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of California*

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**

BABYLONIA KARAMAN, Individually
and on Behalf of All Other Aggrieved
Employees and the State of California,

Plaintiff,

v.

SNAP INC. and PSA RISK
MANAGEMENT SERVICES INC.,

Defendants.

FILED
Superior Court of California
County of Los Angeles

09/14/2026

David W. Slayton, Executive Officer / Clerk of Court

By: C. Guerrero Deputy

Case No. 26STCV09051

**JOINT STIPULATION FOR APPROVAL
OF PAGA ACTION SETTLEMENT;
~~[PROPOSED]~~ ORDER**

Judge: Hon. Lawrence P. Riff

Dept.: 534

Complaint Filed: March 19, 2026
Trial Date: None Set

1 Plaintiff Babylonia Karaman (“Plaintiff”) and Defendants Snap Inc. and PSA Risk
2 Management Services Inc. (“Defendants” or “Snap”), by and through their counsel, hereby submit
3 this Joint Stipulation for Approval of PAGA Action Settlement.

4 WHEREAS, Plaintiff alleges that Defendants failed to account for the value of restricted
5 stock units (“RSUs”) in calculating Plaintiff and other employees’ regular rates of pay and failed
6 to provide compliant meal breaks, giving rise to violations of California Labor Code sections 201-
7 204, 210, 226, 226.7, 510, 558, 1194, 1198, and violations of California Business and Professions
8 Code section 17200, *et seq.* (the “PAGA Claims”);

9 WHEREAS, before commencing this action, counsel for Plaintiff (“PAGA Counsel”) conducted a thorough investigation, which focused on factual and legal research into the
10 underlying merits of Plaintiff’s PAGA Claims, possible defenses, and the proper measure of
11 damages, including PAGA penalties. Declaration of Jahan C. Sagafi in Support of Joint
12 Stipulation for Approval of PAGA Action Settlement (“Sagafi Decl.”), ¶ 17. Over the course of
13 this investigation, PAGA Counsel spoke with several Snap employees, including Plaintiff, who
14 worked overtime and received a RSU grant. *Id.* ¶ 18. Plaintiffs’ counsel also conducted an
15 investigation regarding Defendants’ business locations, business entities, and past federal and state
16 litigation. *Id.* ¶ 19;

17 WHEREAS, through correspondence dated March 25, 2024, PAGA Counsel notified
18 Defendants of its intent to pursue a representative against them on behalf of Plaintiff, aggrieved
19 employees, and the State of California, and invited Defendants to consider settlement discussions.
20 *Id.* ¶ 20. The parties subsequently agreed to explore pre-suit settlement discussions and signed an
21 agreement to toll Plaintiff’s claims from June 7, 2024 through October 7, 2024. *Id.* ¶ 21. Effective
22 September 26, 2024, the parties executed an agreement to extend the tolling agreement from that
23 date forward. *Id.* ¶ 22;

24 WHEREAS, the parties thereafter engaged in an informal exchange of discovery, in which
25 Defendants produced data and information to enable Plaintiff to assess her representative claims
26 and penalties, including (i) the total number of aggrieved employees (including Plaintiff, “Covered
27
28

Employees”), defined as all current and former non-exempt employees of Defendants who worked in California between July 15, 2023 and August 1, 2024 (the “PAGA Period”) who had both (a) an RSU award that vested during the PAGA Period and (b) worked overtime between the date that Snap granted one or more of their RSU awards and the date that the RSU award vested during the PAGA Period; (ii) the total number of pay periods worked Covered Employees during the PAGA Period; (iii) the total number of pay periods worked by Covered Employees during the PAGA Period where Covered Employees worked overtime hours between the RSU grant date and the RSU vest date; (iv) the total number of overtime hours worked by Covered Employees during the PAGA Period, (v) Snap’s RSU plans and policies applicable to Covered Employees during the PAGA Period, and (vi) Plaintiff’s personnel file. *Id.* ¶ 23;

WHEREAS, on December 11, 2024, the parties participated in a full-day mediation session with an experienced and well-respected mediator of wage and hour claims, Sonya D. Goodwin. *Id.* ¶ 24. The Parties agreed to resolve this matter, agreeing to a settlement in principle with a memorandum of understanding executed April 30, 2025. *Id.* ¶ 25;

WHEREAS, on May 12, 2025, Plaintiff submitted a PAGA notice (the “PAGA Letter”) with the California Labor & Workforce Development Agency (“LWDA”) of the claims asserted in this action, and at least 65 days passed without a response from the LWDA regarding such notice. *Id.* ¶ 26.

WHEREAS, the parties finalized the terms of the settlement and memorialized them in the Settlement Agreement, which was fully executed on February 23, 2026. *Id.* ¶ 27. *Id.* Ex. A (“PAGA Settlement and Release Agreement”) (“Settlement Agreement”).¹ Plaintiff submitted a copy of the proposed Settlement Agreement to the LWDA pursuant to Cal. Lab. Code § 2699(s)(2). *Id.* ¶ 28. The Settlement Agreement resolves this action in its entirety.

WHEREAS, pursuant to the terms of the Settlement Agreement, on March 19, 2026, Plaintiff filed the Complaint;

¹ All terms used in this brief have the same meaning as in the Settlement Agreement and Release, attached as Exhibit A to the Sagafi Decl. Unless otherwise indicated, all exhibits are attached to the Sagafi Decl.

1 WHEREAS, the Parties recognize that in accordance with Labor Code Section 2699(1),
2 court approval is required in the event of a settlement of a PAGA action on a representative basis;

3 WHEREAS, pursuant to the Court's Order dated April 30, 2026, the Parties seek the
4 Court's approval of the Settlement Agreement through this Joint Stipulation;

5 WHEREAS, although PAGA does not set forth the particular standard against which a
6 PAGA settlement should be evaluated, the Court of Appeal has held that the plain language of
7 PAGA is consistent with "a standard requiring the trial court to determine independently whether
8 a PAGA settlement is fair and reasonable." *Moniz v. Adecco USA, Inc.*, 72 Cal. App. 5th 56, 76
9 (Cal. Ct. App. 2021). Relevant factors for a PAGA settlement include "the strength of the
10 plaintiff's case, the risk, the stage of the proceeding, the complexity and likely duration of further
11 litigation, and the settlement amount." *Id.* The Court should approve a PAGA settlement when
12 "a PAGA plaintiff has adequately represented the state's interests, and hence the public interest."
13 *Id.* at 89. "Many of the factors used to evaluate class action settlements bear on a settlement's
14 fairness." *Id.* at 77. A primary consideration in the class action context is how the amount of the
15 settlement compares to the potential value of the claims being settled. *Kullar v. Foot Locker Retail,*
16 *Inc.*, 168 Cal. App. 4th 116, 130 (Cal. Ct. App. 2008). A presumption of fairness exists "where:
17 (1) the settlement is reached through arm's-length bargaining; (2) investigation and discovery are
18 sufficient to allow counsel and the court to act intelligently; (3) counsel is experienced in similar
19 litigation; and (4) the percentage of objectors is small." *Dunk v. Ford Motor Co.*, 48 Cal. App. 4th
20 1794, 1802 (1996).

21 WHEREAS, the parties reached the proposed Settlement Agreement through vigorous,
22 hard-fought, arm's length negotiations, including a full-day mediation session before a well-
23 respected mediator of wage and hour claims, Sonya D. Goodwin. Sagafi Decl. ¶ 24. PAGA
24 Counsel are also experienced in the litigation, settlement, and trial of wage and hour cases in the
25 class and PAGA action contexts. *Id.* ¶¶ 5, 11-12. The parties also engaged in sufficient discovery
26 prior to mediation to recommend settlement. *Id.* ¶ 23. Defendants provided PAGA Counsel with
27 documents and information, including: (i) the total number of Covered Employees during the
28 PAGA Period, (ii) the total number of pay periods worked by Covered Employees during the

1 PAGA Period, (iii) the total number of pay periods worked by Covered Employees during the
2 PAGA Period where Covered Employees worked overtime hours between their RSU grant and
3 vest dates; (iv) the total number of overtime hours worked by Covered Employees during the
4 PAGA Period; (v) Snap's RSU plans and policies applicable to Covered Employees during the
5 PAGA Period, and (vi) Plaintiff's personnel file. *Id.* ¶ 23. The substantial information exchanged
6 was more than sufficient to create "an understanding of the amount that is in controversy and the
7 realistic range of outcomes of the litigation." *Kullar*, 168 Cal. App. 4th at 120.

8 WHEREAS, the Settlement Agreement provides substantial relief to Covered Employees
9 and the State of California relative to the theoretical maximum recovery. The average Individual
10 Settlement Payment that each Covered Employee will receive (after deductions for PAGA
11 Counsel's attorneys' fees and costs, Plaintiff's Service Award, settlement administration, and the
12 LWDA Payment) is approximately \$400.23, from an approximate PAGA Net Settlement Amount
13 of \$129,300. Sagafi Decl. ¶ 35. Plaintiff estimates the maximum PAGA penalties are
14 approximately \$256,800 for the Labor Code violations released by the Settlement Agreement.² *Id.*
15 ¶ 36. The PAGA Gross Settlement Amount therefore represents approximately 81.8 percent of
16 the maximum theoretical PAGA recovery. *Id.* ¶ 39. Plaintiff contends that this is an exceptional
17 recovery that is well within the range that courts routinely approve. *See, e.g., Ruch v. AM Retail*
18 *Grp., Inc.*, No. 14 Civ. 5352, 2016 U.S. Dist. LEXIS 133832, at *20, n.9 (N.D. Cal. Sept. 28, 2016)
19 (approving PAGA recovery that represented less than 12% of maximum potential recovery);
20 *McLeod v. Bank of Am., N.A.*, No. 16 Civ. 3294, 2018 U.S. Dist. LEXIS 195314, at *5-6, *12
21 (N.D. Cal. Nov. 14, 2018) (approving a net settlement fund that provides 43% recovery). This is
22 especially so in light of courts' discretion to reduce PAGA penalties. Lab. Code § 2699(e)(2).

23 WHEREAS, the proposed settlement is particularly reasonable in light of the significant
24 litigation risks. Sagafi Decl. ¶ 40. First, a trial on the merits would involve risks for Plaintiff on

25 ² Plaintiff calculated the maximum potential PAGA penalties by multiplying \$100 per pay
26 period, times 856 pay periods, times three non-derivative claims (overtime violations, wage
27 statement violations, and missed meal period violations). Given the state of the law and the facts
28 in this case, Plaintiff estimates the derivative claims (late payment of wages, waiting time
penalties) to have little or no value. *See Naranjo v. Spectrum Sec. Servs., Inc.*, 15 Cal. 5th 1056
(2024).

liability issues, because Defendants would argue that they properly excluded the value of vested RSUs from Covered Employees’ “regular rates” of pay for the purpose of calculating overtime wages. *Id.* ¶ 41. While Plaintiff believes RSUs are non-discretionary remuneration that must be included in the regular rate of pay, the only case law on this issue is unfavorable to Plaintiff. In *Costa v. Apple*, the Court held that RSUs are not properly included in the regular rate. No. 23 Civ. 1353, 2026 U.S. Dist. LEXIS 130858, at *36 (N.D. Cal. June 11, 2026).. Sagafi Decl. ¶ 42. Second, a trial on the merits would require Plaintiff to establish penalties, which also entails risk. Defendants would likely claim that Covered Employees did not miss meal breaks and may dispute the number of pay periods in which they worked overtime. *Id.* ¶ 43. While Defendants required Covered Employees to use a timekeeping system to reflect their time worked, proving whether employees worked additional time would be an evidentiary challenge. *Id.* ¶ 44. Defendants may also argue that the Court should exercise its discretion to reduce any PAGA penalties awarded. *See* Cal. Lab. Code § 2699(e)(2). *See, e.g., Carrington v. Starbucks Corp.*, 30 Cal. App. 5th 514, 529 (2014) (PAGA penalties reduced by 90%, to \$5 per pay period, after trial proving violations).

WHEREAS, Plaintiff contends, and Snap has agreed to not oppose, that the proposed Plaintiff’s service Award of \$3,000 is appropriate here. In evaluating the reasonableness of a proposed service or incentive award, courts consider, *inter alia*, (1) the amount of time and effort spent by the named plaintiff, (2) the duration of the litigation, (3) any personal benefit received by the named plaintiff as a result of the litigation; (4) the risk, both financial and otherwise, the named plaintiff faced in bringing the suit; and (5) the notoriety and personal difficulties encountered by the named plaintiff. *Golba v. Dick’s Sporting Goods, Inc.*, 238 Cal. App. 4th 1251, 1272 (2015). Plaintiff contends Plaintiff spent approximately 20 hours on this case, which included: being interviewed in detail by PAGA Counsel and providing information about her job duties and Defendants’ policies and practices, as part of the initial investigation; searching for and providing PAGA Counsel with documents related to her work for Defendants; reviewing a proposed representation agreement and carefully considering whether to serve as a PAGA representative whose name would be on publicly filed court documents; discussing mediation strategy and settlement numbers with PAGA Counsel; remaining available to answer questions and provide

1 input the mediation session, including by weighing in on settlement value and settlement terms;
2 participating in numerous phone calls with PAGA Counsel; and reviewing the Settlement
3 Agreement, discussing it in detail with PAGA Counsel, and signing it. Declaration of Babylonia
4 Karaman in Support of Joint Stipulation for Approval of PAGA Action Settlement (“Karaman
5 Decl.”) ¶ 3, Exhibit C. Plaintiff contends that Covered Employees and the state of California
6 benefitted greatly from this work: if Plaintiff had not stepped forward to bring this case, there
7 would be no PAGA recovery or accountability for Defendants. Sagafi Decl. ¶ 50. Plaintiff
8 contends Plaintiff received no personal benefit from this litigation other than her share of the
9 proposed PAGA Settlement and the proposed Plaintiff’s Service Award. Karaman Decl. ¶ 4.
10 Plaintiff contends that Plaintiff also took on personal risk to bring this lawsuit. Plaintiff contends
11 that the industry for technology companies like Snap and PSA is a small and interconnected world.
12 Plaintiff contends that by bringing these claims against a former employer, Plaintiff risks
13 reputational harm within the industry and the potential for diminished future job prospects. *Id.* ¶
14 5.

15 WHEREAS, Plaintiff believes, and Snap has agreed to not oppose, that PAGA Counsel’s
16 request for one-third of the PAGA Gross Settlement Amount is reasonable, because it is consistent
17 with the percentages awarded in other class action settlements. In California, “[e]mpirical studies
18 show that, regardless [of] whether the percentage method or the lodestar method is used, fee
19 awards in class actions average around one-third of the recovery.” *Chavez v. Netflix, Inc.*, 162 Cal.
20 App. 4th 43, 66 n.11 (2008).³ Employing the percentage method in this case rewards the efficiency
21 with which PAGA Counsel obtained a resolution. *See Laffitte v. Robert Half Int’l Inc.*, 1 Cal. 5th
22 480, 503 (2016) (benefit of the percentage method is “the encouragement it provides counsel to
23 seek an early settlement and avoid unnecessarily prolonging the litigation.”). PAGA Counsel’s

24 ³ Federal courts in California similarly frequently award one third of the common fund in
25 attorneys’ fees. *See, e.g., In re Mego Fin. Corp. Sec. Litig.*, 213 F.3d 454, 463 (9th Cir. 2000);
26 *Yanez v. HL Welding, Inc.*, No. 20 Civ. 1789, 2022 U.S. Dist. LEXIS 46169, at *34–35 (S.D.
27 Cal. Mar. 15, 2022) (awarding fees of one third of the common fund); *Jamil v. Workforce Res.*,
28 No. 18 Civ. 27, 2020 U.S. Dist. LEXIS 207902, at *12 (S.D. Cal. Nov. 5, 2020) (same); *Barbosa*
v. Cargill Meat Sols. Corp., 297 F.R.D. 431, 450 (E.D. Cal. 2013) (awarding 33% of common
fund and collecting cases regarding same).

1 efforts to master the relevant facts and legal questions – through extensive investigation and
2 mediation discovery – made the resolution of this case possible prior to court rulings that could
3 have significantly weakened Plaintiff’s claims. Sagafi Decl. ¶ 51. PAGA Counsel made an
4 informed judgment that this Settlement Agreement, as opposed to protracted litigation, is in the
5 best interests of Covered Employees and the State of California, and secures substantial benefits
6 for them now. *Id.* ¶ 52. Plaintiff contends that this recovery matches other awards approved by
7 courts in California for wage and hour claims. *See, e.g., Martin v. Ameripride Servs.*, No. 8 Civ.
8 440, 2011 U.S. Dist. LEXIS 61796, at *23 (S.D. Cal. June 9, 2011) (“[C]ourts may award attorneys
9 fees in the 30-40% range in wage and hour class actions that result in recovery of a common fund
10 under \$10 million.”).

11 WHEREAS, Plaintiff contends, and Snap has agreed to not oppose, that a lodestar cross-
12 check, should the Court exercise its discretion to perform one, also weighs in favor of approving
13 the fee request. *Laffitte*, 1 Cal. 5th at 503-04. A summary of PAGA Counsel’s fees to date are
14 included within the Sagafi Decl. ¶ 53, indicating that PAGA Counsel has spent 222.3 hours for a
15 total of approximately \$203,998 in lodestar to date.⁴ Since PAGA Counsel requests only \$70,000
16 in fees, PAGA Counsel’s lodestar multiplier is presently .34, and Plaintiff contends that courts
17 routinely approve fees reflecting a lodestar multiplier of less than one. Sagafi Decl. ¶¶ 53-54. *See*
18 *Chun-Hoon v. McKee Foods Corp.*, 716 F. Supp. 2d 848, 854 (N.D. Cal. 2010) (lodestar
19 “multiplier of less than one ... suggests that the negotiated fee award is a reasonable and fair
20 valuation of the services rendered to the class.”); *see also Laffitte*, 1 Cal. 5th at 504 (percentage fee
21 is reasonable so long as the lodestar cross-check does not “produce[] an imputed multiplier far
22 outside the normal range, indicating that the percentage fee will reward counsel for their services
23 at an extraordinary rate even accounting for the factors customarily used to enhance a lodestar
24 fee”). Plaintiff contends, and Snap has agreed to not oppose, that PAGA Counsel’s lodestar reflects
25 hours reasonably expended “in pursuit of the ultimate result achieved in the same manner that an
26 attorney traditionally compensated by a fee-paying client.” *Hensley v. Eckerhart*, 461 U.S. 424,

27
28 ⁴ When conducting lodestar crosschecks, trial courts may use counsel declarations summarizing
overall time spent, rather than scrutinizing daily time sheets. *Laffitte*, 1 Cal. 5th at 505.

431 (1983). Plaintiff contends that PAGA Counsel expended 222.3 hours investigating the claims, engaging in pre-suit discovery, preparing for and attending mediation, and seeking preliminary approval of the Settlement from the Court. Sagafi Decl. ¶ 53. *See MBNA America Bank, N.A. v. Gorman* 147 Cal. App. 4th 1, 12 (2006) (compensable litigation activities include “correspondence and telephone conferences with opposing counsel, legal research, [and] drafting legal documents”); *Citizens Against Rent Control v. City of Berkeley* 181 Cal. App. 3d 213, 234 (1986) (time spent on research and preparation for arguments is compensable). Plaintiff contends that PAGA Counsel litigated this matter efficiently, carefully allocating tasks and avoiding duplicative efforts. Sagafi Decl. ¶ 55. Plaintiff contends that PAGA Counsel deployed a small team of core attorneys and support staff at any given time to minimize duplication of efforts and made every effort to have the work performed by the attorney with the lowest hourly rate who was able to perform it effectively. *Id.* ¶ 56.

WHEREAS, Plaintiff contends that PAGA Counsel’s lodestar also reflects reasonable hourly rates, because they are “within the range of reasonable rates charged by and judicially awarded [to] comparable attorneys for comparable work.” *Children’s Hosp. & Med. Ctr. v. Bonta*, 97 Cal. App. 4th 740, 783 (2002). Plaintiff contends that an attorney’s billing rate carries a presumption of reasonableness. 2 Pearl, Cal. Attorney Fee Awards (3d ed. 2014) § 9.121, p. 9-106; *see also Mun. Court v. Bloodgood* 137 Cal.App.3d 29, 47 (1982) (“The value of an attorney’s time generally is reflected in his normal billing rate.”) (quoting *Lindy Bros. Bldrs. etc. of Phila. v. American R. & S. San. Corp.* 487 F.2d 161, 167 (3d Cir. 1973)). Plaintiff contends that PAGA Counsel’s rates, *see* Sagafi Decl. ¶ 57, have been approved by courts in California, including in a contested fee motion in 2024, *Perez v. Discover Bank*, No. 20 Civ. 6896, 2024 U.S. Dist. LEXIS 175577, at *13 (N.D. Cal. 2024) (approving Outten & Golden LLP’s attorney rates of \$1,075 per hour), and are what their firm’s hourly paying clients pay to attorneys and support staff with similar experience. Sagafi Decl. ¶ 58. Plaintiff contends that they are also reasonable given Class Counsel’s particular experience and expertise. *Id.* ¶ 59. Plaintiff contends that these rates fall well

1 within the range of those in the prevailing community.⁵ *Id.* ¶¶ 58-59.

2 WHEREAS, Plaintiff contends, and Snap has agreed to not oppose, that reimbursement for
3 Plaintiff's reasonable out-of-pocket expenses that were "incidental and necessary to the effective
4 representation of the Class" is appropriate. *de Mira v. Heartland Employment Services, LLC*, No.
5 12 Civ. 4092, 2014 WL 1028452, at *15 (N.D. Cal. Mar. 13, 2014) (citing *Harris v. Marhoefer*,
6 24 F.3d 16, 19 (9th Cir. 1994)). Plaintiff seeks reimbursement of \$5,370.91 in reasonably
7 expended litigation costs to date. Sagafi Decl. ¶ 60. An itemized listing of costs incurred to date
8 is attached to the Sagafi Decl. as Exhibit D. Plaintiff contends, and Snap has agreed to not oppose,
9 that these litigation costs, which consist primarily of mediator's fees and filing costs, incidental
10 and necessary to the effective representation of Plaintiff, Covered Employees, and the state of
11 California, and are appropriately reimbursed. Sagafi Decl. ¶ 60. *See* Cal. Civ. Proc. Code §
12 1032(a)(4), (b).

13 IT IS HEREBY STIPULATED AND PROPOSED BY THE PARTIES HERETO AS
14 FOLLOWS:

15 The Parties stipulate and jointly propose that the Court approve the following terms of the
16 fully executed PAGA Settlement Agreement, which includes the following key terms:

17 A. **Settlement Fund.** As consideration for the release described herein, the Settlement
18 Agreement establishes a non-reversionary PAGA Gross Settlement Amount of \$210,000
19 covering 856 pay periods for 108 Covered Employees. Settlement Agreement, ¶¶ 10, 13.
20 The final PAGA Gross Settlement Amount is subject to an escalator, which increases the
21 amount Defendants will pay should the total number of pay periods identified prior to
22 mediation increase by more than 7.5 percent when calculated for the purposes of settlement
23 disbursement. *Id.* at ¶ 30(c). The PAGA Gross Settlement Amount covers: (i) a Service
24 Award to Plaintiff of up to \$3,000; (ii) PAGA Counsel's attorneys' fees of one-third of the

25 ⁵ *See, e.g., Smith v. Kaiser Found. Hosps.*, No. 18 Civ. 780, 2021 U.S. Dist. LEXIS
26 112179, at *29 (S.D. Cal. June 15, 2021) (approving Outten & Golden LLP's rates); *Calhoun v.*
27 *Acad. Mortg. Corp. (UT)*, No. 2020 Cal. Super. LEXIS 46604, at *9 (Riverside Cnty. Super. Ct.
28 Feb. 11, 2020) (approving Class Counsel's, including Outten & Golden LLP's hourly rates as
reasonable); *Senese v. Univ. of San Diego*, No. 2022 Cal. Super. LEXIS 26, at *4 (San Diego
Cnty. Super. Ct. Feb. 8, 2022) (approving Outten & Golden's rates as reasonable).

1 PAGA Gross Settlement Amount, or \$70,000; (iii) reimbursement of PAGA Counsel's
2 actual out-of-pocket costs of \$5,370.91, which does not exceed the \$10,000 cap provided
3 for in the Settlement Agreement; (iv) settlement administration fees and costs paid to the
4 Claims Administrator in an amount not to exceed \$3,500; and, from the remaining funds,
5 (v) payment of PAGA penalties to the LWDA and Covered Employees ("PAGA Net
6 Settlement Amount"). *Id.* at ¶¶ 27-31.

7 **B. Allocation.** The PAGA Net Settlement Amount will be allocated pursuant to Cal. Lab.
8 Code § 2699(i) as 65% to the LWDA (the "LWDA Payment") and 35% to Covered
9 Employees (the "Covered Employee Settlement Amount"). *Id.* ¶ 30. The Covered
10 Employee Settlement Amount will be distributed to all Covered Employees on a pro rata
11 basis according to the ratio, for each Covered Employee, of (i) the number of pay periods
12 during the PAGA Period in which Defendants employed that employee, to (ii) the total
13 number of pay periods that Defendants employed all Covered Employees during the PAGA
14 Period. *Id.* ¶ 30(a). The payment to each Covered Employee ("Individual Settlement
15 Payment") is calculated by multiplying the employee's pro rata ratio by the PAGA Net
16 Settlement Amount. *Id.* The Claims Administrator will calculate the Individual Settlement
17 Payments and mail checks to Covered Employees for those calculated payments within 45
18 days of receipt of the PAGA Gross Settlement Amount from Defendants, which occurs no
19 later than 15 days after the Court issues its order approving the Settlement Agreement. *Id.*
20 ¶¶ 2, 37-38. None of the PAGA Gross Settlement Amount will revert to Defendants. *Id.* ¶
21 40. Any Individual Settlement Payments that remain uncashed or undeliverable following
22 120 days after they are issued by the Claims Administrator will be void and the Claims
23 Administrator will issue the unclaimed funds to the State Bar of California Greg K. Knoll
24 Justice Gap Fund as a *cy pres* beneficiary. *Id.*

25 **C. Tax Characterization of Payments.** The Claims Administrator will issue IRS Form
26 1099s for the Individual Settlement Payments. *Id.* ¶ 32. In addition, the Claims
27 Administrator will issue an IRS Form 1099 to PAGA Counsel reflecting the awarded fees
28 and costs. *Id.*

1 D. **Release.** By operation of the Court’s Order approving the Settlement Agreement, and
2 pursuant to the terms of the Settlement Agreement, Covered Employees will release
3 Defendants – along with their past or present officers, directors, shareholders, members,
4 owners, employees, agents, principals, heirs, representatives, accountants, auditors,
5 consultants, insurers and reinsurers, and its respective successors and predecessors in
6 interest, subsidiaries, affiliates, parents and attorneys, if any, and any individual or entity
7 which could be jointly liable with Defendants (together, the “Releasees”) – from all claims
8 asserted in the Complaint, including claims for penalties under PAGA. *Id.* at ¶ 33. The
9 released claims include (i) failure to pay for all hours worked, including overtime, in
10 violation of California Labor Code sections 204, 210, 510, 558, 1194, 1197, and 1198;; ii)
11 failure to pay overtime in violation of Labor Code sections 510 and 1198; (iii) failure to
12 provide meal periods in violation of Labor Code sections 226.7; (iv) failure to timely pay
13 all wages due during employment and upon separation of employment in violation of
14 California Labor Code sections 201, 202, and 203; (v) failure to furnish accurate itemized
15 wage statements in violation of Labor Code section 226; and (vi) violations of California
16 Business and Professions Code § 17200, *et seq.*, based on the facts and theories set forth in
17 the Action and PAGA Letter for the PAGA Period. *Id.* ¶ 33(a). Additionally, Plaintiff will
18 provide a general release of any and all claims against Defendants arising out of her
19 employment relationship with Defendants or the cessation of that relationship in exchange
20 for a service award. *Id.*

21 E. **Claims Administrator.** The parties have selected ILYM as the settlement claims
22 administrator (“Claims Administrator”) following a competitive bidding process, as
23 ILYM’s bid contained the most comprehensive services at the lowest price. *Id.* ¶¶ 15, 29.
24 Sagafi Decl. ¶ 32. ILYM is experienced in the administration of PAGA action settlements
25 and has robust procedures in place to protect the security of data of Covered Employees
26 and adequate insurance in the event of a data breach or defalcation of funds. *Id.* ¶ 33,
27 Exhibit B (Declaration of Lisa Mullins in Support of PAGA Action Settlement Approval
28 [“Mullins Decl.”]) at ¶ 2. ILYM has agreed to administer the PAGA Gross Settlement

1 Amount for an amount not to exceed \$3,500. *Id.* ¶ 6. Sagafi Decl. ¶ 34.

2 F. **Settlement Administration.** Subject to Court approval of the Settlement Agreement, the
3 settlement will be administered as follows:

4 a. Defendants shall provide information to the Claims Administrator within 5 days of
5 settlement approval about Covered Employees necessary that is necessary to
6 effectuate notice and payment. Settlement Agreement ¶ 36;

7 b. Defendants shall fund the PAGA Gross Settlement Amount to a Qualified
8 Settlement Fund set up by the Claims Administrator within 15 days of settlement
9 approval. *Id.* ¶ 37;

10 c. The Claims Administrator shall distribute (i) all Individual Settlement Payment
11 checks to Covered Employees, (ii) the LWDA Payment to the LWDA, (iii)
12 Plaintiff's Service Award to Plaintiff, (iv) the administration costs to the Claims
13 Administrator, and (v) the PAGA Counsel's fees and costs to PAGA counsel. *Id.*
14 ¶ 38. The Claims Administrator shall send Individual Settlement Payment checks
15 via U.S. First Class mail to each Covered Employee's address with directions to
16 the Postmaster to return all undeliverable mail to the Claims Administrator. *Id.* ¶
17 39. Concurrently with each Individual Settlement Payment check, the Claims
18 Administrator will issue to each Covered Employee a "Notice of PAGA Action
19 Settlement", attached as Exhibit A to the Settlement Agreement. The Notice of
20 PAGA Action Settlement meets all the requirements of The Los Angeles Superior
21 Court, Complex Civil Department, Checklist for Preliminary Approval of Class
22 Action Settlement, and provides information about the terms of the release, the
23 specific amount each Covered Employee will receive, and how that amount was
24 calculated. *See* Notice of PAGA Action Settlement.

25 d. The Claims Administrator will attempt to locate Covered Employees for whom
26 notice or payment is returned as undeliverable. *Id.* ¶ 39.

27 e. Uncashed payments will expire 120 days after issuance. *Id.* ¶ 40.

28 f. The Claims Administrator will issue unclaimed funds to the State Bar of California

Greg K. Knoll Justice Gap Fund as a *cy pres* beneficiary. *Id.* ¶ 40.

g. The Claims Administrator will provide a report to the Parties within 30 days of the check void date. *Id.* ¶¶ 39-41.

The Parties will submit concurrently herewith a Proposed Final Order seeking (1) Court approval of the proposed Settlement Agreement, including the amount of PAGA penalties and the releases provided in exchange; (2) Court approval of the request for PAGA Counsel's fees and costs; (3) Court approval of ILYM Group, Inc. ("ILYM") as the Settlement Claims Administrator and the request for administration costs; (4) Court approval of the request for a service award for Plaintiff; (5) Court approval of the *cy pres* beneficiary; (6) entry of judgment; (7) and waiver of all rights to appeal.

If there is a conflict between the language of this Stipulation and the language of the Settlement Agreement, the language of the Settlement Agreement shall control.

Respectfully submitted,

Dated: September 10, 2026 By: /s/ Jahan C. Sagafi

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of California*

Dated: September 10, 2026 By: /s/ Megan M. Cooney

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Attorneys for Defendants

[PROPOSED] ORDER

Upon consideration of the Parties' Joint Stipulation for Approval of PAGA Action Settlement, the proposed Settlement and Release Agreement, and all exhibits attached thereto, IT IS HEREBY ORDERED that:

1. The Court finds that the parties entered into the settlement in good faith, and that the settlement is fair, reasonable, and adequate, and satisfies the standards and applicable requirements for approval of PAGA representative actions.
2. The Court approves the proposed Settlement and Release Agreement, and all the terms specified therein, including, but not limited to:
 - a. Approving the gross settlement amount of \$210,000;
 - b. Approving PAGA Counsel's fees of \$70,000, to be paid from the settlement fund;
 - c. Approving Plaintiff's costs of \$5,370.91, to be paid from the settlement fund;
 - d. Approving a \$3,000 service award for Plaintiff, to be paid from the settlement fund;
 - e. Approving appointment of ILYM Group, Inc. as the Settlement Claims Administrator, to be paid from the settlement fund;
 - f. Approving \$3,500 in settlement administration costs, to be paid from the settlement fund;
 - g. Approving the State Bar of California Greg K. Knoll Justice Gap Fund as the *cy pres* beneficiary, to be paid from any uncashed settlement checks;
3. Upon entry of this Order, the parties shall effectuate the terms of the Settlement Agreement.
4. Judgment is hereby entered, all rights to appeal waived, and this Court shall retain jurisdiction over the interpretation, implementation, and enforcement of the Settlement Agreement.

1 **IT IS SO ORDERED.**

2 09/14/2026



Lawrence P. Riff / Judge

3 DATED: _____

4 Hon. Lawrence P. Riff

5 Judge of the Superior Court