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Attorneys for Plaintiff and the Class

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES, CENTRAL CIVIL WEST

MAYRA RAMIREZ, as an individual and
on behalf of all others similarly situated,

Plaintiffs,

vs.

SHERWOOD MANAGEMENT CO.,
INC., a California corporation; and DOES
1 through 50, inclusive,

Defendants.

Case No.: BC609901

[Assigned to the Honorable Kenneth R. Freeman,
Department 310]

**DECLARATION OF LARRY W. LEE IN
SUPPORT OF PLAINTIFF'S MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

Date: September 28, 2017
Time: 11:00 A.M.
Dept.: 310

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I, Larry W. Lee, declare as follows:

1. I am an attorney at law, duly licensed to practice before all Courts in the State of California, and am with the law firm Diversity Law Group, P.C., counsel of record for Named Plaintiff Mayra Ramirez (“Plaintiff”). I have personal knowledge of the facts set forth below and I declare under penalty of perjury that I am competent to testify I could and would do so competently.

2. On February 10, 2016, Plaintiff filed a complaint in the Superior Court of the State of California for the County of Los Angeles on behalf of herself and all other employees who worked for Defendant in California. Plaintiff asserted claims for: (1) violation of Labor Code § 510, 558, and 1194; (2) violation of Labor Code § 226.7; (3) violation of Labor Code § 201-204; (4) violation of Labor Code §§ 201-204; (5) violation of Labor Code § 2698, *et seq.*; and (6) violation of Bus. & Prof. Code § 17200, *et seq.*

3. Specifically, Plaintiff asserted that the overtime and meal break premium rates of defendant issued to its employees did not factor in the incentive/commission payments that employees earned, that the incentive/commission payments were paid untimely each month, employees were required to take on-duty meal breaks, and that the wage statements defendant issued to its employees failed to accurately identify the applicable rates of pay among claims.

4. Thereafter, Plaintiff issued formal discovery upon Defendant seeking the documents related to Defendant's policies and practices as to the alleged claims, and information regarding numerosity. All such discovery were for purposes of both class certification and damages. In response, Defendant produced a significant number of documents.

5. After the issuance of such discovery, the Parties discussed and ultimately agreed to accept a class-wide resolution of this matter through mediation.

6. In connection therewith, Defendant provided Plaintiff with the necessary payroll for the entire class so that a damage analysis could be put together.

7. After receiving, reviewing and analyzing such data, the Parties engaged in a session with Steve Serratore, a well-respected mediator experienced in wage and hour class

1 actions.

2 8. While a settlement was not reached at the mediation, after months of further
3 negotiations with the assistance of the mediator, a “mediator’s proposal” was ultimately issued
4 by Mr. Serratore, which the Parties ultimately accepted.

5 9. Based on the class data provided by Defendant, Plaintiff estimated that Defendant
6 would face liability in the amount of approximately \$2.75 million for the class claims, and
7 approximately \$4.2 million in PAGA penalties.

8 10. Although Plaintiff and her counsel are certain that they can prevail on class
9 certification, as well as on the merits, they recognize the inherent risks in drawn-out litigation
10 and the specific risks that a class might not be certified and/or that Plaintiff could fail to establish
11 liability. Based on their own independent investigation and evaluation, the Parties and their
12 respective counsel are of the opinion that the Settlement for the consideration and on the terms
13 set forth in the Settlement Agreement is fair, reasonable, and adequate and is in the best interests
14 of the Class and Defendant in light of all known circumstances and the expenses and risks
15 inherent in litigation.

16 11. The Stipulation provides for \$915,000.00 as the total Settlement Sum. The Net
17 Settlement Sum (calculated after deduction of attorneys’ fees, costs, class representative service
18 payments, LWDA payment, and claims administration costs) shall be paid to all settlement Class
19 Members based on the number of weeks worked each Class Member worked during the Class
20 Period. Finally, \$5,000.00 of the total Settlement Sum will be allocated to penalties under the
21 PAGA, with 75% of said amount (\$3,750) paid to the Labor Workforce Development Agency
22 (the “LWDA”), and the remaining 25% (\$1,250) redistributed to the Class Members. Based
23 thereon, it is estimated that approximately \$557,750.00 will be available to be distributed to the
24 Class.

25 12. Based thereon, on a raw average, each class member potential may recover
26 approximately \$338.85 per person.

27 **PRELIMINARY APPROVAL OF CLASS ACTION SHOULD BE GRANTED**

28 **AS THE SETTLEMENT IS FAIR, REASONABLE, AND ADEQUATE**

13. From the inception of the case, Class Counsel has zealously represented the interests of the class. The settlement was obtained for the benefit of the class, as opposed to the individual Class Representative. Further, Class counsel has been approved as class counsel on a number of prior cases, have litigated numerous other class action cases, and are competent to represent the class.

14. Each side has apprised the other of their respective factual contentions, legal theories and defenses, resulting in negotiations taking place between the Parties.

15. Plaintiff strongly believes that a class can be certified and that Plaintiff and the Class can prevail at certification and at trial. However, Plaintiff also believes in the fairness of the settlement, which is based on factoring in the uncertainty and risks to Plaintiff involved in not prevailing on one or more of the causes of action or theories alleged in his Complaint and in the possibility of appeals.

16. After taking into account sharply disputed factual and legal issues involved in this litigation, the risks attending further prosecution, and the substantial benefits to be received pursuant to the compromise and settlement of the litigation, Plaintiff and Class Counsel have concluded that settlement on the terms hereinafter set forth is appropriate and in the best interests of the Parties and that this settlement is fair and reasonable.

17. Both Plaintiff's and Defendant's counsel have a great deal of experience in wage and hour class action litigation. Plaintiff's counsel has been approved as class counsel in a number of wage and hour class actions and have extensive litigation experience.

ATTORNEY EXPERIENCE

18. I am one of the primary attorneys on this matter. My qualifications are as follows: I received my J.D. from Arizona State University College of Law in 2003. During law school, I was a summer associate at the law firm of Brobeck, Phleger & Harrison. I graduated cum laude from Arizona State University College of Law in the top 10% of my class. While I was in law school, I was the Associate Managing Editor of the Arizona State University College of Law, Law Journal. Upon graduation, I practiced law as an associate at the Los Angeles

1 County offices of Ogletree Deakins Nash Smoak & Stewart, P.C., a national employment
2 defense law firm that represents a significant number of Fortune 500 companies.

3 19. My firm's primary focus is employment law. I have handled a number of wage
4 and hour matters including class actions and multiple-plaintiff actions. I have a practice that
5 encompasses cases in the Los Angeles Superior Courts, the Orange County Superior Courts, the
6 San Francisco County Superior Courts, the San Diego County Superior Courts, and the United
7 States District Courts for the Central, Eastern and Northern Districts of California.

8 20. I have been named as Class Counsel in a number of class actions that have been
9 granted final approval by the Superior Courts of Los Angeles County, Orange County, San
10 Francisco County, and the United States District Court for the Central District of California,
11 including the following Class Actions: *Chan Lanier v. Citigroup, Inc. et al.*, San Francisco
12 Superior Court Case No. CGC-05-445143; *Naqvi v. Acoustic Home Loans et al.*, Orange County
13 Superior Court Case No. 05CC00263; *Ortega v. AIG*, Central District of California Case No. CV
14 06-0196-RSWL (PJWx); *Universal Protection Overtime Cases*, Orange County Superior Court,
15 Judicial Council Coordination Proceeding No. 4480; and *Hernandez v. CVS Corp. et al.*, Judicial
16 Council Coordination Proceeding No. 4539 .

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

19 Executed on this 28 day of July, 2017 at Los Angeles, California.

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22 Larry W. Lee
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(Code of Civil Procedure Sections 1013a, 2015.5)

Olympia Peña

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PROOF OF SERVICE

(Code of Civil Procedure Sections 1013a, 2015.5)

STATE OF CALIFORNIA]
]ss.
COUNTY OF LOS ANGELES]

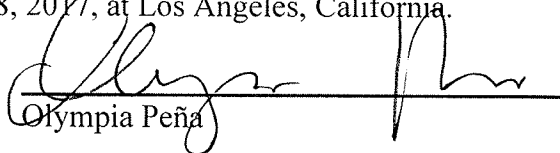
I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action; my business address is 515 S. Figueroa Street, Suite 1250, Los Angeles, California 90071.

On July 28, 2017, I served the following document(s) described as: **DECLARATION OF LARRY W. LEE IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT** on the interested parties in this action as follows:

Department of Industrial Relations
Labor and Workforce Development Agency
Attn: PAGA Administrator
1515 Clay Street, Suite 801
Oakland, CA 94612
PAGA@dir.ca.gov

 X BY ELECTRONIC SERVICE: I caused the above-entitled document(s) to be served through the LWDA's Private Attorney General Act (PAGA) – Filing System at the website <http://www.dir.ca.gov/Private-Attorneys-General-Act/Private-Attorneys-General-Act.html>, addressed to the LWDA as it appears on the electronic service list above. The service transmission was reported as complete and a copy of the filing receipt/confirmation will be filed, deposited, or maintained with the original document(s) in this office.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on July 28, 2017, at Los Angeles, California.


Olympia Peña