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Attorneys for Plaintiff
JESUS CRUZ MOLINA, MARCIA PAZ, NELSON PAZ, and RONALD PAZ, individually, and on behalf of other members of the general public similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN DIEGO

JESUS CRUZ MOLINA, an individual;
MARCIA PAZ, an individual; NELSON PAZ, an individual; RONALD PAZ, an individual; and on behalf of other members of the general public similarly situated

Plaintiff,

v.

ATC LOGISTICS, INC., a California Corporation; and DOES 1 through 25, Inclusive,

Defendants.

) Case No. 37-2022-00037368-CU-OE-CTL

) **DECLARATION OF PAMELA VALLERO IN SUPPORT OF PLAINTIFFS' UNOPPOSED MOTION FOR PAGA SETTLEMENT APPROVAL**

) Hearing Date: February 21, 2025

) Hearing Time: 9:00 a.m.

) Department: 2004

) Judge: Hon. Timothy B. Taylor

) Complied Filed: September 19, 2022

) FAC Filed: December 13, 2022

- DECLARATION OF PAMELA VALLERO ISO PLAINTIFFS' UNOPPOSED MOTION FOR PAGA SETTLEMENT APPROVAL

LWDA Payment:	\$43,500
Attorney's Fees and Costs:	\$30,000
Settlement Administration Fee:	up to \$2,000
Resultant Net Settlement Fund:	\$14,500

An "average" PAGA employee will receive a payment of approximately **\$736.16**.

9. There are no restrictions for any of the **19** employees to file individual actions, as the PAGA Settlement Agreement only covers PAGA claims.
10. The Parties reached the terms of their proposed PAGA Settlement Agreement, following the exchange of extensive information and employment records. The Parties submit the proposed settlement of PAGA penalties is fair, adequate, and reasonable. The Parties are unaware of any other cases that may be impacted by the PAGA Settlement.
11. After deducting the proposed amounts for Plaintiffs' counsel's Attorneys' Fees and Costs, the amount remaining is defined as the "PAGA Payment." One hundred percent (100%) of the PAGA Payment shall be allocated to the payment of civil penalties under the PAGA Payment. Pursuant to the PAGA Payment, seventy-five (75%) of the PAGA Payment, or Forty-Three Thousand Five Hundred Dollars (\$43,500.00) shall be allocated to the State of California Labor and Workforce Development Agency (the "LWDA PAGA Payment"), with the remaining twenty-five percent (25%) or Fourteen Thousand Five Hundred Dollars (\$14,500.00), allocated to the PAGA Employees ("Aggrieved Employees PAGA Payments").
12. Attached as **Exhibit D** is a true and correct copy of the proposed notice of the PAGA Settlement to be sent to the allegedly aggrieved employees.
13. Defendant shall mail attorneys' fees and costs payments to the Settlement Administrator. The Settlement Administrator shall mail the PAGA payments directly to the LWDA and to the Aggrieved Employees. Concurrently with sending each Aggrieved Employee their share of the amount, the Settlement Administrator will include a "Notice of PAGA Action Settlement" along with each Aggrieved Employee's check. The Settlement Administrator shall send each Aggrieved Employee their check via U.S. First Class mail to each Aggrieved

1 Employee's address with directions to the Postmaster to return all undeliverable mail to the
2 forwarding address affixed thereto. For each returned check/notice that is returned as
3 undeliverable, the Settlement Administrator shall promptly attempt to locate the Aggrieved
4 Employee's by using the NCOA database. Following the distribution of the Settlement
5 Payment, the Settlement Administrator will provide a declaration to Plaintiffs' counsel
6 regarding the distribution to be filed with the Court.

7 14. The instant request is based on the fact that (1) the PAGA Period "cutoff date" is contingent
8 on Court approval, any delay diminishes the amounts received by the impacted employees;
9 (2) Notice to certain ex-employees may be adversely impacted by further delay (i.e. ex-
10 employees may change their mailing address without filing a proper "forwarding address").

11 15. An expedient approval of this settlement will provide a direct benefit to the impacted
12 employees at issue. The "fixes" provide a guarantee of future Labor Code compliance, and an
13 immediate monetary benefit. It also allows Defendant (who admirably "stepped up" to
14 address these issues) the opportunity to move on and focus on future business.

15 16. One of the main issues of this litigation concerned allegations that Plaintiffs were allegedly
16 misclassified.

17 17. Investigations completed by Plaintiffs' counsel revealed that only Plaintiffs and, at most,
18 nineteen other people were misclassified. Defendant's violations were minimal as to properly
19 classified employees. The investigations also revealed that the "rate of violation" by
20 Defendant was significantly less than 100%. On many of those occasions, it appears that
21 Defendant did, in fact, comply with the law.

22 18. Based on the above, the maximum liability in a case of this type would be in the range of \$0
23 to \$190,000.

24 19. Moreover, Plaintiffs' counsel is aware of the Court's discretion to mitigate penalties pursuant
25 to California Labor Code § 2699(e)(2).

26 20. Plaintiffs' counsel agrees with the provision of the Labor Code, that penalties should be
27 mitigated where violations are minimal (or rare), or where the employer makes significant
28 efforts to comply with the Labor Code.

1 21. The Parties agree that, given the number of violations at issue here, that this settlement
2 represents a fair and adequate payment.
3 22. Accordingly, counsel submits the **\$43,500** allocation to PAGA penalties secured via this
4 settlement is reasonable compromise and is in the best interests of the state and the Plaintiffs
5 given all the risk of continued litigation.
6 23. Defendant, and its counsel, deserve credit for their willingness to consider – and address –
7 the allegations. Specifically, Defense Counsel, produced a substantial amount of documents
8 and information necessary to evaluate the parameters of settlement. Following a mandatory
9 settlement conference with the Honorable Judge Taylor, the Parties have reached a proposed
10 settlement. That includes a payment of penalties under PAGA.
11

12 I declare under penalty of perjury under the laws of the State of California that the
13 foregoing is true and correct. Executed 7 day of February 2025, in San Diego, California.
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16 By: _____

Pamela Vallero
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