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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES – SPRING STREET COURTHOUSE

DFT, INC. WAGE AND HOUR CASES

Coordinated Actions:

ERIC BETANCES vs. DFT, INC. D/B/A
CANNON MANAGEMENT

ROXANA VALDEZ vs. DFT, INC. D/B/A
CANNON MANAGEMENT

JUDICIAL COUNCIL COORDINATION
PROCEEDING NO.: JCCP4882

Honorable Yvette M. Palazuelos
Department SSC9

Superior Court of California, County of
Los Angeles: BC559751

Complaint Filed: October 6, 2014

Superior Court of California, County of
San Bernardino: CIVDS1605358

Complaint Filed: April 12, 2016

**JOINT SUPPLEMENTAL BRIEF IN
SUPPORT OF PLAINTIFFS' MOTION
FOR FINAL APPROVAL OF CLASS
ACTION SETTLEMENT, ATTORNEYS'
FEES, COSTS, AND ENHANCEMENT
PAYMENTS**

[Supplemental Declaration of Edwin
Aiawazian; Supplemental Declaration of
Elizabeth Kruckenberg; and [Revised
Proposed] Final Approval Order and Judgment
filed concurrently herewith]

Date: March 12, 2019
Time: 10:00 a.m.
Department: SSC9

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Attorneys for Defendant

1 Plaintiffs Eric Betances and Roxana Valdez ("Plaintiffs") and Defendant DFT, Inc. d/b/a
2 Cannon Management ("Defendant") (together, "Parties") hereby submit the following Joint
3 Supplemental Brief in Support of Plaintiffs' Motion for Final Approval of Class Action
4 Settlement, Attorneys' Fees, Costs, and Enhancement Payments ("Motion for Final Approval"),
5 in advance of the continued hearing of the motion that is set for March 12, 2019.

6 **I. INTRODUCTION**

7 On February 7, 2019, the Court granted final approval of the Settlement on the condition
8 that the Parties provide additional information and submit revised settlement papers in
9 conformity with the Court's written tentative ruling, and continued the Final Approval Hearing
10 to March 12, 2019 at 10:00 a.m.

11 Per the Court's instruction in its written tentative ruling that it provided to the Parties at
12 the February 7, 2019 hearing, the Parties executed Amendment No. 2 to Stipulation of Class
13 Action and PAGA Settlement and Release ("Amendment No. 2"), a true and correct copy of
14 which is attached as "Exhibit B" to the Supplemental Declaration of Edwin Aiwasian in Support
15 of Plaintiffs' Motion for Final Approval of Class Action Settlement, Attorneys' Fees, Costs, and
16 Enhancement Payments ("Supplemental Declaration of Edwin Aiwasian" or "Aiwasian Suppl.
17 Decl.").¹ Together, the Stipulation of Class Action and PAGA Settlement and Release
18 ("Original Agreement"), Amendment No. 1 to Stipulation of Class Action and PAGA Settlement
19 and Release ("Amendment No. 1"), and Amendment No. 2 are referred to as "Settlement,"
20 "Agreement," or "Settlement Agreement."

21 The Parties have also prepared a [Revised Proposed] Final Approval Order and
22 Judgment, which is submitted to the Court concurrently herewith, and the Court is respectfully
23 requested to enter it.

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27 ¹ A redline version of Amendment No. 2 showing how the terms of the Original Agreement as
28 amended by Amendment No. 1 have been revised, is attached as "Exhibit C" to the
Supplemental Declaration of Edwin Aiwasian.

1 **II. NET AMOUNT TO BE DISTRIBUTED TO SETTLEMENT CLASS MEMBERS**

2 The employer's share of payroll taxes and withholdings on the wage portion of
3 Settlement Class Members' *pro rata* shares of the Net Settlement Amount ("Settlement Share")
4 is estimated to be approximately \$13,518.08 ("Employer's Taxes"). Supplemental Declaration
5 of Elizabeth Kruckenberg ("Supplemental Phoenix Declaration" or "Phoenix Suppl. Decl."), ¶ 5.
6 After deducting the Employer's Taxes from the Net Settlement Amount of \$280,929.01, the total
7 net amount to be distributed to Settlement Class Members is estimated to be \$267,410.93. *Id.*, ¶
8 6. The highest and average net payments, including Individual PAGA Payments, to Settlement
9 Class Members are estimated to be \$969.28 and \$262.95, respectively. *Id.*, ¶ 9.

10 **III. DISTRIBUTION OF FUNDS FROM UNCASHED SETTLEMENT CHECKS**

11 Amendment No. 2 provides that the Settlement Administrator will prepare a report
12 regarding distribution of the Maximum Settlement Amount, including the total amount that was
13 actually paid to Settlement Class Members and PAGA Class Members and the total amount that
14 was not cashed or deposited ("Final Report"), and the funds associated with settlement checks
15 that were not cashed or deposited within one hundred eighty (180) calendar days of being issued
16 will be transmitted to LA Family Housing after the Final Report is filed, in conformity with
17 California Code of Civil Procedure section 384. Aiwazian Suppl. Decl., ¶ 3, Exh. B (modifying
18 section 69 of the Original Agreement). LA Family Housing is a non-profit organization that
19 helps people, including low-income workers, transition out of homelessness and poverty through
20 a continuum of housing enriched with supportive services. The organization currently operates
21 twenty-six (26) properties of temporary, permanently affordable, and permanent supportive
22 housing across Los Angeles, serves over 7,300 people annually, and is one of the largest
23 providers of housing and homeless services in Los Angeles.

24 **IV. FEE SPLITTING AGREEMENT FOR ATTORNEYS' FEES**

25 The fee splitting agreement for attorneys' fees, executed by Plaintiffs Eric Betances and
26 Roxana Valdez and Class Counsel, is attached as "Exhibit D" to the Supplemental Declaration of
27 Edwin Aiwazian. Aiwazian Suppl. Decl., ¶ 4., Exh. D.

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V. REQUEST FOR REIMBURSEMENT OF MEDIATION FEES

Class Counsel requested reimbursement of mediation fees paid to JAMS, Inc. in the total amount of \$4,950. Declaration of V. Andre Sherman, Exh. B; Aiwarzian Suppl. Decl., Exh. E. Girardi & Keese paid a fee of \$4,950 to JAMS, Inc. for mediation on June 29, 2017 with Deborah Crandall Saxe, Esq., and the mediation fees were split equally between the two (2) included actions in the coordinated proceeding, the *Betances* Action² and *Valdez* Action.³ Aiwarzian Suppl. Decl., ¶ 5. As such, the two (2) entries for Mediation Expenses in the case cost details, each in the amount of \$2,475 on June 26, 2017 for each of the cases, are correct.

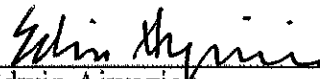
VI. CONCLUSION

Having provided the additional information and revised settlement papers requested by the Court, the Parties respectfully request that the Court enter the [Revised Proposed] Final Approval Order and Judgment.

Dated: February 20, 2019

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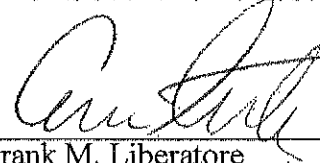
By:


Edwin Aiwarzian
Joanna Ghosh
Attorneys for Plaintiffs and the Class

Dated: February 20, 2019

JACKSON LEWIS P.C.

By:


Frank M. Liberatore
Eric J. Gitig
Attorneys for Defendant

² The *Betances* Action refers to the action entitled *Eric Betances v. DFT, Inc. d/b/a Cannon Management*, Los Angeles County Superior Court Case No. BC55975.

³ The *Valdez* Action refers to the action entitled *Roxana Valdez v. DFT, Inc. d/b/a Cannon Management*, San Bernardino County Superior Court Case No. CIVDS1605358.