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UNITED STATES DISTRICT COURT

FOR THE NORTHERN DISTRICT OF CALIFORNIA

ERIC CHAVEZ, as an individual and on
behalf of all others similarly situated,

Plaintiffs,

vs.

CONVERSE, INC., a Delaware
corporation; and DOES 1 through 50,
inclusive,

Defendants.

Case No.: 15-cv-03746-NC

**DECLARATION OF ELIZABETH
KRUCKENBERG REGARDING NOTICE
AND SETTLEMENT ADMINISTRATION**

Date: November 20, 2020

Time: 1:00 p.m.

Courtroom: 5, 4th Floor

Judge: Hon. Nathanael M. Cousins

Complaint Filed: July 10, 2015

1 Dennis S. Hyun (State Bar No. 224240)
dhyun@hyunlegal.com

2 **HYUN LEGAL, APC**
3 515 S. Figueroa St., Suite 1250
4 Los Angeles, CA 90071
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DECLARATION OF ELIZABETH KRUCKENBERG

I, Elizabeth Kruckenberg, declare under penalty of perjury as follows:

1. I am the Director of Case Management at Phoenix Settlement Administrators (PSA), the Court-appointed Class Action Settlement Administrator for *Eric Chavez. v. Converse, Inc.* I have personal knowledge of the facts stated herein and, if called upon to testify, I could and would testify competently to such facts.

2. PSA was selected by the Parties to provide notice of the Settlement and class administration duties in this action. Pursuant to the Settlement Agreement for this matter, PSA was responsible for (i) preparing, printing, and mailing the *Notice of Proposed Class Action Settlement* (herein referred to as the “Notice Packet”); (ii) responding to inquiries from Class Members; (iii) determining the validity of opt-outs; (iv) calculating the Net Settlement Amount and the Individual Settlement payments; (v) issuing the Individual Settlement Payment checks and distributing them to Participating Class Members; (vi) issuing the payment to Class Counsel for attorneys’ fees and costs, the Enhancement check to Named Plaintiff, and the employer/employee payroll taxes to the appropriate taxing authorities; and (vii) such other tasks as set forth in the Agreement or as the Parties mutually agree or as the Court orders.

3. On July 14, 2020, PSA received a data file from Defense Counsel that contained names, last known mailing addresses, Social Security numbers, and hours worked for each Class Member during the Class Period. The final mailing list contained two thousand six hundred sixty-seven (2,677) Class Members.

4. On August 7, 2020, PSA conducted a National Change of Address (NCOA) search in an attempt to update the class list of addresses as accurately as possible. A search of this database provides updated addresses for any individual

1 who has moved in the previous four (4) years and notified the U.S. Postal Service
2 of their change of address.

3 5. On August 7, 2020, PSA mailed the Notice Packet via U.S. first
4 class mail, in English to all two thousand six hundred sixty-seven (2,677) Class
5 Members on the Class List. A true and correct copy of the mailed Notice Packet
6 is attached hereto as **Exhibit A**.

7 6. As of the date of this declaration, one hundred seventy-seven (177)
8 Notice Packets have been returned to PSA. None were returned with a
9 forwarding address. For the one hundred seventy-seven (177) Notice Packets
10 returned from the Post Office without a forwarding address, PSA attempted to
11 locate a current mailing address using TransUnion TLOxp, one of the most
12 comprehensive address databases available for skip tracing. Of the one hundred
13 seventy-seven (177) Notice Packets that were skip traced, one hundred sixty-
14 eight (168) updated addresses were obtained and the Notice Packet was promptly
15 re-mailed to those Class Members via first class mail.

16 7. As of the date of this declaration, eleven (11) Notice Packets are
17 considered undeliverable. Specifically, nine (9) Notice Packets were
18 undeliverable since an updated address could not be obtained and two (2) Notice
19 Packets were returned a second time.

20 8. PSA has received zero (0) Request for Exclusion (*i.e.* “Opt-Out’s”).
21 The deadline for Class Members to submit an “Opt-Out” request was September
22 21, 2020.

23 9. PSA has received zero (0) Objections to the Settlement. The
24 deadline for Class Members to submit an “Objection” to the Settlement was
25 September 21, 2020.

26 10. There are no outstanding disputes.

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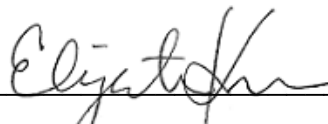
28 \\\

1 11. The Net Settlement Fund of \$973,445.54 available to pay Class
2 Members was determined by subtracting the Class Counsel attorneys' fees
3 (\$625,000.00), Class Counsel costs payment (\$166,554.46), Class Representative
4 Enhancement Award (\$10,000.00), the LWDA distribution (\$75,000.00), and the
5 Claims Administrator costs (\$25,000.00) from the Gross Settlement Fund
6 (\$1,875,000.00). Based upon the calculations stipulated in the Settlement, the
7 highest individual settlement payment to be paid will be approximately
8 \$5,187.14, and the minimum individual settlement payment to be paid is \$10.00,
9 with the average individual settlement payment to be paid being approximately
10 \$363.63, without applicable taxes, withholdings, and employee garnishments.

11 12. PSA's costs associated with the administration of this matter are
12 \$25,000.00. This includes all costs incurred to date, as well as estimated costs
13 involved in completing the settlement distribution. A true and correct copy of the
14 invoice from PSA is attached hereto as **Exhibit B**.

15
16 I declare under penalty of perjury of the laws of the State of California that
17 the foregoing is true and correct.

18 Executed this 12th day of October 2020, at Fullerton, California.

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22 ELIZABETH KRUCKENBERG
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Exhibit A

NOTICE OF CLASS ACTION SETTLEMENT

UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

ERIC CHAVEZ, individually and on behalf of
all others similarly situated,

Plaintiffs,

v.

CONVERSE, INC., a Delaware Corporation;
and DOES 1 through 50, inclusive,

Defendants.

Case No. 15-cv-03746-NC
Hon. Nathanael M. Cousins

**IMPORTANT LEGAL NOTICE –
THIS LAWSUIT SETTLEMENT MAY
AFFECT YOUR RIGHTS**

A federal court authorized this notice. This is not a solicitation from a lawyer. This is not a lawsuit against you and you are not being sued. However, your legal rights are affected whether you act or don't act.

IMPORTANT: YOU ARE ENTITLED TO MONEY IF THE COURT APPROVES THE SETTLEMENT DESCRIBED HEREIN

Dear «Contact»:

THE RECORDS OF CONVERSE, INC. (“CONVERSE” OR “DEFENDANT”) SHOW YOU WERE EMPLOYED BY CONVERSE AS AN HOURLY-PAID EMPLOYEE IN CALIFORNIA AT SOME TIME BETWEEN JULY 10, 2011, AND NOVEMBER 19, 2019, AND YOU ARE ELIGIBLE FOR A PAYMENT FROM A CLASS/PAGA ACTION SETTLEMENT.

IT IS ESTIMATED THAT YOUR POTENTIAL PAYMENT UNDER THIS SETTLEMENT WOULD BE «Total_Est_Settlement_Amount».

IMPORTANT: YOU WILL BE BOUND BY THIS SETTLEMENT AND YOUR RIGHTS WILL BE AFFECTED BY THIS LITIGATION UNLESS YOU EXCLUDE YOURSELF FROM THE CLASS AS EXPLAINED BELOW.

PLEASE READ THIS NOTICE CAREFULLY.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
Do Nothing	You will receive a payment under the Settlement.
Exclude Yourself	Receive no payment for the class claims, but still receive \$10 as your portion of the PAGA settlement. You will still retain all rights you individually may have against Converse.
Object	Write to the Court about why you believe that the settlement is unfair.

YOUR RIGHTS AND OPTIONS - AND THE DEADLINES TO EXERCISE THEM - ARE EXPLAINED IN THIS NOTICE.

WHY DID YOU RECEIVE THIS NOTICE?

This notice explains the nature of this lawsuit, as well as a proposed settlement of this lawsuit, and informs you of your legal rights under that proposed settlement. You are receiving this notice because you may be a member of a class on whose behalf this class action lawsuit has been brought. The Court has conditionally certified a Class for settlement purposes comprised of:

All individuals employed by Converse, Inc. as non-exempt/hourly employees in California who worked at any time during July 10, 2011 through November 19, 2019.

The Court has appointed as class counsel Diversity Law Group, PC, Polaris Law Group, LLP and Hyun Legal, APC (“Class Counsel”).

WHAT IS THIS LAWSUIT ABOUT?

This settlement is the result of a lawsuit filed by Plaintiff Eric Chavez (“Plaintiff”). On July 10, 2015, Plaintiff filed a Class Action Complaint against Defendant Converse in the Superior Court of the State of California, County of Santa Clara (the “Lawsuit”). Defendant subsequently removed the case to the United States District Court for the Northern District of California, where it was assigned Case. No. 5:16-cv-03746-NC.

Plaintiff’s Lawsuit brings class claims for violation of the California Labor Code based on Converse’s policy and practice of conducting security checks and visual inspections of its employees after clocking out from their shift and prior to leaving the store. Plaintiff’s Lawsuit alleges that this policy and practice was not compliant with California law, and that Converse owes minimum, regular, and overtime wages, meal and rest break premiums, and various penalties to its hourly employees for the time spent waiting and undergoing said security checks and visual inspections as they were off-the-clock. Based on these class claims, Plaintiff seeks on behalf of all similarly situated current and former hourly-paid employees all unpaid minimum, regular, and overtime wages, meal and rest break premiums, and related statutory and civil penalties under California law. In addition to the class claims above, Plaintiff has also brought a claim for violation of the Private Attorneys General Act of 2004 (the “PAGA”), California Labor Code § 2698, *et seq.*, seeking civil penalties on behalf of all other aggrieved employees based on these same Labor Code violations.

Defendant denied the allegations in the Lawsuit, and continues to deny, that it failed to comply with California law and the California Labor Code. In this regard, Defendant maintains that its security checks and visual inspections conducted at retail stores were compliant with California law, such that it properly compensated employees for all wages earned. In addition, Defendant denied, and continues to deny, that the Lawsuit could or should be certified to proceed as a class action.

THE COURT HAS NOT RULED ON THE MERITS OF PLAINTIFF’S CLAIMS, DEFENDANT’S DEFENSES, OR THE SUBSTANTIVE CONTENTIONS OF THE PARTIES. NO INFERENCES REGARDING THE MERITS OF THE LITIGATION SHOULD BE DRAWN FROM THE SENDING OF THIS NOTICE. THIS NOTICE IS NOT MEANT TO IMPLY THAT THERE HAS BEEN ANY VIOLATION OF LAW OR WRONGDOING BY ANY PARTY OR THAT A RECOVERY AFTER TRIAL COULD BE HAD IF THE LITIGATION IS NOT SETTLED.

SUMMARY OF THE SETTLEMENT

A. Why is there a settlement?

The Court did not decide in favor of Plaintiff or Defendant. Plaintiff thinks he would have prevailed on the merits of his claims at trial. Defendant does not think Plaintiff would have won anything from trial because it has asserted legal and factual defenses to the claims. But there was no trial. Instead, both parties agreed to a settlement of the Lawsuit. As a result, both sides can avoid the costs, risks, and uncertainty of proceeding with trial, and the people affected from the Lawsuit will get monetary compensation. Plaintiff and Class Counsel believe that the settlement is fair, reasonable, adequate, and in the best interests of all members of the Class.

B. Who is in the Settlement Class?

All current and former non-exempt (“hourly”) employees who worked for Defendant in the State of California at any time between July 10, 2011 to November 19, 2019, and who do not opt out of the settlement as explained below would become part of the “Settlement Class” (also referred to as a “Settlement Class Member”). The period of time between July 10, 2011 and November 19, 2019 is referred to as the “Settlement Class Period.”

C. Who are the attorneys representing the class?

<u>Class Counsel</u> DIVERSITY LAW GROUP, P.C. Larry W. Lee, State Bar No. 228175 lwlee@diversitylaw.com Kristen M. Agnew, State Bar No. 247656 kagnew@diversitylaw.com Nick Rosenthal, State Bar No. 268297 nrosenthal@diversitylaw.com Max Gavron, State Bar No. 291697 mgavron@diversitylaw.com 515 S. Figueroa St., Suite 1250 Los Angeles, California 90071 Telephone: (213) 488-6555 Facsimile: (213) 488-6554	<u>Class Counsel (cont'd)</u> HYUN LEGAL, APC Dennis S. Hyun, State Bar No. 224240 dhyun@hyunlegal.com 515 S. Figueroa St., Suite 1250 Los Angeles, California 90071 Telephone: (213) 488-6555 Facsimile: (213) 488-6554
<u>Class Counsel (cont'd)</u> POLARIS LAW GROUP LLP William L. Marder, State Bar No. 170131 bill@polarislawgroup.com 501 San Benito Street, Suite 200 Hollister, California 95023 Telephone: (831) 531-4214 Facsimile: (831) 634-0333	

D. What does the settlement provide?

The parties have agreed to settle the Lawsuit in exchange for the settlement amount of \$1,875,000.00 ("Total Settlement Amount"). This amount is inclusive of (1) individual settlement payments to the Class Members; (2) an enhancement payment of up to \$10,000.00 to Plaintiff for his efforts and work in prosecuting this Lawsuit on behalf of the class; (3) not more than \$625,000.00 in attorneys' fees and not more than \$200,000.00 in litigation costs; (4) payment of \$75,000.00 to the California Labor and Workforce Development Agency ("LWDA") in connection and accordance with PAGA (75% of \$100,000.00 PAGA penalty allocation, with \$25,000.00 being distributed to Class Members); and (5) claims administrator's fees and expenses estimated to be \$25,000.00.

After deducting the class representative enhancement payment, attorneys' fees, costs, the payment to the LWDA, and the claims administrator's fees and expenses, it is estimated that a total of approximately \$940,000.00 ("Net Settlement Amount") will be available to be distributed to each person ("Individual Settlement Payment").

Settlement Class Members who request exclusion shall each be paid \$10.00, and nothing more. Each Settlement Class Member who does not request exclusion ("Remaining Settlement Class Members") shall be paid a base payment of \$10.00, plus an amount calculated in direct proportion to Converse's best estimate of the Settlement Class Member's Hours Worked, as determined from the Class Information provided to the Settlement Administrator by Converse. To calculate the amount to be paid in proportion to Hours Worked, the number of Settlement Class Members (including those who requested exclusion) shall be multiplied by \$10.00 and the resulting amount shall be subtracted from the Net Settlement Amount, after which the remaining amount shall be deemed as the "Hours Worked Settlement Amount." Then, the Hours Worked of all Remaining Settlement Class Members will be totaled ("Total Hours Worked"). Each Remaining Settlement Class Member's Hours Worked will be divided by the Total Hours Worked and multiplied against the Hours Worked Settlement Amount. Finally, the resulting amount shall be added to the base payment of \$10.00 to reach each Remaining Settlement Class Member's Individual Settlement Payment.

Settlement Class Members are not required to do anything to receive their Individual Settlement Payment. Thus, you do not need to submit any proof of a claim form. Upon final approval of this settlement by the Court, your Individual Settlement Payment check will be mailed to you.

If any Settlement Class Member does not cash their settlement payment check within one hundred eighty (180) days after the claims administrator mails the settlement payment check to the Settlement Class Member, all such uncashed amounts will be redistributed to those Remaining Settlement Class Members who received and cashed their Individual Settlement Payment check. Any portion of the settlement payments not cashed within one hundred eighty (180) days of the second distribution shall be paid to the *cy pres* beneficiary of the Settlement, Legal Aid At Work.

All Individual Settlement Payments paid to satisfy Claims of those who do not request exclusion shall be allocated as follows: thirty percent (30%) of which shall be issued as wages, less applicable withholdings and for which an IRS Form W-2 shall issue if required, thirty percent (30%) of which shall be issued as interest and for which a IRS Form 1099-INT shall issue if required, and forty percent (40%) of which shall be issued as penalties, for which an IRS Form 1099-MISC shall issue if required. Converse will be separately responsible for the employer-paid portion of any taxes arising from settlement payment amounts issued as wages, including the employer-paid portion of FICA, Medicare, FUTA, and SDI contribution, which shall not be paid from the Total Settlement Amount. Each individual Settlement Class Member shall be solely responsible for their share of taxes (federal, state, or local) owed as a result of any payments received under this settlement. To ensure compliance with requirements imposed by the IRS, we inform you that any United States federal tax advice contained in this Notice was not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein. Class Counsel and Defendant's Counsel do not purport this communication to constitute legal and/or tax advice.

E. What will I get?

The records of Converse indicate that, between July 10, 2011 and November 19, 2019, the total hours you worked within this period is:

Hours Worked «Hours_Worked»

Based on this, it is estimated that your Individual Settlement Payment will be approximately «Total_Est_Settlement_Amount»

If you dispute the hours worked listed above, you must notify the claims administrator in writing of this dispute within ten (10) days of your receipt of this Notice at the address listed below, and provide documents (*e.g.*, payroll records) evidencing your claim. You can only submit a dispute if you do not exclude or opt out of the settlement. Any dispute over the hours worked that cannot be resolved by the parties shall be submitted to the claims administrator for a final and binding determination.

F. What is the payment to the Class Representative?

Subject to Court approval, Plaintiff will be paid a "Service Award" in an amount up to ten thousand dollars (\$10,000.00) for his efforts and work in prosecuting this Lawsuit as the class representative, including sitting for his deposition, providing Defendant with a general release of any claims he may have, as well as his willingness to accept the risk of paying Defendant's attorneys' fees and costs in the event of an unsuccessful outcome of this Lawsuit.

G. How will Class Counsel be paid?

Class Counsel will apply to the Court for an award of reasonable attorneys' fees in an amount up one-third (1/3) of the Total Settlement Amount (*i.e.*, \$625,000.00) and reasonable litigations costs of this Lawsuit of up to two hundred thousand dollars (\$200,000.00) ("Class Counsel Award").

H. What are you giving up to get a payment or stay in the Class?

If you remain a part of this settlement, and if the Court grants final approval of the settlement, you will be deemed to have released or waived the claims listed below in Section I that arose any time during the Settlement Class Period (referred to as the "Released Claims"). The release of claims set forth below in **Section I** which describes exactly the legal claims that you will give up if you do not exclude yourself from the Settlement Class, and will extend to Converse and its past, present and future parents, owners, subsidiaries, affiliates, successors-in-interest, assigns, auditors, accountants, experts, contractors, partners, insurers, reinsurers, and other parties acting on their behalf, officers, directors, shareholders, employees, agents, attorneys, and representatives (the "Released Parties").

If you do not elect to exclude yourself from the Settlement Class, you will be deemed to have entered into the release of claims below and to have released your claims against the Released Parties. If the Settlement is not approved by the Court or does not become final for some other reason, the litigation will continue.

I. What are the Released Claims?

In consideration of the monetary sum provided by Defendant and upon final approval of this Settlement by the Court, Plaintiff and the Settlement Class Members, except those who timely and validly exclude themselves from the Settlement, hereby cancel, terminate, abrogate, discharge, waive, fully release, and forever discharge the Released Parties from the following claims that arose during the Settlement Class Period (“Released Claims”): any and all present and past claims under the wage and hour laws and regulations of the state of California that were or could have been asserted based on the facts pleaded in the Lawsuit or any amendments thereto, including but not limited to, all statutes mentioned in the Lawsuit and corresponding provisions of the relevant California Wage Order, including but not limited to California Labor Code sections 201-203, 226, 226.7, 510, 512, 558, 1194, 1197, 1197.1, the Private Attorneys General Act (“PAGA”) (Labor Code Sections 2698-2699.5) and California Business and Professions Code sections 17200, et seq., as related to claims for: overtime; minimum wage; meal period premiums; rest break premiums; wage statements; waiting time penalties; restitution; civil and statutory penalties; interest; injunctive relief; and attorneys’ fees, costs and expenses.

If you currently have a case pending, or plan to file a case based on the above claims, you must exclude yourself from this class action in order to proceed on your own. You will be solely responsible for the costs of hiring your own attorney and proceeding on your own. If you wish instead to receive the benefits of this Settlement, and waive your right to proceed on your own, you should participate in this Settlement, meaning do not exclude yourself from the Settlement.

THE SETTLEMENT HEARING

The Court will conduct a final fairness hearing regarding the proposed Settlement (the “Final Settlement Hearing”) on November 20, 2020, at 1:00 p.m., in Courtroom 5 of United States District Court for the Northern District of California, San Jose Division, 280 South 1st Street, San Jose, CA 95113.

At the Final Settlement Hearing, the Court will determine: (i) whether the Action should be finally certified as a class action solely and exclusively for Settlement purposes; (ii) whether the Settlement should be given the Court’s final approval as fair, reasonable, adequate and in the best interests of the Settlement Class Members, and if so, whether to enter a judgment fully and finally resolving Plaintiff’s and Settlement Class Members’ claims against Defendant; (iii) whether the Settlement Class Members should be bound by the terms of the Settlement, including the release of claims; (iv) the amount of the attorneys’ fees and expenses to be awarded to Class Counsel; and (v) the amount that should be awarded to Plaintiff as the Service Award. At the Final Settlement Hearing, the Court will rule on any written objections filed by Class Members, as well as arguments for and against the proposed Settlement. Assuming you do not elect to exclude yourself from the Settlement, you have a right to attend this hearing, but you must first object according to the procedure below. You are not required to attend the hearing. The Court has reserved the right to adjourn the Final Settlement Hearing to consider any issue, without further notice of any kind. Please contact the claims administrator or Class Counsel to confirm that the Final Settlement Hearing date has not been changed.

You also have the right to hire an attorney to represent you, or to enter an appearance on your behalf and represent you at the hearing.

WHAT ARE YOUR OPTIONS?

OPTION 1 – REMAIN A SETTLEMENT CLASS MEMBER. IF YOU WISH TO REMAIN A SETTLEMENT CLASS MEMBER AND OBTAIN YOUR SHARE OF THE SETTLEMENT THAT YOU MAY BE ENTITLED TO RECEIVE, YOU DO NOT NEED TO DO ANYTHING OTHER THAN MAKE SURE THE SETTLEMENT ADMINISTRATOR HAS YOUR CURRENT ADDRESS. YOU ARE NEVER REQUIRED TO GO TO COURT OR PAY ANYTHING TO THE LAWYERS IN THIS CASE. You will be bound by a judgment in this case, you will release your claims against the Defendant, and you will not have the right to file your own lawsuit against the Defendant and pursue your own claims in a separate suit. If the Court approves the proposed Settlement, you will automatically be mailed your share of the Net Settlement Amount. If the Court does not approve the Settlement, the lawsuit will continue, and you may or may not be designated or redesignated a Class Member at a later time. If your mailing address information is incorrect or you move, please provide your current address to the claims administrator: Phoenix Settlement Administrators at 1-800-523-5773.

OPTION 2 – REMAIN A CLASS MEMBER AND OBJECT TO THE SETTLEMENT.

You can ask the Court to deny approval by filing a written objection. You can't ask the Court to order a different settlement; the Court can only approve or reject the settlement. If the Court denies approval, no settlement payments will be sent out and the lawsuit will continue. If that is what you want to happen, you must object in writing.

Any objection to the proposed settlement must be in writing and must: (1) contain your full name, current address, telephone number and signature; (2) identify the case name and number (*Chavez v. Converse*, Case Number 5:16-cv-333 EJD); (3) state with specificity the grounds for your objection(s); and (4) state whether you intend to appear at the Final Approval Hearing. You may include any supporting documents or papers, including without limitation, briefs, written evidence, and declarations, with your objection. Your written objection and/or supporting documents must be filed with the Court only, either by mailing them to the Class Action Clerk, United States District Court for the Northern District of California, 280 South 1st Street, San Jose, CA 95113, or by filing them in person at any location of the United States District Court for the Northern District of California.

To be valid and effective, all objections to the approval of the Settlement must be postmarked to the Court, or filed in person, on or before September 21, 2020. **DO NOT CONTACT THE COURT**, except as provided here.

If you file a timely written objection, you may, but are not required to, appear at the Final Settlement Hearing, either in person or through your own attorney. If you choose to appear through your own attorney, you are responsible for hiring and paying that attorney. Any Class Member who fails to object to the proposed Settlement as described above will lose the right to object to it.

OPTION 3 – EXCLUDE YOURSELF FROM THE CLASS. YOU HAVE A RIGHT TO EXCLUDE YOURSELF (“OPT OUT”) FROM THE CLASS, BUT IF YOU CHOOSE TO DO SO, **YOU WILL NOT RECEIVE ANY BENEFITS BEYOND \$10.00 FROM THE PROPOSED SETTLEMENT AND YOU WILL NOT HAVE STANDING TO OBJECT TO THE SETTLEMENT.** You will not be bound by a judgment in this case, you will not release your claims against the Defendant, and you will have the right to file your own lawsuit against the Defendant and pursue your own claims in a separate suit. If you want to exclude yourself from the Class, you must timely write to the claims administrator to request that you be excluded from the settlement (“Request for Exclusion”).

Your Request for Exclusion must: (1) contain your full name, address and telephone number, and the last four digits of your Social Security number; (2) be signed by you; (3) identify the case name and number (*CHAVEZ v. CONVERSE*, Case Number 15-cv-03746-NC); and (4) contain a clear statement that indicates that you want to be excluded from the Settlement.

Your written Request for Exclusion must be mailed to the claims administrator at: Phoenix Settlement Administrators, Claims Administrator, P.O. Box 7208, Orange, CA 92863. In order for you to timely and validly opt out and exclude yourself, your written Request for Exclusion must contain the information listed above, and be postmarked on or before September 21, 2020. Any Requests for Exclusion post-marked after this date or not received by the claims administrator will have no force and effect, meaning that you will still remain a part of the Settlement Class.

Any Class Member who files a timely and valid Request for Exclusion will only receive \$10.00 as settlement of the PAGA claims, and be barred from objecting to the Settlement. If you exclude yourself, you can, at your own expense, pursue any claims that you may individually have against Defendant. Please note that you cannot both exclude yourself and object to the Settlement.

ARE THERE MORE DETAILS ABOUT THE SETTLEMENT?

This notice summarizes the proposed Settlement. For the precise terms and conditions of the Settlement, please see the Settlement Agreement, approval papers, other documents in this Lawsuit, and any attorneys' fee motions by contacting Class Counsel at their contact information above, the claims administrator at 1-800-523-5773, by accessing the Court docket in this case (for a fee) through the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.cand.uscourts.gov>, or by visiting the office of the Clerk of the Court for the United States District Court for the Northern District of California, 280 South 1st Street, San Jose, CA 95113, between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays.

ALL INQUIRIES REGARDING THIS LITIGATION SHOULD BE MADE TO THE CLAIMS ADMINISTRATOR:

Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA 92863

You may also call Class Counsel listed above.

PLEASE DO NOT CONTACT THE COURT FOR INFORMATION.

Exhibit B



PHOENIX
SETTLEMENT ADMINISTRATORS

CLASS ACTION SETTLEMENT SOLUTIONS

CASE OVERVIEW

Class Members	2,677
Total Opt-Outs	0
Subtotal Admin	\$25,094.21

Will Not Exceed \$25,000.00

October 12, 2020

Case: Chavez v. Converse

Case & Database Setup / Toll Free Setup & Call Center / NCOA (USPS)

Administrative Tasks:	Rate	Hours/Units	Line Item Estimate
Programming Manager	\$125.00	5	\$625.00
Programming Database & Setup	\$125.00	5	\$625.00
Toll Free Setup*	\$175.00	1	\$175.00
Call Center & Long Distance	\$1.00	200	\$200.00
NCOA (USPS)	\$0.08	2,677	\$214.16
		Total	\$1,839.16

Data Merger & Scrub / Notice and Postage

Project Action	Rate	Hours/Units	Line Item Estimate
Notice Packet Formatting	\$125.00	5	\$625.00
Data Merge & Duplication Scrub	\$0.15	2,677	\$401.55
Notice Package	\$1.50	2,677	\$4,015.50
Estimated Postage (up to 1 oz.)	\$0.50	2,677	\$1,338.50
		Total	\$6,380.55

Skip Tracing & Remailing Notice Packets / Tracking & Programming Undeliverables

Project Action:	Rate	Hours/Units	Line Item Estimate
Case Associate	\$65.00	5	\$325.00
Skip Tracing Undeliverables	\$1.00	177	\$177.00
Remail Notice Packets	\$1.00	168	\$168.00
Estimated Postage	\$0.50	168	\$84.00
Programming Undeliverables	\$50.00	3	\$150.00
		Total	\$904.00

Database Programming / Processing Opt-Outs, Deficiencies or Disputes			
Project Action:	Rate	Hours/Units	Line Item Estimate
Programming Claims Database	\$125.00	4	\$500.00
Case Associate	\$65.00	4	\$260.00
Opt-Outs/Deficiency/Dispute Letters	\$8.50	0	\$0.00
Case Manager	\$85.00	4	\$340.00
		Total	\$1,100.00

Calculation & Disbursement Programming/ Create & Manage QSF/ Mail Checks			
Administrative Tasks:	Rate	Hours/Units	Line Item Estimate
Programming Calculations	\$125.00	5	\$625.00
Disbursement Review	\$125.00	5	\$625.00
Programming Manager	\$95.00	5	\$475.00
QSF Bank Account & EIN	\$75.00	4	\$300.00
Check Run Setup & Printing	\$125.00	3	\$375.00
Mail Class Checks	\$1.00	2,677	\$2,677.00
Estimated Postage	\$0.50	2,677	\$1,338.50
		Total	\$6,415.50

Tax Reporting & Reconciliation / Re-Issuance of Checks / Conclusion Reports and Declarations			
Project Action:	Rate	Hours/Units	Line Item Estimate
Case Supervisor	\$125.00	6	\$750.00
Case Associate	\$65.00	6	\$390.00
Reconcile Uncashed Checks	\$85.00	8	\$680.00
Conclusion Reports	\$125.00	6	\$750.00
Case Manager Conclusion	\$85.00	6	\$510.00
Final Reporting & Declarations	\$125.00	6	\$750.00
Uncashed Check Postcard	\$1.75	1,500	\$2,625.00
IRS & QSF Annual Tax Reporting * (State Tax Reporting Included)	\$2,000.00	1	\$2,000.00
		Total	\$8,455.00

* All applicable California State & Federal taxes, which include SUI, ETT, and SDI, and FUTA filings. Additional taxes are Defendant's responsibility.

Total: \$25,094.21