perform through settlement finalization, together with reimbursement for litigation expenses and costs actually incurred in connection with the Action in an amount not to exceed \$80,000. Class Counsel has been prosecuting the Action on behalf of Plaintiff and the Class on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.
- **Service Award to Plaintiff Seth Swan.** A service award in an amount not to exceed \$6,000 to Plaintiff Seth Swan to compensate him for services on behalf of the Class in initiating and prosecuting the Action. This payment is in addition to whatever payments Plaintiff is otherwise entitled to as a Settlement Class Member.
- **Penalties pursuant to the Private Attorneys General Act, California Labor Code § 2698, et seq. ("PAGA").** Under the settlement, \$250,000 is designated as penalties under PAGA ("PAGA Payment"). As required by statute, 75% of this payment (i.e., \$187,500) will be paid to the California Labor and Workforce Development Agency ("LWDA"). The remaining 25% (i.e., \$62,500) will be distributed on a *pro rata* basis to Class Members who worked for Defendant from February 25, 2016 to August 9, 2017 ("PAGA Group Members").

Calculation of Individual Settlement Shares. Class Members who do not timely request exclusion (or "opt-out") from the Class Settlement (i.e., Settlement Class Members) will be entitled to a *pro rata* portion of the Net Settlement Fund (his/her "Individual Settlement Share"), calculated based upon the number of weeks that each Settlement Class Member worked during the Settlement Period ("workweeks"). Each Settlement Class Member's workweeks will be divided by the total number of workweeks worked by all Settlement Class Members and multiplied by the Net Settlement Fund, to calculate his or her Individual Settlement Share.

Calculation of PAGA Settlement Shares. PAGA Group Members, regardless of whether they timely opt out or not, are deemed to have released the Released Claims which arise under California Labor Code sections 2698, et seq. and will still receive their *pro rata* share of 25% of the PAGA Payment (each a "PAGA Settlement Share"). Each PAGA Group Member's workweeks will be divided by the total number of workweeks worked by all PAGA Group Members and multiplied by 25% of the PAGA Payment, to calculate his or her PAGA Settlement Share.

Tax Matters. Each Individual Settlement Share is allocated as 33.34% wages, 33.33% interest, and 33.33% penalties. The wage portion of each Settlement Class Member's Individual Settlement Share will be subject to employee's share of taxes and withholdings and will be reported on an IRS Form W-2. Settlement Class Members will be issued payment of their Individual Settlement Share subject to reduction for the employee's share of taxes and withholdings with respect to the wage-portion of each share. Settlement Class Members

will be exclusively liable for any and all tax liability. Settlement Class Members may wish to consult their tax advisors concerning the tax consequences of the payments they receive under the Settlement. The employer's share of payroll and employment taxes and contributions with respect to the wage-portion of each share will be paid separately by Defendant. Each PAGA Settlement Share will be considered 100% penalties and will not be subject to reduction for any employees' or employer's share of payroll and employment taxes and contributions.

Releases. Upon final approval by the Court of the Settlement, all Class Members who do not timely request exclusion ("Settlement Class Members") will fully release and discharge Defendant and Defendant's present and former parent companies, subsidiaries, as well as their shareholders, officers, directors, employees, successors, and assigns ("Released Parties") from any and all claims, debts, wages, liabilities, demands, obligations, penalties, guarantees, costs, expenses, attorney's fees, damages, actions or causes of action of whatever kind or nature, that were pled or which could have been pled based on the factual allegations contained in the Complaint, arising under California law, including, but not limited to, any claims for unpaid wages, unpaid minimum wage or overtime, record-keeping violations, wage statement violations, meal period and rest period violations including claims for premium pay, unreimbursed business-related expenses, interest, "waiting time" penalties, violations of Labor Code sections 510, 1198, 226(a), 226.7, 512, 1194, 1197, 1197.1, 201, 202, 203, 204, 1174(d), 2800, and 2802, other civil and statutory penalties including but not limited to those arising under Labor Code Section 1197, 1197.1, 1198, liquidated damages, restitution (including but not limited to pursuant to Business & Professions Code sections 17200, et seq.), costs, and attorneys' fees, which arose during the period beginning May 6, 2012 and continuing up to and including August 9, 2017 (collectively, the "Released Claims").

All Settlement Class Members will be bound by this release. In other words, Class Members will be bound by this release unless they formally and timely request exclusion from the settlement.

All PAGA Group Members will be deemed to have released the Released Claims which arise under California Labor Code sections 2698, et seq. (the "PAGA Released Claims") and will receive a PAGA Settlement Share, regardless of whether they submit a timely request for exclusion or not.

Conditions of Settlement. This Settlement is conditioned upon the Court entering an order granting final approval of the Class Settlement and judgment based thereon, at or following the Final Approval Hearing on the Settlement.

IV. RECEIVING PAYMENT UNDER THE SETTLEMENT

If you do nothing, you will be deemed part of the Settlement Class, you will be issued payment from the Settlement, and you will release all Released Claims, as described in this Notice.

Based on Defendant's internal records, which will be presumed to be correct unless evidence to the contrary is timely submitted to the Settlement Administrator:

**You worked «MERGED_WW_CALC» weeks during the time period from May 6, 2012 to August 9, 2017.
Your estimated gross Individual Settlement Share is \$«MERGED_EstSettAmnt_CALC». Your estimated
PAGA Settlement Share is \$«MERGED_EstPAGAPymnt_CALC».**

If you wish to challenge the number of workweeks attributed to you, then you must submit a written, signed challenge, along with supporting documents, if any exist, to the Settlement Administrator at the below-listed address, which contains the following information: (1) a clear statement of the workweeks you contend to be correct, as well as all supporting documents, if any exist; (2) your name; (3) your current address; (4) your telephone number; (5) the last four digits of your social security number; and (6) the name and number of the case (the case name is *Swan v. PACE Supply Corp.* and the Case Number is SCV258764). The dispute must be postmarked no later than **December 17, 2018**.

Swan v. PACE Supply
P.O. Box 26170
Santa Ana, California 92799
Telephone: 888-406-0864

To ensure receipt of your payment, **it is your responsibility to make sure you keep the Settlement Administrator informed of your current mailing address**, and you may do so by contacting the Settlement Administrator by mail at the address listed above.

V. RIGHT TO REQUEST EXCLUSION

If you do not wish to participate in the Class Settlement, you may exclude yourself from the Class Settlement. **If you request exclusion from the Class Settlement, you will not receive an Individual Settlement Share, and you will not be deemed to have released the Released Claims other than those arising under PAGA.** To request exclusion from the Class Settlement, you must submit a written Request for Exclusion to the Settlement Administrator at the address listed above in Section IV, that contains the following information: (1) a clear statement indicating your desire to opt out of the Class Settlement, such as: "I do not want to be

part of the Class Settlement in the *Swan v. PACE Supply Corp.* class action”; (2) your name; (3) your current address; (4) your telephone number; (5) the last four digits of your social security number; and (6) the name and number of the case (the case name is *Swan v. PACE Supply Corp.* and the Case Number is SCV258764). The Request for Exclusion must be postmarked no later than **December 17, 2018**. Requests for Exclusion that do not include all required information or are postmarked after **December 17, 2018** will be rejected, and those individuals will remain bound by the Class Settlement and the release of Released Claims other than those arising under PAGA, which is described above.

All PAGA Group Members who submit a timely and valid Request for Exclusion will be excluded from the release of Released Claims and will not receive an Individual Settlement Share but are nevertheless deemed to have released the PAGA Released Claims and will be issue their PAGA Settlement Share.

VI. RIGHT TO OBJECT

Any Class Member who has not requested exclusion from the Class Settlement (i.e. any Settlement Class Member) and believes that the Settlement should not be finally approved by the Court for any reason, may object to the proposed Settlement and release of Released Claims other than those arising under PAGA. Objections must be mailed to the Settlement Administrator at the address listed above in Section IV and be postmarked on or before **December 17, 2018**. All objections must state the Settlement Class Member’s (1) name; (2) current address; (3) telephone number; (4) dates of employment with PACE Supply,; (5) last four digits of his or her social security number; (6) the name and number of the case (the case name is *Swan v. PACE Supply Corp.* and the Case Number is SCV258764); and (7) describe why the objector objects to the Class Settlement (i.e. the settlement and release of Released Claims other than those arising under PAGA) and state whether the objector wishes to be heard at the Final Approval Hearing. To object to the Settlement, you must not opt out of the Class Settlement, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Settlement Class Members who do not object. Any Settlement Class Member who does not object in the manner provided in this Notice will have waived any objection to the Class Settlement, whether by appeal or otherwise.

Settlement Class Members who mail timely objections, which indicate that the Settlement Class Member wishes to be heard at the Final Approval Hearing, will have a right to appear at the Final Approval Hearing and have their objections heard by the Court at the hearing. Said Settlement Class Members have the right to appear either in person or through their own attorney at this hearing. Objections not previously filed in writing in a timely manner as described above will not be considered by the Court.

VII. HEARING ON THE SETTLEMENT (“FINAL APPROVAL HEARING”)

The Final Approval Hearing on the adequacy, reasonableness, and fairness of the Class Settlement will be held on February 6, 2019 at 3:00 p.m. in Courtroom 18, in the Superior Court of the State of California, in and for the County of Sonoma, located at 3055 Cleveland Avenue, Santa Rosa, California 95403. The hearing may be continued without further notice.

You are not required to attend the Final Approval Hearing, although any Settlement Class Member is welcome to attend the hearing. If you are objecting, you must comply with the requirements set forth above in Section VI, to have your objection heard by the Court.

VIII. ADDITIONAL INFORMATION

This Notice is only a summary of the Action and the Settlement. Settlement Class Members should contact the Settlement Administrator by mail or telephone with any concerns or questions regarding the Settlement:

Swan v. PACE Supply
P.O. Box 26170
Santa Ana, California 92799
Telephone: 888-406-0864

You may also refer to the pleadings, the Settlement Agreement, and other papers filed in the Action, which may be inspected in Room 107J of the Superior Court of the State of California, in and for the County of Sonoma, located at 600 Administration Drive, Santa Rosa, California 95403, during regular business hours of each court day.

PLEASE DO NOT CONTACT THE CLERK OF THE COURT OR THE JUDGE WITH QUESTIONS.

EXHIBIT B



Class Action Settlement Administration

800-779-2104 • www.simpluris.com
3176 Pullman Street, Suite 123
Costa Mesa, CA 92626

Estimate #:	7631V3	Prepared By:	Michael Sutherland
Estimate Date:	5/23/2017	Direct Dial #:	321-223-5067
Expiration Date:	8/21/2017	Email:	msutherland@simpluris.com

Plaintiff Attorney
Attorney/Client: Joanna Ghosh
Firm: Lawyers for Justice
Email:

Defense Attorney
Attorney/Client:
Firm:

Case Name: Swan v. Pace Supply: Opt Out Settlement

Anticipated Total Cost	\$157,863.99
Discount Given	\$2,720.00
Estimated Fees*	\$13,066

Notes:

- 1) Estimated administration fees assume that Simpluris will receive the data in a single Excel file and that there are no substantial changes to class size or response rate.
- 2) Case Setup and Notification Fees will be invoiced upon initial case mailing.

Total Possible Class Size:	1,100	Undeliverable Rate:	25%
Response Rate:	2%	Call Rate:	20%
Length of Response Period:	45	Fund Distribution:	Simpluris
Mailing Document Language:	English	Redistribution:	None
Reminder Postcard:	Yes	State Wage Reporting:	One

Case Setup

Data Compilation - Develop Case Specific Response Tracking - Error Reports			
Category	Unit Value	# of Units	Total
Project Manager - Case Setup	\$75.00	6	\$450.00
Database Manager - Initial Data Analysis	\$125.00	6	\$750.00
Total			\$1,200.00

Notification

Mailing Notice Pack- 7 Pg Notice, merged data - Printed Double Sided, - English			
Category	Unit Value	# of Units	Total
Mailing Notice Pack	\$0.75	1,100	\$825.00
Postage	\$0.42	1,100	\$462.00
NCOA	\$125.00	1	\$125.00
Undeliverable Processing	\$0.50	275	\$137.50
Skip Tracing	\$2.00	275	\$550.00
Re-mail Notice Pack	\$1.25	234	\$292.19
Re-mail Postage	\$0.48	234	\$112.20
Reminder Post Card	\$0.60	1,100	\$660.00
Correction Post Card	\$0.60	860	\$516.00
Clerical	\$50.00	7	\$350.00
Total			\$4,029.89

Call Center

Establish Case Specific Toll Free Number for Live Call Center Support - English/Spanish			
Category	Unit Value	# of Units	Total
Customer Service Reps/Call Center Support	\$75.00	6	\$225.00
Total			\$225.00



Class Action Settlement Administration

800-779-2104 • www.simpluris.com

3176 Pullman Street, Suite 123

Costa Mesa, CA 92626

Claims Administration

Process Mailed In Opt Outs or Objections

Category	Unit Value	# of Units	Total
Database Manager	\$125.00	2	\$250.00
Dispute/Deficient Responses - One Cure Letter	\$2.50	22	\$55.00
Opt Out Processing	\$2.50	22	\$55.00
SSN Verification	\$75.00	3	\$225.00
Data Entry	\$50.00	2	\$100.00
Project Manager	\$125.00	2	\$250.00
Declaration	\$300.00	1	\$300.00
Weekly Reporting to Counsel	WAIVED	12 Wks of Reporting	\$0.00
Total			\$1,235.00

Distribution

Setup a Disbursement Account

Print & Mail Checks to Class Members W-2/1099's - File Reports with Appropriate Federal & State Taxing Authorities

Account Management & Reconciliation Mailing Notice Pack

Category	Unit Value	# of Units	Total
Disbursement Data Preparation	\$125.00	4	\$500.00
Disbursement Manager - Data Validation	\$75.00	1	\$75.00
Setup Banking Account/QSF	\$75.00	4	\$300.00
Print & Mail Checks/1099s/W2	\$2.50	1100	\$2,750.00
Check Postage	\$0.49	1100	\$539.00
Process Returned Checks	\$0.50	55	\$27.50
Skip Trace Undeliverable Checks	\$5.00	55	\$275.00
Remail Checks	\$5.00	55	\$275.00
QSF Account Reconciliation	\$500.00	1	\$500.00
Individual State Tax Reporting	\$750.00	1	\$750.00
QSF Reporting/Declaration	\$500.00	1	\$500.00
QSF Annual Tax Preparation Fee	\$1,000.00	1	\$1,000.00
Reissuing Checks	\$5.00	15	\$75.00
Reissuing 1099/W-2's	\$5.00	15	\$75.00
Responding to IRS, State, Agency Inquiries	\$75.00	3	\$225.00
Disbursement Manager	\$125.00	6	\$750.00
Total			\$8,616.50

Case Wrap Up

Send Final Reports to Counsel

Category	Unit Value	# of Units	Total
Data Manager-Final Reporting	\$125.00	2	\$250.00
Clerical-Clean Up Any Misc	\$40.00	2	\$80.00
Project Manager-Wrap-up Final Issues	\$75.00	2	\$150.00
Total			\$480.00

Total Case Costs

\$15,786.39



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All administration services to be provided by Simpluris to Client, are provided subject to the following terms and conditions:

1. **Services.** Simpluris agrees to provide Client those services set forth in the Bid (the "Services") to which these terms and conditions are attached and which has been provided to Client. As compensation for such Services, Client agrees to pay the fees for Services outlined in the Bid. However, Client such fees for Services are estimated based on the requirements provided by Client and actual fees charged by Simpluris may be greater or less than such estimate and Client will be responsible for the payment of all such fees.
2. **Billing and Payment.** Simpluris will invoice Client on a regular basis unless a specific timeframe is otherwise set forth in the Bid. Client shall pay all invoices within 30 days of receipt. Amounts unpaid after thirty (30) days are subject to a service charge at the rate of 1.5% per month or, if less, the highest rate permitted by law. Services are not provided on a contingency basis and Client shall remain liable to Simpluris for all fees for the Services, regardless of any court decisions, and/or actions by the parties, including disapproval or withdrawal of a settlement.
3. **Retention of Documents.** Unless directed otherwise in writing by the Client, Simpluris will destroy all undeliverable mail (except for undeliverable checks) on the date that it is processed and retained in Simpluris' system. Simpluris will maintain records to establish that the subject mail is undeliverable. Simpluris will retain undeliverable checks until the Qualified Settlement Fund is closed. Simpluris will also retain all other class member and putative class member correspondence (including without limitation, claims forms and opt out forms) for one year after final distribution of funds or benefits, or until the date that the disposition of the case is no longer subject to appeal or review, whichever is later. Lastly, Simpluris will retain bank & tax documents for such period of time as it determines is required to maintain compliance with various federal and state requirements.
4. **Limitation of Liability; Disclaimer of Warranties.** Simpluris warrants that it will perform the Services diligently, with competence and reasonable care. Simpluris' only obligation will be to correct any non-conformance with the foregoing warranty. In no event will Simpluris be liable for any lost profits/opportunities, business interruption or delay or, special, consequential, or incidental damages incurred by Client relating to the performance of the Services, regardless of whether Client's claim is for breach of contract, tort (including negligence and strict liability) or otherwise. Under no circumstances will Simpluris be liable to Client for any claims, losses, costs, penalties, fines, judgment or damages, including court costs and reasonable attorney's fees (collectively, "Losses"), whether direct or indirect, arising out of, related to, or in connection with Services in an amount in excess of the total fees charged or chargeable to Client for the particular portion of the Services affected by Simpluris' omission or error. THE WARRANTIES SET FORTH IN THIS SECTION ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE.
5. **Force Majeure.** To the extent performance by Simpluris of any of its obligations hereunder is substantially prevented by reason of any act of God or because of any other matter beyond Simpluris' reasonable control, then such performance shall be excused and this Agreement, at Simpluris' option, be deemed suspended during the continuation of such condition and for a reasonable time thereafter.
6. **Rights in Data.** Client agrees that it will not obtain, nor does Simpluris convey, any rights of ownership in the programs, system data, or materials provided or used by Simpluris in the performance of the Services.
7. **Electronic Communications.** During the provision of the Services the parties may wish to communicate electronically with each other at a business e-mail address. However, the electronic transmission of information cannot be guaranteed to be secure or error free and such information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or otherwise be adversely affected or unsafe to use. Accordingly, each party agrees to use commercially reasonable procedures to check for the then most commonly known viruses and to check the integrity of data before sending information to the other electronically, but each party recognizes that such procedures cannot be a guarantee that transmissions will be virus free. It remains the responsibility of the party receiving an electronic communication from the other to carry out a virus check on any attachments before launching any documents whether received on disk or otherwise.
8. **Notice.** Any notice required or permitted hereunder shall be in writing and shall be delivered personally, by, or sent by registered mail, postage prepaid, or overnight courier and shall be deemed given when so delivered personally, or, if mailed, five days after the date of deposit in United States mail, or, if sent by courier, one business day after delivery to such courier service. Notice should be addressed to an officer or principal of Client and Simpluris, as the case may be.
9. **Waiver.** Failure or delay on the part of a party to exercise any right, power or privilege hereunder shall not operate as a waiver thereof or any of other subject, right, power or privilege.
10. **Termination.** Client may terminate the Services at anytime upon 30 days prior written notice to Simpluris. Termination of Services shall in no event relieve Client of its obligation make any payments due and payable to Simpluris in respect of Services rendered up to the effective date of Termination. Simpluris may terminate this Agreement (i) for any reason upon no less than 90 days prior written notice to the Client; or (ii) upon 15 calendar days' prior written notice, if the Client is not current in payment of fees.
11. **Jurisdiction.** The parties hereto irrevocably and unconditionally submit to the jurisdiction of the Court of the applicable case for purposes of any suit, action or proceeding to enforce any provision of, or based on any right arising out of, this Agreement. The parties hereto hereby irrevocably and unconditionally waive any objection to the laying of venue of any such suit, action or proceeding in such Court.
12. **Survival.** Any remedies for breach of this Agreement, this Section and the following Sections will survive any expiration or termination of this Agreement: Section 4 - Limitation of Liability; Disclaimer of Warranties, Section 6 - Rights in Data, and Section 12- Jurisdiction, 14 -Confidentiality, and Section 15 - Indemnification.
13. **Entire Agreement.** These Terms and Conditions and the proposal embody the entire agreement between the parties with respect to the subject matter hereof, and cancels and supersedes all prior negotiations, representations, and agreements related thereto, either written or oral, except to the extent they are expressly incorporated herein. No changes in, additions to, or waivers of, the terms and conditions set forth herein will be binding upon any party, unless approved in writing by such party's authorized representative.
14. **Confidentiality.** Simpluris maintains reasonable and appropriate safeguards to protect the confidentiality and security of data provided by Client to Simpluris in connection with the Services. If, pursuant to a court order or other proceeding, a third party requests that Simpluris to disclose any confidential data provided by or for Client, Simpluris will promptly notify the Client unless prohibited by applicable law. Client will then have the option to provide Simpluris with qualified legal representation at Client's expense to defend against such request. If, pursuant to a court order, Simpluris is required to disclose data, produce documents, or otherwise act in contravention of the obligation to maintain confidentiality set forth in these terms and conditions, Simpluris will not be liable for breach of said obligation.
15. **Indemnification.** Client will indemnify and hold Simpluris (and the officers, employees, affiliates and agents harmless against any Losses incurred by Simpluris, arising out of, in connection with, or related to (i) any breach of the terms by Client; (ii) the processing and handling of any payment by Simpluris in accordance with Client's instructions, including without limitation, the imposition of any stop payment or void payment on any check or the wrongful dishonor of a check by Simpluris pursuant to Client's instructions.
16. **Severability.** If any term or condition or provisions of this Agreement shall be held to be invalid, illegal, unenforceable or in conflict with the law of any jurisdiction, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.
17. **Database Administration.** Simpluris' database administration for Client assumes that Client will provide complete data that includes all information required to send notifications and calculate and mail settlement payments. Data must be provided in a complete, consistent, standardized electronic format. Simpluris' standardized format is Microsoft Excel, however, Simpluris may accept other formats at its discretion. Further developments or enhancements to non-standardized data will be billed to Client by Simpluris on a time and materials basis according to Simpluris' Standard Rates.

Simpluris Security Summary – White Paper

Simpluris is committed to the security and overall protection of not only our data and information but our client's data and information, as well. As a demonstration of our commitment, we maintain SOC 2 Certification which requires strict adherence to policies and procedures surrounding information security, including processing and storage of confidential customer data. Simpluris supports a comprehensive, written Information Security Program that complies with all applicable laws and regulations (e.g. HIPAA, Gramm-Leach-Bliley Act, MA 201 CMR 17.00) and is designed to (a) ensure the security, privacy and confidentiality of Client and Class Member Information, (b) protect against any reasonably anticipated threats or hazards to the security or integrity of Client or Class Member Information, and (c) protect against unauthorized access to, use, deletion, or modification of Class Member Information. Simpluris has designated specific employees to be responsible for the administration of its Information Security Program. Also, Simpluris regularly and routinely monitors, tests, and updates our Information Security Program.

Simpluris uses Client and Class Member Information only for the purposes for which its clients provide it, as described in any Agreements or Court Orders governing the provision of Simpluris' services in any particular case. Simpluris maintains a process for identifying, assessing, and mitigating the risks to Class Member Information in each relevant area of Simpluris' operations. At Simpluris, we continuously evaluate the effectiveness of the safeguards for controlling these risks to data and bank accounts. Simpluris restricts access to Class Member Information only to those employees, agents, or subcontractors who need to know the information to perform their jobs. Simpluris performs background checks of all its employees that will have access to Sensitive Personal Information, including a review of their references, employment eligibility, education, and criminal history to ensure they do not pose a risk to the security of Client or Class Member Information.

Simpluris adheres to the following industry best practices to safeguard its systems which process, store or transmit Client and Class Member Information:

- Identity and Access Management;
- Complex passwords are routinely and regularly changed;
- Role-based access control systems to limit individual employee access to network applications and systems based on their particular job role and function;
- Data Loss Prevention and Intrusion Prevention System software at multiple layers to prevent from internal and external threats of data leaks, malicious activity, and policy violations
- Encryption of Class Member Information if transmitted over public or wireless networks (e.g., via email, FTP, the Internet, etc.);
- Implementation of a Secure File Transfer system (using SSL encryption) for transmitting documents back and forth to clients;
- Encryption of servers, portable media, laptops, desktops, smartphones, mobile devices, and new technologies that store Class Member Information;
- Complex password authentication for remote access to Company's networks;
- Upon hire and annually after that, training of all employees with access to Class Member Information, (including any agents, and subcontractors with access to Class Member Information) about their obligations to implement the Information Security Program;
- Strict disciplinary measures for employees who violate the Information Security Program;
- Preventing terminated employees from accessing Class Member Information;
- Appropriately configured and updated firewall, antivirus, and spyware software;
- Prompt application of vendor-recommended security patches and updates to systems and other applications to avoid any adverse impact on Class Member Information;
- Separation of Duties;
- Infrastructure and Physical Security;
- Business Continuity Planning;
- Disaster Recovery Planning