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13 SUPERIOR COURT OF THE STATE OF CALIFORNIA

14 COUNTY OF ORANGE, CIVIL COMPLEX CENTER

15 TRUNG LE, individually, KEVIN LAM,
16 individually, and on behalf of other members
17 of the general public similarly situated,

18 Plaintiffs,

19 vs.

20 M4D LLC, and DOES 1 through 25,

21 Defendants.

Case No. 30-2021-01182977-CU-OE-CXC

[Honorable Judge Melissa R. McCormick,
Dept. CX104]

DECLARATION OF SAM LAHHAM

Date: October 31, 2024

Time: 2:00 p.m.

Dept.: CX104

Action Filed: February 5, 2021

FAC Filed: August 11, 2022

Trial Date: None Set

1 I, SAM LAHHAM, declare as follows:

2 1. I am employed as the Chief Financial Officer (“CFO”) of M4D LLC (“M4D”). I
3 have personal knowledge of the facts set forth in this declaration, and if called as a witness, I could
4 and would testify competently thereto.

5 2. Due to its current financial situation, M4D is unable to pay the Gross Settlement
6 Amount of \$750,000 in a single lump sum payment under the terms of the February 2023 Class
7 Action and PAGA Settlement Agreement (the “Settlement Agreement”), thus necessitating the
8 need for an amendment to the Settlement Agreement allowing M4D to fund the Settlement by way
9 of an installment payment plan.

10 3. Accordingly, on August 15, 2024, M4D and Plaintiff Kevin Lam (collectively, the
11 “Parties”) entered into an Amendment to Class Action and PAGA Settlement Agreement (the
12 “Amendment”), a true and correct copy of which is attached hereto as **Exhibit A**. As further
13 detailed therein, the Amendment requires M4D to fully fund the Settlement in four equal
14 installment payments by transmitting the funds to the Settlement Administrator every six months
15 over a two-year period, with the Administrator to make distributions of pro-rata disbursements
16 after receiving each installment payment from M4D.

17 4. As evidence of M4D’s current financial condition, attached hereto as **Exhibit B** are
18 true and correct copies of M4D’s profit and loss statements and balance sheets for the year ending
19 December 31, 2023 and year-to-date period ending May 31, 2024.

20 5. As reflected in the profit and loss statements, M4D reported a net loss of
21 \$2,008,544 for 2023, and a net loss of \$297,017 for 2024 so far (as of May 31, 2024).
22 Furthermore, as reflected in its balance sheets, M4D had only \$52,935 in cash as of May 31, 2024.
23 As of that same date, total liabilities (\$7,077,017) exceeded total assets (\$5,654,691) by
24 \$1,422,326 (negative equity).

25 6. Because of the company’s cash constraints and prolonged operating losses, M4D’s
26 owners reduced their salaries and guaranteed compensation in 2023, have not taken any salaries or
27 guaranteed payments from M4D between January and June 2024, and have collectively
28 contributed a combined \$325,000 of their own personal funds (between August and December

1 2023) to help fund the company's continued operations. M4D has also taken on long-term debt
2 arrangements as a further measure to help maintain operations and meet its obligations.

3 7. In January 2024, M4D hired a new salesperson with the goal of increasing
4 revenue. In April 2024, I was hired to replace the company's previous Controller and fractional
5 CFO, in an effort to reduce costs, restructure debt arrangements, and improve the company's
6 profitability and liquidity.

7 I declare under penalty of perjury under the laws of the State of California that the
8 foregoing is true and correct, and that this declaration was executed on August 15, 2024, in
9 the County of Orange, California.

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12 SAM LAHHAM
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EXHIBIT A

1 **THE GOULD LAW FIRM**

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17 Attorneys for Defendant M4D LLC
18

19 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
20 **COUNTY OF ORANGE, CIVIL COMPLEX CENTER**
21

22 TRUNG LE, individually, KEVIN LAM,
23 individually, and on behalf of other members
of the general public similarly situated,

24 Plaintiffs,

25 vs.

26 M4D LLC, and DOES 1 through 25,

27 Defendants.
28

Case No. 30-2021-01182977-CU-OE-CXC
[Honorable Judge Melissa R. McCormick,
Dept. CX104]

**AMENDMENT TO CLASS ACTION AND
PAGA SETTLEMENT AGREEMENT**

Action Filed: February 5, 2021
FAC Filed: August 11, 2022
Trial Date: None Set

1 **AMENDMENT TO CLASS ACTION AND PAGA SETTLEMENT AGREEMENT**

2 This Amendment (the “Amendment”) to Class Action and PAGA Settlement Agreement (the
3 “Agreement”) is made by and between Plaintiff Kevin Lam (“Plaintiff”) and Defendant M4D, LLC
4 (“Defendant” or “M4D”). The Agreement, the Addendum thereto, and this Amendment thereto refer
5 to Plaintiff Lam and Defendant M4D collectively as the “Parties,” or individually as a “Party.”

6 **RECITALS**

7 A. WHEREAS, in February 2023, the Parties entered into the Agreement.

8 B. WHEREAS, Paragraph 11.9 of the Agreement states:

9 Modification of Agreement. This Agreement, and all parts of it, may be amended,
10 modified, changed, or waived only by an express written instrument signed by all
11 Parties or their representatives, and approved by the Court.

12 C. WHEREAS, Paragraph 11.5 of the Agreement states:

13 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and
14 represent that they are authorized by Class Representative and M4D, respectively, to
15 take all appropriate action required or permitted to be taken by such Parties pursuant
16 to this Agreement to effectuate its terms, and to execute any other documents
17 reasonably required to effectuate the terms of this Agreement including any
18 amendments to this Agreement.

19 D. WHEREAS, on September 18, 2023, the Parties entered into an Addendum to Class
20 Action and PAGA Settlement Agreement (the “Addendum”), incorporating into the Agreement the
21 following additional provision:

22 The Parties agree that the Court shall have continuing jurisdiction over the Agreement
23 and settlement terms pursuant to California Code of Civil Procedure § 664.6.

24 E. WHEREAS, the Parties now wish to amend the Agreement solely to alter the manner
25 and timing of settlement funding and disbursement by way of an installment payment plan.

26 NOW THEREFORE, based on the foregoing Recitals, the Parties, by and through
27 their respective undersigned attorneys of record, agree that the following provisions of the Agreement
28 are hereby amended in the manner indicated as follows:

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AMENDMENTS TO THE AGREEMENT

1. Paragraph 4.3 of the Agreement is hereby amended and replaced to read as follows:

Funding of Gross Settlement Amount. M4D shall fully fund the Gross Settlement Amount in four (4) equal Installments of \$187,500.00, and also fund the amounts necessary to fully pay M4D's share of payroll taxes on the pro-rata portions of Individual Class Payments along with each Installment, by transmitting the funds to the Administrator as follows: the First Installment shall be paid no later than 6 months after the Effective Date; the Second Installment shall be paid no later than 12 months after the Effective Date; the Third Installment shall be paid no later than 18 months after the Effective Date; and the Fourth Installment shall be paid no later than 24 months after the Effective Date

2. Paragraph 4.4 of the Agreement is hereby amended and replaced to read as follows:

Payments from the Gross Settlement Amount. Within 14 calendar days after M4D funds each Installment payment, the Administrator will distribute the amounts of the Installments received by the Administrator pro-rata, by mailing checks for the pro-rata portions of all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the approved Administration Expenses Payment, the approved Class Counsel Fees Payment, the approved Class Counsel Litigation Expenses Payment, and the approved Class Representative Service Payment. For each Installment, disbursement of the pro-rata portions of the approved Class Counsel Fees Payment, the approved Class Counsel Litigation Expenses Payment, and the approved Class Representative Service Payment shall not precede disbursement of the pro-rata portions of the Individual Class Payments and Individual PAGA Payments.

3. M4D shall be solely responsible for any additional administration fees over \$9,000.00 associated with the above mentioned distributions. In other words, any additional amounts owed to CPT Group, Inc. for distribution above \$9,000.00 shall be paid by M4D outside of the Gross Settlement Amount.

Dated: August 15, 2024

THE GOULD LAW FIRM
A Professional Law Corporation

By: /s/ Aarin Zeif
Michael A. Gould
Aarin Zeif
Attorneys for Plaintiff Kevin Lam

Dated: August 15, 2024

O'HAGAN MEYER LLP
Katherine C. Den Bleyker
William B. Richards, Jr.
Tatyana Esmailian

By: /s/ William B. Richards, Jr.
William B. Richards, Jr.
Attorneys for Defendant M4D, LLC

EXHIBIT B

M4D LLC
Profit and Loss
Year-to-date December 2023 and May 2024

	YTD Dec 23	YTD May 24
Revenue	7,943,841	3,970,244
COGS	6,617,286	2,532,317
Gross Margin	1,326,556	1,437,927
G&A	3,115,474	1,427,626
Operating income (loss)	(1,788,918)	10,301
Other expenses (income)	219,625	307,319
Net income (loss)	(2,008,544)	(297,017)

M4D LLC
Balance Sheet
Period Ended December 2023 and May 2024

	Dec 23	May 24
Assets		
Current assets		
Cash	224,292	52,935
Accounts receivable	2,468,219	2,939,318
Total current assets	2,692,511	2,992,253
Fixed assets (net)	369,236	63,438
Other long term assets	2,542,000	2,599,000
Total assets	5,603,747	5,654,691
Liabilities		
Current liabilities		
Accounts payable	2,394,425	3,139,503
Credit cards	138,811	92,845
Total current liabilities	2,533,236	3,232,348
Long term debt	1,580,162	1,148,750
Other long term liabilities	2,666,822	2,695,919
Total liabilities	6,780,220	7,077,017
Equity	(1,176,473)	(1,422,326)
Total liabilities and equity	5,603,747	5,654,691
Net working capital	159,275	(240,095)

PROOF OF SERVICE
STATE OF CALIFORNIA

I am employed in the County of Orange, State of California. I am over the age of 18 and not a party to the within action; my business address is: 161 Fashion Lane, Suite 207, Tustin, Ca 92780. On October 14, 2024, I served the within document(s):

- **SUPPLEMENTAL BRIEF IN SUPPORT OF PLAINTIFF LAM'S MOTION FOR FINAL APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT**
- **[PROPOSED] ORDER AND JUDGMENT GRANTING PLAINTIFF LAM'S MOTION FOR FINAL APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT, PLAINTIFF LAM'S REQUEST FOR ATTORNEYS' FEES AND COSTS, AND CLASS REPRESENTATIVE SERVICE PAYMENT**
- **DECLARATION OF SAM LAHAM**
- **MINUTE ORDER DATED 6/6/24**

In the matter of **Le v. M4D LLC, 30-2021-01182977**, on the following interested party(ies) in this action:

William Richards wrichards@ohaganmeyer.com Katherine C. Den Bleyker kdenbleyker@ohaganmeyer.com O'HAGAN MEYER 4695 MacArthur Ct., Suite 900 Newport Beach, Ca 92660	Representing: Defendant M4D LLC
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(By Mail) The envelope was mailed with postage thereon fully prepaid. As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Tustin, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

☐

(By Hand Delivery) I delivered the within documents to the attorney service for delivery to the person(s) at the address(es) set forth below with instructions that such envelope be delivered personally on October 10, 2024.

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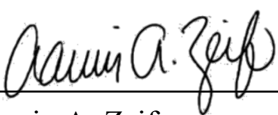
(By Overnight Mail) I am readily familiar with the firm's practice of collection and processing correspondence for mailing with FedEx. Under that practice it would be deposited with FedEx on that same day thereon fully prepaid at Tustin, California in the ordinary course of business. The envelope was sealed and placed for collection and mailing on that date following ordinary business practices.

☒

(By Electronic Mail) The document listed above was transmitted via email to the email address(es) noted above

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on October 14, 2024, at Tustin, California



Arin A. Zeif