

1 JAMES HAWKINS APLC
James R. Hawkins (#192925)
2 Gregory Mauro (#222239)
Michael Calvo (#314986)
3 Lauren Falk (#316893)
Ava Issary (#342252)
4 9880 Research Drive, Suite 200
Irvine, CA 92618
5 Tel.: (949) 387-7200
Fax: (949) 387-6676
6 Email: James@jameshawkinsaplc.com
Email: Greg@jameshawkinsaplc.com
7 Email: Michael@jameshawkinsaplc.com
Email: Lauren@jameshawkinsaplc.com
8 Email: Ava@jameshawkinsaplc.com

9 Attorneys for KATHERINE ANNA CHEN on behalf of
the general public as private attorney general
10

11 SUPERIOR COURT OF THE STATE OF CALIFORNIA
12 FOR THE COUNTY OF LOS ANGELES

13 KATHERINE ANNA CHEN, on behalf of the
general public as private attorney general,

14 Plaintiff,

15 v.

16 COMPASS GROUP, USA, INC.; MORRISON
17 MANAGEMENT SPECIALISTS, INC.;
MORRISON HEALTHCARE, INC.; and
18 DOES 1-50, inclusive,

19 Defendants.
20

CASE NO.: 22STCV30416

DEPT.: 24

[Assigned for All Purposes to:
The Hon. Kristin S. Escalante]

**DECLARATION OF JAMES HAWKINS
IN SUPPORT OF MOTION TO
APPROVE PAGA SETTLEMENT**

Date: November 6, 2024

Time: 8:30 a.m.

Dept.: 24

RESERVATION ID: 067251110242

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28

2

3
4
5
6
7
8
9

10
11
12

13
14
15
16
17
18
19
20

21
22
23
24
25
26
27
28

1 facts regarding the claims asserted, including the exchange of detailed statistical data regarding
2 weeks and pay periods worked by individuals and Plaintiff. Thereafter, the parties worked
3 together to finalize the terms of the long form settlement agreement that is now placed before this
4 Court for approval.

5 5. The claim before this court is the representative claim under PAGA on behalf of
6 the State of California for civil penalties pursuant to the PAGA. The parties have agreed to
7 settle this PAGA claim in its entirety after discovery and arm's length mediation. Defendants
8 filed and served its answer generally denying the claims therein and asserting affirmative
9 defenses. Defendants deny any wrongdoing and denies liability with respect to the matters
10 alleged in the Complaint and believes that it has valid defenses to all of Plaintiff's claims.
11 Defendants further contend that it has complied with all wage and hour laws applicable to the
12 employment of Plaintiff and other Class Members. To date, no court has made any findings that
13 Defendants engaged in any wrongdoing or in any wrongful conduct, or otherwise acted
14 improperly or in violation of any law, rule or regulation with respect to any of the issues
15 presented in this action.

16 6. The Agreement negotiated by the parties provides for Defendants to pay
17 \$1,476,075.00 as the Gross Settlement Amount ("GSA"). (Agreement at § 1.10). The "Net
18 Settlement Amount" ("NSA") is the amount remaining of the GSA minus the Court-approved
19 amounts awarded for the Attorneys Fees and Costs, Settlement Administration Fees,
20 Enhancement Award to Plaintiff (if any), and the LWDA Payment. (Agreement at § 1.12). The
21 Net Settlement Amount is estimated to be \$902,100.87.

22 7. The settlement is intended to fully and finally resolve the PAGA claims asserted
23 by Plaintiff on behalf of the State of California. This is only a settlement of the PAGA claims for
24 civil penalties, and is not a class settlement and does not release the individual claims, if any, of
25 the PAGA Members. The NSA is calculated as follows: (1) \$516,626.25 (i.e. 35% of the GSA)
26 shall be paid to Plaintiff's Counsel for payment of attorneys' fees; (2) Plaintiff's Counsel's
27 litigation expenses not to exceed \$30,000.00 (Plaintiff's counsel's litigation costs to date is
28 \$18,390.88, (Agreement at § 1.16); (3) \$20,000.00 Enhancement Award to the Plaintiff for

1 Plaintiff's time and risks in prosecuting this case and Plaintiff's service to the PAGA Members as
2 well as for Plaintiff's general release of Plaintiff's Released Claims; (4) Administration costs not
3 to exceed \$18,957.00. (Agreement at §§ 1.9, 1.26). Any difference from these maximum
4 amounts will be added to the Net Settlement Amount.

5 8. The Gross Settlement Amount is subject to Court approval consistent with Labor
6 Code § 2699. Should the Net Settlement Amount increase or decrease, the amount to be
7 distributed shall be adjusted according to the changes made by the Court. Upon approval, the Net
8 Settlement Amount shall be allocated 75% (approximately \$676,275.65) to the LWDA and 25%
9 (approximately \$225,825.22) among PAGA Group Members. The share of the Net Settlement
10 Amount to be distributed to each PAGA Member is based on the number of his or her Pay
11 Periods worked in the PAGA Period in relation to the aggregate number of Pay Periods worked
12 by the Settlement Group during the PAGA Period. (Agreement at § 1.11). The 75/25 allocation is
13 required by Labor Code § 2699 as explained by *ZB, N.A. v. Superior Court*, 8 Cal.5th 175 (2019).

14 9. The "PAGA Members" are defined as "all persons who worked for Defendants as
15 non-exempt, hourly employees in the State of California at any time from July 12, 2021, through
16 September 30, 2024." There are approximately 3,200 PAGA Members who worked
17 approximately 118,086 pay periods. (Agreement at § 5.7). The PAGA Period is July 12, 2021,
18 through September 30, 2024. (Agreement at §1.18).

19 10. Since the filing of the complaint, the Parties have exchanged extensive *discovery*
20 and engaged in numerous discussions regarding the factual and legal issues surrounding this case.
21 Throughout the litigation, Defendants produced thousands of pages of information and data,
22 including policies, handbooks, time and payroll records of for the PAGA Members reflecting time
23 punches at the start of employees' shifts, and at the end of the shift, and meal period punches as
24 well as the applicable pay rates. Defendants also provided Plaintiff's personnel file, records
25 regarding documents identifying the non-exempt positions and information regarding the number
26 of employees holding these positions during the relevant time period. Defendants also provided
27 substantial information concerning the total number of potential size of the PAGA group, the total
28 number of pay periods at issue, and the applicable hourly rates and other summary data related to

1 the alleged class. The Parties have conducted themselves in informed, good faith arms-length
2 negotiations after conducting discovery and exchanging extensive evidence and information
3 about the claims and defenses of this lawsuit and engaging in pre-mediation discussions,
4 telephone conferences, and correspondence all aimed at settling their dispute.

5 11. In preparation for the mediation, Plaintiff reviewed the entire discovery produced.
6 The information had to be extrapolated and processed to figure out the amount of compensation
7 Plaintiff contends are due to the PAGA Members. Defendants also provided substantial
8 information concerning the total number of potential PAGA Members, the total number of
9 workweeks at issue, and the applicable hourly rates and other summary data related to the alleged
10 class. The evidence and information gathered and reviewed by Plaintiff's counsel provided a
11 factual framework for a comprehensible and reliable damage model pertaining to all Settlement
12 PAGA Members. The mediation included discussion and examination of the PAGA Members
13 and the Parties' respective positions on the legal and factual issues raised in the Complaint.

14 12. The PAGA Members recovery compares favorably to the estimated amount of
15 PAGA penalties. With the assistance of an expert, Plaintiff calculated that the maximum amount
16 of statutory PAGA civil penalties was potentially \$4,003,500 assuming multiple violations and
17 stacking based on 118,086 pay periods multiplied by a maximum per pay period violation rate of
18 \$100. These alleged penalties were for violations of Labor Code § 226.7/ 512/ (meal periods) at
19 \$3,418,700 based on approximately 34,187 alleged violations, penalties for violation of Labor
20 Code § 226 valued at a \$214,900 based on failure to accurately calculate and pay sick pay and
21 meal period premiums on wage statements and penalties for violation of Labor Code §§
22 201/202/203 for 1,550 former employees at approximately \$155,000. The sick pay under Labor
23 Code 204 was valued at \$157,400 and the meal period premium miscalculation was valued at
24 \$57,500. Importantly, however, in total, these calculations were performed at the \$100 statutory
25 rate for the penalties for the first violation, and it is likely that any penalties awarded would be at
26 a much lower rate given the facts of this case. California Labor Code Section 2699(e)(1) permits
27 a Court to award a lesser amount than the maximum civil penalty if based on the facts and
28 circumstances to do otherwise would result in an award that is "unjust, arbitrary and oppressive or

confiscatory." (Hawkins Decl., ¶ 12). The maximum exposure here could be higher if the Court awarded 100% penalties for each and every pay period at \$200 per pay period. Of course, these amounts would probably have been reduced given the policies in place, and manageability issues, the issues of why someone missed a meal break on any occasion or worked off the clock, and the issues of payment of meal period premiums. Given the risks involved, a reasonable Risk Value reduction would put the realistic possibility of recovery of penalties at approximately \$2,402,100 taking account for a reasonable 60% chance of recovery. The risks include manageability issues, not prevailing on the merits, prevailing on certain claims for certain periods, reduced penalty amounts awarded by the trial Court, no liability found at all, and reversal on appeal.

13. Defendants dispute that the penalties assessed by Plaintiff and his expert would have been awarded. Further, it is Defendants' contention that PAGA penalties cannot be stacked, and that at most just one PAGA penalty can be awarded to an aggrieved employee in any one pay period. See Labor Code section 2699 (f)(2) (authorizing awardable PAGA penalties to be measure by "each aggrieved employee per pay period"); *Smith v. Lux Retail North America, Inc.*, 2013 WL 2932243, at *1, *4 (N.D. Cal. 2013) (rejecting a pleading that sought the "stacking of penalties"; "[f]or the single mistake of failing to include commissions in the overtime base, plaintiff has asserted five (count them, five) separate labor code violations that could lead to statutory penalties;" "is it plausible that we would really pile one penalty on another for a single substantive wrong?"; noting that "no actual holding in any judicial decision has ever blessed such stacking"). As such, and for this initial reason, Defendants contends that the maximum potential recovery in this action is significantly lower than as stated by Plaintiff.

14. Further, Defendants argues that Plaintiff's calculation of penalties as applicable to any employee and for any pay period, is inflated for an additional reason. Defendants argue that even were liability established, one does not reach the second-tier penalty for that violation unless and until the employer is first cited for the violation, and that Defendants has never been cited. See *Amalgamated Transit Union Local 1309, AFL-CIO v. Laidlaw Transit Servs., Inc.*, 2009 WL 2448430 *1, *9 (S.D. Cal. 2009) ("For the purposes of subsequent violation penalties, the issue is

1 not whether [Defendants] willfully violated the Labor Code, but rather whether a court or
2 commissioner had notified it of any violation.”); *Amaral v. Cintas Corp. No. 2*, 163 Cal. App. 4th
3 1157, 1209 (2008) (“[u]ntil the employer has been notified that it is violating a Labor Code
4 provision (whether or not the Commissioner or court chooses to impose penalties), the employer
5 cannot be presumed to be aware that its continuing underpayment of employees is a ‘violation’
6 subject to penalties” at a second tier); *Robinson v. Open Top Sightseeing San Francisco, LLC*,
7 No. 14-CV-00852-PJH, 2018 WL 895572, at *20 (N.D. Cal. Feb. 14, 2018) (applying “initial”
8 penalty to each violation of § 226 and § 2699(f)(2) because there was no evidence showing
9 Defendants was previously notified its practice violated § 226); *Willis v. Xerox Bus. Servs., LLC*,
10 2013 WL 605383, at *1, *6 (E.D. Cal. 2013) (“for a plaintiff to recover for a ‘subsequent
11 violation,’ an employer must have notice that it has violated the Labor Code”). As such,
12 Defendants contend that Plaintiff’s calculation are inflated not only because the “stack” penalties
13 for a single person during a single pay period, but because the penalties Plaintiff would award in
14 each instances are at an inapplicable (doubled) rate.

15 15. Defendants further argues that Plaintiff would still face significant practical
16 problems in aggregating any material exposure, as each violation would need to be proven as to
17 each person and for each period for which recovery is sought. Defendants argues that it is
18 unlikely that any significant number of current and former employees would travel to the venue of
19 a trial, stay at a hotel, prepare for and deliver testimony, all in exchange for – at most – 25% of
20 \$50 or \$100 (i.e. \$12.50 or \$25) for each pay period in which there was a violation. (for example-
21 wage statement penalties”). For purposes of section 226, “a good faith dispute presents when
22 there is (1) uncertainty in the law; (2) representations by an authority that compliance was not
23 required; or (3) an employer’s good faith mistaken belief grounded in a good faith dispute.”
24 *Magadia v. Wal-Mart Assocs., Inc.*, 384 F. Supp. 3d 1058 (N.D. Cal. 2019). “Mere recklessness”
25 is not a basis for liability. *Pedroza*, 2012 WL 9506073, *5.

26 16. As a result of the mediation and the consideration of all facts, evidence, and
27 arguments presented to Plaintiff and his counsel, the Parties agreed to settle this matter for
28 \$1,476,075.00.

1 17. Defendants represented that PAGA Group Members consisted of approximately
2 3,200 employees who worked approximately 118,086 pay periods. The Gross Settlement
3 Amount of \$1,476,075.00 constitutes approximately \$12.50 per pay period before deductions for
4 fees, costs, enhancement award, and administration costs. The Gross Settlement Amount
5 accounts for approximately 36% of the maximum potential recovery of \$4,003,500 given the
6 reasonable applied risks factors. Upon approval, approximately \$676,275.65 will be sent to the
7 State of California and approximately \$225,825.22 will be shared with aggrieved employees. This
8 equates to approximately \$70.57 to each aggrieved employee.

9 18. Plaintiff's counsel balanced the terms of the proposed Settlement against the risk
10 of litigation and probable outcome if this matter went at trial. Based on their own respective
11 independent investigations and evaluations, and after taking into account the sharply disputed
12 factual and legal issues involved in this matter, the risks attending further prosecution of the case,
13 and the monetary benefits received under the Settlement despite the questionable nature of the
14 claims, Plaintiff's counsel is of the opinion that Settlement for the consideration and on the terms
15 set forth in the Settlement Agreement is fair, reasonable and adequate and is in the best interests
16 of the State, Plaintiff, and the PAGA Members. Counsel for the Parties investigated the
17 applicable law as applied to the facts discovered regarding the claims of Plaintiff, Defendants'
18 defenses thereto and the damages claimed by Plaintiff on behalf of the PAGA Members.

19 19. I further believe that the consideration and terms set forth in the Settlement
20 Agreement are fair, reasonable, and adequate and are in the best interests of the Settlement PAGA
21 Members in light of all known facts and circumstances, including the various defenses asserted by
22 Defendants, and numerous potential appellate issues. In addition, the prospect of a potential
23 adverse summary judgment ruling at trial, the difficulties of complex litigation, the lengthy
24 process of establishing specific damages and various possible delays and appeals, were also
25 carefully considered in agreeing to the proposed Settlement.

26 20. The predominant claims in this action arise from alleged violations of California
27 law with respect to Defendants' failure to pay wages including overtime to the PAGA Members
28 for off the clock work performed by PAGA Members during meal and rest periods due to work

1 interruptions and as a result of alleged limited staffing ratios. Plaintiff alleges that Defendants'
2 practices do not provide proper payment for missed meal periods, rest periods and overtime for
3 off the clock work. Defendants contends that it had compliant meal and rest period policies in
4 place and such policies also prohibited employees from working off the clock.

5 21. Defendants contends that Plaintiff and the PAGA Members were properly
6 compensated, and that they did not violate the Labor Code as to any of them. Defendants asserted
7 additional defenses to the PAGA claim as discussed above. These defenses present a risk to the
8 PAGA claim and the potential that some or all of the PAGA penalties sought may not be awarded

9 22. The Labor Code section 203 claim was uncertain given the defenses asserted for
10 the underlying claims as well as the lack of evidence of the "willfulness" prong necessary for a
11 Labor Code §203 claim. Plaintiff's counsel also recognized a risk of an adverse finding on given
12 Defendants' apparently compliant policies and procedures at the time of mediation. The labor
13 code section 226 claim was dependent on the underlying claims for failure to pay wages.

14 23. Further, Plaintiff's Counsel considered the fact that continued litigation would
15 likely take years and would be extremely expensive given the breadth and complexity of the
16 claims. In this case, post-trial and appellate proceedings are likely to occur, which will surely
17 drag the case far into the future even with a positive trial result. When facing a distant and unsure
18 resolution of the allegations in this action, the swift, sure and substantial Settlement is all the
19 more reasonable. Avoiding such costly litigation in favor of more immediate benefits to the
20 PAGA Members was a consideration favoring settlement. Given these realities, it is highly likely
21 that the future expense of this litigation, and its likely duration if the settlement is not approved,
22 would be significant and weigh heavily in favor of approval of this settlement.

23 24. Based on the Settlement Amount of \$1,476,075.00 75% of this amount will be
24 distributed to the LWDA and 25% to the aggrieved employees. As such, the settlement provides
25 on average each PAGA Member with approximately \$70.57. The highest amount a Settlement
26 PAGA Member will receive is approximately \$950 calculated by taking \$12.50 per pay period
27 times approximately 76 maximum recoverable pay periods in the PAGA period. To the extent
28 any amount for Attorneys' Fees, Costs, Settlement Administration Costs or Enhancements are not

1 awarded, the difference in those amounts will be added to the Net Settlement Amount. This is a
2 guaranteed amount of money paid to Settlement PAGA Members now, rather than the continued
3 risk of further litigation and receiving no money sometime in the far future and after trial and
4 appeals.

5 25. Plaintiff as PAGA Representative has provided extensive supporting documents
6 and assisted Counsel in developing information necessary to litigate and settle this case.
7 Plaintiffs also conducted record review and consultation with counsel in preparation for discovery
8 and eventual mediation, and to assist in evaluating and proving the claims. The settlement
9 provides for a Payment to be paid to the Plaintiff in the amount of \$20,000.00 subject to Court
10 approval. The purpose is to compensate the Plaintiff as PAGA Representative an additional
11 enhanced payment, taking into consideration the risks, time, effort and expenses incurred in
12 coming forward to provide invaluable information and negotiate and litigate this matter on behalf
13 of all PAGA Members who otherwise, would probably not file their own individual claims to
14 recover what may be relatively low damages. Further, the Payment of \$20,000.00 Plaintiff is a
15 very fair and justified as part of the Settlement based on the risks Plaintiff has taken and benefits
16 conferred upon the Settlement Class.

17 26. I have a great deal of experience in wage and hour class action litigation. I have
18 obtained certification of several classes, I have been approved as class counsel in many other
19 wage/hour class actions, and I am currently litigating numerous others. Although not an all
20 inclusive list, over the years I have prosecuted the following class action matters as lead and/or
21 co-lead counsel, all of which implicated similar law and facts to those associated with this action:

22 a. *Aguilar v. 7-Eleven, Inc., et. al.*, Orange County Superior Court- Case No.:
23 30-2009-00268714-CU-OE-CXC. Certified Wage and Hour Class action seeking
24 premium wages for meal period and rest periods and resultant penalties. Class
25 Notice pending.

26 b. *Carey, et. al. v. Arthur J. Gallagher, et. al.*, USDC, SOUTHERN
27 DISTRICT- Case No.: 09-cv-0168. Wage and Hour Class action seeking past
28 wages of overtime for mis-classification of insurance claims adjusters employed

1 by Gallagher Bassett, a third party administrator (TPA) in the State of California.
2 Certification granted. Plaintiffs' counsel co-lead counsel. Case settled, Final
3 Approval granted, no objections and funds fully distributed.

4 c. *Dao v. 3M Company, et al.* USDC, CENTRAL DISTRICT, Case No. CV-
5 08-04554. Wage and Hour Class Action case seeking past wages for "off the
6 clock", overtime and meal and rest break violations for production workers in the
7 State of California. Plaintiffs' Counsel appointed as Lead Counsel. Case settled,
8 Final Approval granted, no objections and funds fully distributed.

9 d. *Ortiz v. Kmart*, USDC, CENTRAL DISTRICT, Case No. SACV 06-638
10 ODW. Wage and Hour Class Action case seeking past wages for meal and rest
11 period violations for retail employees in the State of California. Plaintiffs' counsel
12 appointed co-lead counsel. Case settled, Final Approval granted, no objections
13 and funds fully distributed.

14 e. *Morgan v. Aramark Campus, LLC*, USDC, CENTRAL DISTRICT, Case
15 No. SACV08-00412. Wage and Hour Class Action case seeking past wages for
16 meal and rest period violations for retail employees in the State of California.
17 Plaintiffs' Counsel appointed as Lead Counsel. Case settled, Final Approval
18 granted, no objections and funds fully distributed.

19 f. *West v Iron Mountain Information Management, Inc, et. al.*; Los Angeles
20 County Superior Court, Case No. BC393709. Wage and Hour Class Action
21 seeking past wages for overtime, meal and rest break violations for driver
22 employees in the State of California. Settlement for "binding arbitration."
23 Arbitration Award for Plaintiff Class. Arbitration Award confirmed. Plaintiffs'
24 counsel, lead trial counsel and class counsel.

25 g. *Gonzalez v. Superior Industries Inter, Inc., et al.*, Los Angeles County
26 Superior Court, Case No. BC 357912. Wage and Hour Class Action seeking past
27 wages for overtime, meal and rest breaks violations for production employees in
28 the State of California. Plaintiffs' counsel appointed as lead counsel. Case settled,

Final Approval granted, no objections and funds fully distributed.

h. *Acosta v. Fleetwood Travel Trailers of California, Inc., et al.*, Riverside County Superior Court, Case No. RIC 440630. Wage and Hour Class Action seeking past wages for overtime, meal and rest break violations for production employees in the State of California. Plaintiffs' counsel appointed as co-lead counsel. Case settled, Final Approval granted, no objections and funds fully distributed.

i. *Walker v. Sharkeez, et al.*, Orange County Superior Court, Case No. 05CC00293. Wage and Hour Class Action seeking past wages for unlawful deductions, meal and rest break violations for restaurant employees in the State of California. Plaintiffs' counsel appointed as lead counsel. Case settled, Final Approval granted and funds fully distributed.

j. *Padron v. Universal Protection Service, et al*, Orange County Superior Court, Case No. 05CC00013. Wage and Hour Class Action seeking past wages for overtime, meal and rest break violations for security officers in the State of California. Plaintiffs' counsel appointed as co-lead counsel. Case settled, Final Approval granted, no objections and funds fully distributed.

k. *Martinez v. Securitas Security Services USA, et al.*, Santa Clara Superior Court, Case No. 105-CV047499, et al. J.C.C.P. No. 4460. Wage and Hour Class Action seeking past wages for meal and rest break violations for security officers employed by defendant in the State of California. Plaintiffs' counsel and co-counsel. Case settled, Final Approval granted and funds fully distributed.

l. *Velasquez-Lopez v. Hotel Cleaning Services, Inc. et al.*, Riverside Superior Court, Case No. RIC 420909. Wage and Hour Class Action seeking past wages for overtime, meal and rest break violations for housekeepers employed by defendant in the State of California. Plaintiffs' counsel appointed as lead counsel. Case settled, Final Approval granted, no objections and funds fully distributed.

m. *Ruiz, et al. v. Unisourse Worldwide, Inc., et al.*, USDC, CENTRAL

1 DISTRICT, Case No. CV09-05848. Wage and Hour Class Action seeking past
2 wages for meal and rest period violations for non-exempt employees employed by
3 defendant in the state of California. Case settled. Awaiting Preliminary Approval
4 hearing. Plaintiff has petitioned the Court for Lead Counsel.

5 n. *Herrador v. Culligan International Company, et al.*, USDC, CENTRAL
6 DISTRICT, Case No. SACV 08-680. Wage and Hour Class Action seeking past
7 wages for field and branch employees of defendant in the State of California.
8 Plaintiffs' counsel appointed as lead counsel. Case settled and awaiting Final
9 Approval.

10 o. *Defries v. Domain Restaurants, et al.*, Orange County Superior Court, Case
11 No. 05CC00128. Wage and Hour Class Action seeking past wages for restaurant
12 employees of defendant in the State of California. Plaintiffs' counsel appointed as
13 lead counsel. Case settled, Final Approval granted, no objections and funds fully
14 distributed.

15 p. *Denton v. BLB Enterprises, Inc., et al.*, Orange County Superior Court,
16 Case No. 07CC01292. Wage and Hour Class Action seeking unpaid overtime,
17 meal and rest break violations for security guards employed by defendant in the
18 State of California. Plaintiffs' counsel appointed as lead counsel. Case settled,
19 Final Approval granted, no objections and funds fully distributed.

20 q. *Rios v. Sandberg Furniture Manufacturing Co., Inc, et al.*, Los Angeles
21 Superior Court, Case No. BC411477. Wage and Hour Class Action seeking
22 unpaid meal and rest break violations for production employees employed by
23 defendant in the State of California. Plaintiff counsel appointed as lead counsel.
24 Case settled, Final Approval granted, no objections and funds fully distributed.

25 r. *McMurray v. Dave and Busters, Inc., et al.*, Orange County Superior Court,
26 Case No. 06CC00099. Wage and Hour Class Action seeking past wages for meal
27 and rest break violations for restaurant employees employed by defendant in the
28 State of California. Plaintiffs' counsel appointed as co-lead counsel. Case settled,

Final Approval granted, no objections and funds fully distributed.

s. *Osuna v. DFG Restaurants, Inc.*, et al., Los Angeles Superior Court, Case No. BC 330145. Wage and Hour Class Action seeking past wages of overtime for mis-classification of managers employed by Defendant, DBA Carl's Jrs. in the State of California. Plaintiffs' counsel appointed as co-lead counsel. Case settled, Final Approval granted, no objections and funds fully distributed.

t. *Burns v. Gymboree Operations, Inc.*, et al., San Francisco Superior Court, Case No. CGC-07-461612. Wage and Hour Class Action seeking past wages for meal and rest break violations for retail employees employed by defendant in the State of California. Plaintiffs' counsel appointed lead counsel. Case settled, Final Approval granted, no objections and funds fully distributed.

u. *Willems v. Diedrich Coffee, Inc.*, et al., Orange County Superior Court, Case No. 07CC00015. Wage and Hour Class Action seeking past wages of overtime for mis-classification of managers employed by Defendant in the State of California. Plaintiffs' counsel appointed lead counsel. Case settled, Final Approval granted, no objections and funds fully distributed.

v. *Davila, et al. v. Beckman Coulter, Inc.*, et al., Orange County Superior Court, Case No. 07CC01347. Wage and Hour Class Action seeking past wages for overtime, meal and rest break violations for production workers employed by defendant in the State of California. Plaintiffs' counsel appointed lead counsel. Case settled; final approval granted; no objections and funds fully distributed.

w. *Perez v. Naked Juice Company of Glendora, Inc.*, Los Angeles Superior Court, Case No. BC387088. Wage and Hour Class Action seeking past wages for overtime, meal and rest period violations for production employees employed by defendant in the State of California. Plaintiff counsel appointed as lead counsel. Case settled, Final Approval granted, no objections and funds fully distributed.

27. Here, the Parties' agreement to pay Counsel Fees of \$516,626.25 of the Gross Settlement Amount is reasonable.

1 28. First, the requested fees are justified by the result achieved. Plaintiff's Counsel
2 negotiated a recovery of \$1,476,075.00 and this result justifies the requested fees equal to 35% of
3 this recovery (\$516,626.25). This percentage is within the standard contingent recovery
4 percentage. Second, the requested fees are justified by the work performed. Finally, Plaintiff's
5 counsel's lodestar of approximately \$220,000 supports the requested fees with the application of
6 a modest multiplier. .

7 29. Finally the award of litigation expenses is based upon the actual expenses incurred
8 by Plaintiff and Plaintiff's Counsel, and were all reasonably necessary to the litigation, and are
9 detailed in **Exhibit 2** attached hereto. Under the Agreement, Plaintiffs' Counsel will be
10 recovering litigation expenses in the total amount of \$18,390.88.

11 30. The California Labor Workforce Development Agency ("LWDA") is being
12 served with a copy of this motion with the Settlement Agreement through the online process as
13 required by Labor Code § 2699(l). This service on the LWDA is verified in the separately filed
14 proof of service.

15 I declare under penalty of perjury that the foregoing is true and correct. Executed on
16 October 10, 2024 at Irvine, California.

17 
18 _____
19 James R. Hawkins
20
21
22
23
24
25
26
27
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Exhibit 1

JAMES HAWKINS APLC
James R. Hawkins (#192925)
Gregory Mauro (#222239)
Michael Calvo (#314986)
Lauren Falk (#316893)
Ava Issary (#342252)
9880 Research Drive, Suite 200
Irvine, CA 92618
Tel.: (949) 387-7200
Fax: (949) 387-6676
Email: James@jameshawkinsaplc.com
Email: Greg@jameshawkinsaplc.com
Email: Michael@jameshawkinsaplc.com
Email: Lauren@jameshawkinsaplc.com
Email: Ava@jameshawkinsaplc.com

Attorneys for Plaintiff
KATHERINE ANNA CHEN

Lonnie D. Giamela (SBN 228435)
E-Mail: lgiamela@fisherphillips.com
FISHER & PHILLIPS LLP
444 South Flower Street, Suite 1500
Los Angeles, California 90071
Telephone: (213) 330-4500
Facsimile: (213) 330-4501
Attorneys for Defendants
COMPASS GROUP, USA, INC.; MORRISON
MANAGEMENT SPECIALISTS, INC.; MORRISON
HEALTHCARE, INC.

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

KATHERINE ANNA CHEN, on behalf of the
general public as private attorney general,

Plaintiff,

v.

COMPASS GROUP, USA, INC.; MORRISON
MANAGEMENT SPECIALISTS, INC.;
MORRISON HEALTHCARE, INC.; and
DOES 1-50, inclusive,

Defendants.

) ASE NO.: 22STCV30416
) DEPT.: 24

) [Assigned for All Purposes to:
) The Hon. Kristin S. Escalante]

) **JOINT STIPULATION OF SETTLEMENT
) AND RELEASE OF PAGA ACTION**

) Action Filed: September 16, 2022

This Joint Stipulation of Settlement and Release of PAGA Action (“Agreement”) is made and entered into between Plaintiff KATHERINE ANNA CHEN (“Plaintiff”), individually and on behalf of the proposed PAGA Group, (defined below), and Defendants COMPASS GROUP, USA, INC., MORRISON MANAGEMENT SPECIALISTS, INC., and MORRISON HEALTHCARE, INC., (collectively, “Defendants”). This Agreement is subject to approval of the Court and is made for the sole purpose of attempting to consummate settlement of the Action (as defined below) on a PAGA basis subject to the following terms and conditions. As detailed below, in the event the Court does not enter an order granting approval of the PAGA Settlement (as defined below) and enter judgment, or the conditions precedent are not met for any reason, this Agreement is void and of no force or effect whatsoever.

1. **DEFINITIONS**

As used in this Agreement, the following terms shall have the meanings specified below. To the extent terms or phrases used in this Agreement are not specifically defined below, but are defined elsewhere in this Agreement, they are incorporated by reference into this definition section.

1.1 **Action**. “Action” shall mean this civil action entitled *Katherine Anna Chen v. Compass Group USA, Inc., et. al.*, California Superior Court, County of Los Angeles, Case No. 22STCV30416 (“the Lawsuit”), and the underlying PAGA Notice sent to the Labor and Workforce Development Agency (“LWDA”) by Plaintiff on July 12, 2022.

1.2 **Approval and Fairness Hearing**. “Approval and Fairness Hearing” shall mean the hearing held to ascertain the fairness, reasonableness, and adequacy of the PAGA Settlement. At this hearing, the Court will consider PAGA Counsel’s application for Attorneys’ Fees and Expenses, the PAGA Representative Incentive Award, the Administration Expenses, and approval of the PAGA Payment. The proposed Order Granting Approval and Entering Judgment is attached, in substantial form, as **Exhibit B**.

1.3 **Approval Date**. “Approval Date” shall mean the date upon which the Court enters an order granting approval of the PAGA Settlement and enters Judgment.

1.4 **Claims**. “Claims” shall mean the claims and theories asserted and causes of action alleged in the Action, or that could have been alleged in the Action, including the PAGA

penalties alleged in the Action.

1.5 **Court.** “Court” shall mean the Superior Court of California, County of Los Angeles.

1.6 **Defendants.** “Defendants” shall mean COMPASS GROUP, USA, INC., MORRISON MANAGEMENT SPECIALISTS, INC., and MORRISON HEALTHCARE, INC., and includes any of their officers, directors, executives, partners, managers, owners, shareholders, members, employees, agents, attorneys, any of their former and present parents, subsidiaries, successors, assigns and affiliates, and their officers, directors, managers, owners, executives, partners, employees, shareholders, agents, attorneys, and any other successors, assigns, or legal representatives.

1.7 **Defense Counsel.** “Defense Counsel” shall mean Lonnie D. Giamela of Fisher Phillips LLP, 444 South Flower Street, Suite 1500 Los Angeles, California 90071.

1.8 **Effective Date.** “Effective Date” shall be the later of the time when: (i) the date of final affirmance of the Judgment on an appeal of the Judgment, the expiration of the time for, or the denial of, a petition to review the Judgment, or if review is granted, the date of final affirmance of the Judgment following review pursuant to that grant, (ii) the date of final dismissal of any appeal from the Judgment or the final dismissal of any proceeding to review the Judgment, provided that the Judgment is affirmed and/or not reversed in any part, (iii) the final resolution (or withdrawal) of any filed appeal in a way that affirms the Final Approval Order and Judgment in a form substantially identical to the form of the Final Approval Order entered by the Court, and the time to petition for review with respect to any appellate decision affirming the Final Approval Order has expired; or (iv) if no appeal is filed, the sixty-first (61st) day after the Court enters final approval of the settlement and the Judgment approving this Agreement.

1.9 Enhancement Award/Individual Settlement to Plaintiff: In the amount of \$20,000 to Plaintiff for her services, her individual settlement and general release, subject to Court approval.

1.10 **Gross Settlement Amount.** “Gross Settlement Amount” means the agreed upon settlement amount totaling \$1,476,075.00, to be paid by Defendants in full settlement of the

Released Claims asserted in this case, which includes the Attorneys' Fees and Costs, Settlement Administration Fees, Enhancement Award/Individual Settlement to Plaintiff, and the LWDA Payment, and Individual Settlement Payments. In no event shall Defendants be required to pay more than the Gross Settlement Amount.

1.11 **Individual Settlement Payment.** "Individual Settlement Payment(s)" shall mean the proportionate share of the Net Settlement Amount to be distributed to each PAGA Member based on the number of his or her Pay Periods worked in the PAGA Period in relation to the aggregate number of Pay Periods worked by the Settlement Group during the PAGA Period.

1.12 **Net Settlement Amount.** "Net Settlement Amount" or "NSA" shall mean the Gross Settlement Amount, minus the Court-approved amounts awarded for the Attorneys' Fees and Costs, Settlement Administration Fees, Enhancement Award to Plaintiff (if any), and the LWDA Payment. The Parties intend that the NSA shall be sufficient to pay all valid claims of Settlement Group Members. Accordingly, if for any reason the total value of Individual Settlement Payments to Settlement Group Members exceeds this amount, then payment to each Settlement Group Member will be adjusted on a pro-rated basis so that the total payout to Settlement Group Members does not exceed the NSA.

1.13 **PAGA:** "PAGA" refers to the Labor Code Private Attorneys General Act of 2004, Labor Code sections 2699, *et seq.*

1.14 **PAGA List:** "PAGA List" shall mean the information for each PAGA Member which Defendants shall compile from their business records and provide to the Administrator for purposes of providing notice of the Settlement to the PAGA Group. The PAGA List shall be in a readable, ready to use, MS Excel spreadsheet, which will provide for each Settlement Class Member, the following information: (a) full name; (b) last-known mailing address; (c) telephone numbers; (d) Social Security number; (e) dates of employment; and (f) number of pay periods employed as a PAGA Member during the PAGA Period. The PAGA List will be provided to the Settlement Administrator within 21 days of Defendants receiving written notification that the Court granted approval of the Settlement.

1.15 **PAGA Counsel:** "PAGA Counsel" refers to James Hawkins APLC, 9880

Research Drive, Suite 200, Irvine, CA 92618.

1.16 **PAGA Counsel's Attorneys' Fees and Expenses:** "PAGA Counsel's Attorneys' Fees and Expenses" shall mean PAGA Counsel's attorneys' fees and expenses to be requested and subject to approval by the Court at the time of the Approval Hearing in an amount not to exceed \$516,626.25 for attorneys' fees and costs in an amount not to exceed expected to exceed \$30,000.00.

1.17 **PAGA Member(s):** "PAGA Member(s)" "The Aggrieved Employees" and "Settlement Group Members" shall mean all persons who worked for Defendants Morrison Management Specialists, Inc. and Morrison Healthcare, Inc. as non-exempt, hourly employees in the State of California at any time from July 12, 2021 through September 30, 2024. It is estimated there are approximately 3,214 Aggrieved Employees.

1.18 **PAGA Period.** "PAGA Period" means the period from July 12, 2021 through September 30, 2024.

1.19 **PAGA Release.** See Released Claims.

1.20 **Parties.** "Parties" shall mean Plaintiff (as defined below) and Defendants.

1.21 **Pay Periods.** "Pay Periods" means the number of pay periods a PAGA Member was employed during the PAGA Period.

1.22 **Plaintiff.** "Plaintiff" and "PAGA Representative" shall mean Plaintiff KATHERINE ANNA CHEN.

1.23 **Released Claims.** "Released Claims" shall mean all PAGA claims and theories that were set forth, or that could have been set forth based on the facts alleged in the Action during the PAGA Period for PAGA claims for civil penalties under the California Labor Code including, but not limited to, under California Labor Code sections 201-203, 510, 512, 558, 226, 226.3, 226.7, 1174, 1174.5, 1175, 1194, 1197, 1197.1, 1198, 2802 and related IWC Wage Orders, based on the various theories of liability, including, but not limited to, Defendants' alleged failure to: pay all wages earned and owed upon separation, provide meal and rest periods, provide accurate written wage statements, and reimburse business expenses. This release is intended only to release aggrieved employees' PAGA claims.

1.24 **Released Parties.** “Released Parties” shall mean COMPASS GROUP, USA, INC., MORRISON MANAGEMENT SPECIALISTS, INC., and MORRISON HEALTHCARE, INC., and includes any of their officers, directors, executives, partners, managers, owners, shareholders, members, employees, agents, attorneys, any of their former and present parents, subsidiaries, successors, assigns and affiliates, and their officers, directors, managers, owners, executives, partners, employees, shareholders, agents, attorneys, related entities (including, Compass Group USA, Inc.) and any other successors, assigns, or legal representatives.

1.25 **Settlement.** “Settlement” shall mean the settlement between Parties, which is memorialized in this Agreement, including any attached exhibits, and subject to Court approval.

1.26 **Settlement Administrator.** “Settlement Administrator” or “Administrator” shall mean APEX Class Action Administrators , the third-party settlement administrator selected by the Parties and to be approved by the Court, which the Parties have agreed will be responsible for administration of the Settlement and related matters. The Administrator’s fees and expenses are estimated to not exceed \$18,957.00.

1.27 **Settlement Group.** “Settlement Group” or “Settlement Group Members” shall mean all PAGA Members.

1.28 **Settlement Letter.** “Settlement Letter” shall mean the letter accompanying the Individual Settlement Payments attached, in substantial form, as **Exhibit A.**

2. **FACTUAL AND PROCEDURAL BACKGROUND OF ACTION**

2.1 On September 16, 2022, Plaintiff filed the Action in Los Angeles Superior Court.

2.2 The Parties agreed to mediate with Kelly A. Knight, Esq., and Plaintiff requested, and received, informal discovery including a 30% sampling of time and pay records to evaluate the claims and theories alleged. With the continued assistance of the mediator, they were able to resolve the matter, the terms of which were memorialized in a Mediator Proposals accepted by the Parties.

2.3 The Parties and their respective counsel believe this Agreement reflects a fair, adequate, and reasonable settlement of the Action and have arrived at this Agreement as a result of

arms'-length negotiations, facilitated by an experienced and neutral mediator, taking into account all relevant factors, present and potential.

3. **ALLEGATIONS OF THE PAGA REPRESENTATIVE AND BENEFITS OF THE SETTLEMENT**

3.1 The investigation and extensive exchange of information and informal discovery conducted in this matter, as well as discussions between counsel have been adequate to give and PAGA Counsel an understanding of the merits of the Parties' respective positions and to evaluate the worth of the claims of the Settlement Group. The information and data exchanged by the Parties prior to and during mediation and settlement negotiations are sufficient to reliably assess the merits of the Parties' respective positions and to compromise the issues on a fair and equitable basis.

3.2 The Parties recognize and acknowledge the expense and delay of continued lengthy proceedings necessary to prosecute the Action against Defendants through trial and through appeals. PAGA Counsel has considered the uncertain outcome of the litigation, the risk of continued litigation in complex actions such as this, as well as difficulties and delays inherent in such litigation, as well as trying the claims of the Settlement Group. PAGA Counsel believes that the Settlement set forth in this Agreement confers substantial benefits upon Plaintiff and the Settlement Group Members and that an independent review of this Agreement by the Court in the approval process will confirm this conclusion. Based on their own independent investigation and evaluation, PAGA Counsel has determined that the Settlement set forth in the Agreement is in the best interests of Plaintiff and the Settlement Class Members.

4. **NO ADMISSION OF ANY LIABILITY**

4.1 This Agreement represents a compromise and settlement of highly disputed claims. This Agreement does not constitute, is not intended to constitute, and will not be deemed to constitute, an admission of liability by Defendants as to the merits, validity, or accuracy of any of the allegations or claims made against Defendants in the Action. Defendants deny each and all of Plaintiff's allegations in their entirety.

1 4.2 Nothing in this Agreement, the Memorandum of Understanding nor any action
2 taken or made in implementation thereof, nor any statements, discussions, or communications, nor
3 any materials prepared, exchanged, issued, or used during the course of the negotiations leading to
4 the Agreement, is intended by the Parties to, nor will any of the foregoing constitute, be introduced,
5 be used, or be admissible in any way in this case or any other judicial, arbitral, administrative,
6 investigative or other forum or proceeding as evidence of any violation of any federal, state, or
7 local law, statute, ordinance, regulation, rule, or executive order, or any obligation or duty at law or
8 in equity. Notwithstanding the foregoing, the Agreement may be used in any proceeding in the
9 Court that has as its purpose the interpretation, implementation, or enforcement of the Agreement
10 or any orders or judgments of the Court entered into in connection therewith.

11 4.3 The Parties agree that Plaintiff's motion for approval of the Settlement and
12 Defendants' agreement thereto is for purposes of the Settlement only. If, for any reason, the
13 Settlement is not approved, this Agreement will not be admissible in this or any other proceeding
14 as evidence that (i) the Action should proceed forward, or (ii) Defendants are liable to Plaintiff or
15 the Settlement Group Members as Plaintiff alleged. In the event that this Agreement is not
16 approved by the Court or any appellate court, is terminated, or otherwise fails to be enforceable,
17 Defendants will not be deemed to have waived, limited, or affected in any way any of their
18 objections or defenses in the Action, including, but not limited to, their ability to move to compel
19 arbitration, raise defenses in opposition to the Action, contest the merits of the claims and theories
20 alleged, etc.

21 5. **SETTLEMENT CONSIDERATION**

22 5.1 **Gross Settlement and Net Settlement Amounts and Distribution.** The Gross
23 Settlement Amount and other actions and forbearances taken by Defendants shall constitute
24 adequate consideration for the Settlement and will be made in full and final settlement of: (a) the
25 Released Claims, (b) PAGA Counsel's Attorneys' Fees and Expenses, (c) Administration
26 Expenses, (d) LWDA Payment, (e) Enhancement Award/Individual Settlement to Plaintiff and (d)
27 the Individual Settlement Payments to Settlement Group Members, and any other obligation of
28 Defendants under this Agreement.

1 5.2 **Payments to Settlement Group Members.** Each Settlement Group Member
2 shall be eligible to receive an Individual Settlement Payment. The Parties understand that
3 Settlement Group Members who receive an Individual Settlement Payment pursuant to this
4 Agreement shall be solely responsible for any and all other individual tax obligations associated
5 with the payment.

6 5.3 **No Effect on Employee Benefits.** Neither the Settlement nor any amounts paid
7 under the Settlement will modify any previously credited hours, days, or weeks or service under
8 any employee benefit plan, policy or bonus program sponsored by Defendants (or their affiliates,
9 parents or successors). Such amounts will not form the basis for additional contributions to, benefit
10 under, or any other monetary entitlement under Defendants' sponsored benefit plans, policies or
11 bonus programs, if any. The payments made under the terms of this Settlement shall not be applied
12 retroactively, currently, or on a going forward basis, as salary, earnings, wages, or any other form
13 of compensation for the purposes of any of Defendants' benefit plans, policies or bonus programs,
14 if any. Defendants retain the right to modify the language of their benefits plans, policies and
15 bonus programs to effect this intent and to make clear that any amounts paid pursuant to this
16 Agreement are not for "weeks worked," "weeks paid," "weeks of service," or any similar
17 measuring term as defined by applicable plans, policies and bonus programs for purpose of
18 eligibility, vesting, benefit accrual, or any other purpose, and that additional contributions or
19 benefits are not required by this Agreement. Defendants do not consider the Individual Settlement
20 Payments "compensation" for purposes of determining eligibility for, or benefit accrual within, any
21 benefits plan, policy, or bonus program, or any other plan or program sponsored by Defendants (or
22 their affiliates, parents or successors), if any.

23 5.4 **PAGA Counsel Attorneys' Fees and Expenses.** As part of the motion for
24 approval of the Settlement, PAGA Counsel may submit an application for an award of Attorneys'
25 Fees and Expenses. Defendants agree not to object to any such fee, cost or expense application in
26 line with this Agreement and in an amount not to exceed 35% of the Gross Settlement Amount for
27 attorneys' fees and \$30,000 for costs. As a condition of this Settlement, PAGA Counsel has agreed
28 to pursue fees and costs only in the manner reflected by this Agreement. Any PAGA Counsel

Attorneys' Fee and Expenses awarded by the Court shall be paid from the Gross Settlement Amount. If the PAGA Counsel voluntarily reduces the request for Attorneys' Fees and Expenses or the Court's award is less than set forth above, the difference shall remain with the Net Settlement Amount.

The Attorneys' Fees and Expenses approved by the Court shall encompass: (a) all work performed and costs and expenses incurred by, or at the direction of, any attorney purporting to represent the Settlement Group through the date of this Agreement; (b) all work to be performed and costs to be incurred in connection with approval by the Court of the Settlement set forth in this Agreement; (c) all work to be performed and costs and expenses, if any, incurred in connection with administering the Class Settlement through the Effective Date; and (d) may be based on the Catalyst Theory and/or Common Fund Doctrine.

5.5 Payment of PAGA Counsel Attorneys' Fees and Expenses. PAGA Counsel Attorneys' Fees and Expenses as awarded by the Court shall be paid by the Settlement Administrator within thirty (30) days of the Effective Date.

5.6 Enhancement Award/Individual Settlement to Plaintiff: Plaintiff shall be paid \$20,000 as part of her enhancement, individual settlement and general release and subject to Court approval.

5.7 Size of the Settlement Group. There are approximately 3,200 PAGA settlement group members who worked approximately 118,086 Pay Periods during the PAGA Period up until the date of mediation, August 2, 2024 ("Pay Period Total"). If the number of Pay Periods increases by 10% beyond the Pay Period Total, the Settlement Period will end on the last day before the 10% threshold is exceeded or Defendants may increase the gross settlement amount by the proportional excess above the 10% threshold (I.e. if 11%, the gross settlement amount would increase by 1%).

6. ADMINISTRATION COSTS AND EXPENSES

6.1 The Settlement Administrator's Costs and Expenses. All costs and expenses due to the Settlement Administrator in connection with its administration of the Settlement described in the Agreement, including, but not limited to, formatting and mailing the Settlement

Letter and Individual Settlement Payments, performing a National Change of Address database search to update Settlement Group Members addresses prior to the mailing, performing skip-traces to locate and update Settlement Group Members' addresses, calculating, and distributing Individual Settlement Payments, and any other tasks requested by the Parties or by the Court, among other tasks as reflected within this Agreement, will be paid through the Gross Settlement Amount.

7. **FUNDING AND DISTRIBUTION**

7.1 **Funding of the Gross Settlement Amount.** The Settlement Administrator will provide Defendants with its bank wire instructions to establish the Qualified Settlement Fund (QSF).

Within five (5) days of the Effective Date, Defendants shall transmit the Gross Settlement Amount to the Settlement Administrator.

7.2 **Distribution of the Gross Settlement Amount.** Within 30 calendar days of the Effective Date, the Administrator will pay to Settlement Group Members, their Individual Settlement Payments via first-class regular U.S. Mail; to PAGA Counsel, the Court-awarded Attorneys' Fees and Litigation Expenses Payment; to the LWDA, the Court-approved LWDA Payment; Enhancement Award to Plaintiff (if any); and to the Administrator, the Court-awarded Administration Fees and Expenses.

7.3 **Non-Cashed Settlement Checks.** Settlement Group Members shall have one hundred eighty days (180) to cash their checks. Any funds associated with uncashed checks after one hundred eighty (180) days will be sent to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code § 1500 et seq., for the benefit of those Settlement Group Members whose checks were voided.

8. **NULLIFICATION OF THIS AGREEMENT**

8.1 **Non-Approval of the Agreement.** If (a) the Court should for any reason fail to approve this Agreement in the form agreed to by the Parties, or (b) the Court should for any reason fail to enter a judgment on this Action, or (c) the approval of the Settlement and judgment is reversed, modified or declared or rendered void, then the Settlement shall be considered null and void, and neither the Settlement nor any of the related negotiations or proceedings shall be of any

1 force or effect, and all Parties to the Settlement shall stand in the same position, without prejudice,
2 as if the Settlement has been neither entered into nor filed with the Court. Notwithstanding the
3 foregoing, the Parties may attempt in good faith to cure any perceived defects in the Agreement to
4 facilitate approval. In the event the Court awards less than the requested amounts for
5 Administration Fees, PAGA Counsel's Attorneys' Fees and Expenses, Enhancement Award to
6 Plaintiff (if any), or the PAGA Payment, the difference shall become part of the Net Settlement
7 Amount.

8 8.2 **Invalidation.** Invalidation of any material portion of the Settlement shall
9 invalidate the Settlement in its entirety, unless the Parties shall subsequently agree in writing that
10 the remaining provisions of the Settlement are to remain in full force and effect.

11 8.3 **Stay Upon Appeal.** In the event of a timely appeal from the approval of the
12 Settlement and Judgment, the Judgment shall be stayed, and Defendants shall not be obligated to
13 fund the Gross Settlement Amount or take any other actions required by this Agreement until all
14 appeal rights have been exhausted by operation of law.

15 9. **MOTION OR STIPULATION FOR COURT APPROVAL**

16 9.1 **Approval.** PAGA Counsel will submit this Agreement to the Court along with a
17 Motion or Stipulation for an Order Granting Approval of the Settlement.

18 10. **RELEASES AND WAIVERS**

19 10.1 **Settlement Group Members' Release.** Upon the Effective Date, Plaintiff, the
20 Settlement Group Members, and the State of California vis-à-vis the LWDA shall hereby release
21 the Released Parties for the Released Claims for the PAGA Period.

22 11. **DUTIES OF THE PARTIES**

23 11.1 **Mutual Full Cooperation.** The Parties agree to cooperate fully with one
24 another to accomplish and implement the terms of this Agreement. Such cooperation shall include,
25 but not be limited to, execution of such other documents and the taking of such other actions as
26 may reasonably be necessary to fulfill the terms of this Settlement. The Parties shall use their best
27 efforts, including all effects contemplated by this Agreement and any other efforts that may become
28 necessary by Court order or otherwise, to effectuate the terms of this Agreement. As soon as

practicable after execution of this Agreement, PAGA Counsel, with the cooperation of Defendants and Defense Counsel, shall take all necessary and reasonable steps to secure the Court's final approval of this Agreement.

11.2 **Duty to Support and Defend the Settlement.** The Parties agree to abide by all of the terms of the Settlement in good faith and to support the Settlement fully and to use their best efforts to defend this Settlement from any legal challenge, whether by appeal or collateral attack.

12. **MISCELLANEOUS PROVISIONS**

12.1 **Different Facts.** The Parties hereto, and each of them, acknowledge that, except for matters expressly represented herein, the facts in relation to the dispute and all claims released by the terms of this Agreement may turn out to be other than or different from the facts now known by each party and/or their counsel, or believed by such Party or counsel to be true, and each Party therefore expressly assumes the risk of the existence of different or presently unknown facts, and agrees that this Agreement shall be in all respects effective and binding despite such difference.

12.2 **No Prior Assignments.** The Parties represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action, or right herein released and discharged except as set forth herein.

12.3 **Non-Admission.** Nothing in this Agreement shall be construed as or deemed to be an admission by any Party of any liability, culpability, negligence, or wrongdoing toward any other Party, or any other person, and the Parties specifically disclaim any culpability, negligence, or wrongdoing toward each other or any other person. Each of the Parties has entered into this Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses, and contingencies. Nothing herein shall constitute any admissions by Defendants of wrongdoing or liability, or of the truth of any factual allegations in the Action. Nothing herein shall constitute any admission by Defendants regarding the merits of the Claims in this Action. Nothing herein shall constitute an admission by Defendants that the Action was properly brought as a representative action other than for settlement purposes. To the contrary,

Defendants have denied and continue to deny each and every material factual allegation and all Claims. To this end, the Settlement of the Action, the negotiation and execution of this Agreement, and all acts performed or documents executed pursuant to or in furtherance of this Agreement or the Settlement are not, shall not be deemed to be, and may not be used as, an admission or evidence of any wrongdoing or liability on the part of Defendants or of the truth of any of the factual allegations in the Action; and are not, shall not be deemed to be, and may not be used as, an admission or evidence of any fault or omission on the part of Defendants in any civil, criminal or administrative proceeding in any court, administrative agency or other tribunal.

12.4 **Media or Press.** Plaintiff and Defendants, and their respective counsel, agree to limit public comment on this Settlement, the Action, and claims in the Action, stating that the matter has been resolved to the satisfaction of the Parties. Plaintiff and Defendants, and their respective counsel shall not initiate public comment and/or discuss with or present to the media or press.

12.5 **Construction.** The Parties hereto agree that the terms and conditions of this Agreement are the result of lengthy, intensive, arms-length non-collusive negotiations between the Parties and that this Agreement is not to be construed in favor of or against any party by reason of the extent to which any Party or their counsel participated in the drafting of this Agreement. If any of the dates in the Agreement fall on a weekend, bank or court holiday, the time to act shall be extended to the next business day.

12.6 **Governing Law.** This Agreement is intended to and shall be governed by the laws of the State of California, without regard to conflict of law principles, in all respects, including execution, interpretation, performance, and enforcement.

12.7 **Captions and Interpretations.** Section titles or captions contained herein are inserted as a matter of convenience and for reference only and in no way define, limit, extend, or describe the scope of this Agreement or any provision thereof.

12.8 **Modification.** This Agreement may not be changed, altered, or modified, except in writing signed by the Parties and approved by the Court. This Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by the

1 Parties.

2 12.9 **Integration Clause.** This Agreement contains the entire agreement between the
3 Parties relating to the Settlement of the Action and the transactions contemplated thereby (with the
4 exception of Plaintiff's individual settlement agreement), and all prior or contemporaneous
5 agreements, understandings, representations, and statements, whether oral or written, and whether
6 by a party or such party's legal counsel, are hereby superseded (with the exception of Plaintiff's
7 individual agreement). No rights under this Agreement may be waived except in writing as
8 provided above.

9 12.10 **Successors and Assigns.** This Agreement shall be binding upon and inure to
10 the benefit of the Parties and Settlement Group Members and their respective present and former
11 heirs, trustees, executors, administrators, representatives, officers, directors, shareholders, agents,
12 employees, insurers, attorneys, accountants, auditors, advisors, consultants, pension and welfare
13 benefit plans, fiduciaries, parent companies, subsidiaries, affiliates, related companies, joint
14 ventures, predecessors, successors, and assigns.

15 12.11 **Corporate Signatories.** Any person executing this Agreement or any such
16 related document on behalf of a corporate signatory or on behalf of a partnership hereby warrants
17 and promises, for the benefit of all Parties hereto, that such person has been duly authorized by
18 such corporation or partnership to execute this Agreement or any such related document.

19 12.12 **Execution in Counterparts.** This Agreement shall become effective upon its
20 execution by all of the undersigned. The Parties may execute this Agreement in counterparts, and
21 execution of counterparts shall have the same force and effect as if all Parties had signed the same
22 instrument.

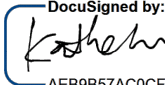
23 12.13 **Attorneys' Fees, Costs and Expenses.** Except as otherwise specifically
24 provided for herein, each Party shall bear their or its own attorneys' fees, costs and expenses,
25 taxable or otherwise, incurred by them in or arising out of the Action and shall not seek
26 reimbursement thereof from any other Party to this Agreement.

27 IN WITNESS WHEREOF, the Parties and their counsel have executed this Agreement on
28 the date below their signatures of their representatives. The date of the Agreement shall be the date

1 of the latest signature.

2 Dated: September 24, 2024

Plaintiff

3
4 By: 
5 AFB9B57AC0CE4A2

KATHERINE ANNA CHEN

6
7 Attorneys for Plaintiff
8 KATHERINE ANNA CHEN

9 Dated: September 24, 2024

JAMES HAWKINS, APLC

10
11 By: 
12

James R. Hawkins
Gregory Mauro

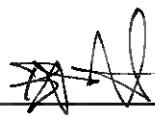
13 Attorneys for Plaintiff
14 KATHERINE ANNA CHEN
15
16
17
18
19
20
21
22
23
24
25
26
27
28

1 Dated: September 23, 2024

Defendant COMPASS GROUP, USA, INC.,

2

3

By: 

4

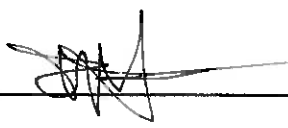
5

6 Dated: September 23, 2024

Defendant MORRISON MANAGEMENT SPECIALISTS,
INC.,

7

8

By: 

9

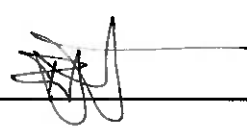
10

11 Dated: September 23, 2024

Defendant MORRISON HEALTHCARE, INC.,

12

13

By: 

14

15

16 Dated: September 24, 2024

FISHER & PHILLIPS LLP

17

18

By: 

Lonnie D. Giamela

19

Attorneys for Defendants

20

COMPASS GROUP, USA, INC.; MORRISON MANAGEMENT SPECIALISTS, INC.;

21

MORRISON HEALTHCARE, INC.

22

23

24

25

26

27

28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Exhibit A

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

|

You are receiving this letter because you are entitled to money as a result of a court approved settlement in *Katherine Anna Chen v. Compass Group, Usa, Inc., et al.*, Superior Court of the State of California, County of Los Angeles, Case No. 22STCV30416 (the “**Lawsuit**”).

What is this case about?

In the Lawsuit, Plaintiff KATHERINE ANNA CHEN asserted claims for civil penalties pursuant to the Private Attorneys General Act of 2004 (“**PAGA**”) Labor Code section 2698 *et seq.* against Defendants COMPASS GROUP, USA, INC., MORRISON MANAGEMENT SPECIALISTS, INC., and MORRISON HEALTHCARE, INC., (“Defendants”) on behalf of herself and all persons who worked for Defendants as non-exempt, hourly employees in the State of California at any time from July 12, 2021 through September 30, 2024. These persons are known as “**PAGA Member(s)**” and this period is known as the “**PAGA Period**”. These claims are based on Defendants’ alleged (a) failure to pay wages including overtime; (b) failure to provide meal periods for every work period exceeding more than five (5) or ten (10) hours per day and failure to pay an additional hour’s of pay or accurately pay an additional hour’s of pay in lieu of providing a meal period; (c) failure to provide rest breaks for every four hours or major fraction thereof worked and failure to pay an additional hour’s of pay or accurately pay an additional hour’s of pay in lieu of providing a rest period; (d) failure to pay wages timely upon separation from employment; (e) failure to provide accurate itemized wage statements; and (f) failure to reimburse expenses. Defendants deny each of these claims and contentions alleged by Plaintiff in the Lawsuit and contends that they complied with California law in all respects.

What are the terms of the Settlement?

Plaintiff and Defendants reached a settlement of \$1,476,075.00, which was reviewed and approved by the Court (“the Settlement”). By operation of the Settlement’s terms, all PAGA Members will release Defendants and other released parties from all PAGA claims and theories that were set forth, or that could have been set forth based on the facts alleged in the Action during the PAGA Period for PAGA claims for civil penalties under the California Labor Code including but not limited to, under California Labor Code sections 201-203, 510, 512, 558, 226, 226.3, 226.7, 1174, 1174.5, 1175, 1194, 1197, 1197.1, 1198, 2802 and related IWC Wage Orders, based on the various theories of liability, including but not limited to, Defendants’ alleged failure to pay all wages earned and owed upon separation, failure to provide meal and rest periods, failure to provide accurate written wage statements, and reimburse business expenses. The Settlement is intended only to release PAGA Members’ PAGA claims.

Upon entry of the order approving the Settlement, any PAGA Member covered by the Settlement will be barred from proceeding with any claim released by the Settlement.

Defendants' records show that you are a PAGA Member. Accordingly, you are entitled to a share of the settlement based on your percentage share of pay periods during the PAGA Period.

What should I do now?

You are automatically included in this Settlement. You may immediately deposit your enclosed settlement check and need not take any further action at this time.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Exhibit 2

Matter Billing Detail

JAMES HAWKINS APLC

Date Range: 01/01/1900 to 09/19/2024
Client: MORRISONMAN - Katherine Anna Chen
Matter: MORRISON - Morrison Management Specialists, / Compass Group USA, PAGA- Katherine Chen

Date	Expense Code	Description	Debit	Credit	Billing Status	On Hold	Invoice Number	Check Number	Payee
		Balance Forward:	\$0.00						
07/12/2022	FIL	Filing Fee - LWDA Fee	\$75.00		Unbilled				
07/12/2022	POS	Postage- 07.12.22 Certified Mail to Agent(s) re LWDA Filing	\$18.34		Unbilled				
09/16/2022	FST	First Legal Network - E-Filing: Complaint, Civil Case Cover Shee IN#30212421	\$516.20		Unbilled				
11/07/2022	FST	First Legal Network - Process Serve - PAGA Complaint and Initial Docs (2), E-Filing - Proof of Personal Service IN# 30219274	\$358.39		Unbilled				
12/28/2022	FST	First Legal Network - E-Filing - Case management Statement IN# 30222171	\$37.70		Unbilled				
01/19/2023	FST	First Legal Network - E-Filing - Notice of January 12, 2023, Notice and Acknowledgment of Receipt IN# 30224217	\$79.90		Unbilled				
03/27/2023	FST	First Legal Network - E-Filing - Case Management Statement IN# 30230586	\$83.70		Unbilled				
04/14/2023	FST	First Legal Network - E-Filing - Plaintiffs Notice of April 11 IN# 30233810	\$39.95		Unbilled				
05/10/2023	FST	First Legal Network - E-Filing - Case management Statement IN# 30237327	\$39.95		Unbilled				
05/10/2023	FST	First Legal Network - E-Filing - Case Management Statement, Courtesy Delivery - Case Management Statement IN# 30237327	\$115.50		Unbilled				
06/27/2023	MED	Mediation Services IN# 600785 Check# 10940	\$8,375.00		Unbilled				
08/08/2023	FST	First Legal Network - E-Filing - Case Management Statement IN# 30248438	\$39.95		Unbilled				
09/21/2023	CRT	Court Documents - 08.23.23 Minute Order	\$2.00		Unbilled				
10/18/2023	FST	First Legal Network - Filing - Plaintiffs Notice of Aug 23 2023 IN# 30256289	\$39.95		Unbilled				
01/24/2024	FST	First Legal Network - Filing - Joint Stipulation to continue Media IN# 30267292	\$86.15		Unbilled				
07/31/2024	EXA	Expert Analysis IN#12389 CK#1079	\$8,415.00		Unbilled				
08/27/2024	LDS	Legal Document Server - E-Filing - Notice of settlement IN# 10280246	\$14.15		Unbilled				
08/30/2024	LDS	Legal Document Server - E-Filing - Request, Order IN# 10234530	\$34.15		Unbilled				

Matter Billing Detail

JAMES HAWKINS APLC

Date	Expense Code	Description	Debit	Credit	Billing Status	On Hold	Invoice Number	Check Number	Payee
08/30/2024	LDS	Legal Document Server - E-Filing - Notice of Settlement IN# 10279248	\$9.95		Unbilled				
08/30/2024	LDS	Legal Document Server - E-Filing - Notice of Settlement IN# 10276989	\$9.95		Unbilled				
Total:			\$18,390.88	\$0.00					
Balance:			\$18,390.88						
Total Fees Billed- -----			\$0.00						
Total Fees Unbilled : -----			\$0.00						
Total Fees Received : -----			\$0.00						
Total Soft Cost Billed : -----			\$0.00						
Total Soft Cost Unbilled : -----			\$0.00						
Total Soft Cost Received : -----			\$0.00						
Total Hard Cost Billed : -----			\$0.00						
Total Hard Cost Unbilled : -----			\$18,390.88						
Total Hard Cost Received : -----			\$0.00						
Total Taxes Billed : -----			\$0.00						
Total Taxes Unbilled : -----			\$0.00						
Total Taxes Received : -----			\$0.00						
Total Late Charges Billed : -----			\$0.00						
Total Late Charges Unbilled: -----			\$0.00						
Total Late Charges Received : -----			\$0.00						
Trust Balance: -----			\$0.00						