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

10 LARICA FANTASIA JACKO,

11 *Plaintiff,*

12 vs.

13 NORTH OAK REAL ESTATE
14 INVESTMENTS, INC.; and DOES 1 to 25,
15 inclusive,

16 *Defendants.*

Case No.: 23STCV20016

17 **DECLARATION OF HAROUT**
18 **MESSRELIAN IN SUPPORT OF**
19 **UNOPPOSED MOTION FOR APPROVAL**
20 **OF PAGA SETTLEMENT**

21 Action filed: 8/21/23

22 Date: 3/28/24

23 Time: 10:00am

24 Dept: 61

25 Reservation ID:
26 308349606518

27 Department: 61, Hon. Gregory
28 Keosian

Submitted Herewith Under Separate Cover:

1. Plaintiff's Notice of Unopposed Motion for Approval of PAGA Settlement; Memorandum of Points and Authorities in Support Thereof;
2. [Proposed] Order

DECLARATION OF HAROUT MESSRELIAN IN SUPPORT OF
MOTION FOR APPROVAL OF PAGA SETTLEMENT AND RELEASE

I, HAROUT MESSRELIAN, declare and state as follows:

1. I am an attorney duly licensed to practice before all the Courts of the State of California. I am the managing attorney of Messrelian Law Inc. and the attorney of record for Plaintiff Larica Fantasia Jacko ("Plaintiff") in her lawsuit against Defendant North Oak Real Estate Investments, Inc. (collectively "NORTH OAK" or "Defendant(s)").

2. I am experienced in handling employment law matters and specifically wage and hour representative and individual actions. My qualifications are as follows: I received my JD from Loyola Law School in 2010. I started my own law firm in 2011 – the Law Offices of Harout Messrelian. Since 2016, I have been the founder and principal attorney at Messrelian Law, Inc. Since 2011, I have filed and handled over 250 civil actions and/or claims involving representative actions under the Private Attorneys General Act ("PAGA") and/or wage and hour claims on behalf of my clients and have been appointed Class Counsel in three class action cases –*Zohrab Mekhitarian v. Triple Play Motors dba Bob Smith Toyota*, Los Angeles Superior Court Case No. 19STCV22411 (ADR Services, Inc., Case Number 20-2668-RWT), *Carina Camberos, on behalf of herself and others similarly situated, v. Great American Chicken Corp, Inc.*, Los Angeles Superior Court Case No. 21STCV32015, and *Robert Garcia, on behalf of himself and others similarly situated v. HD Supply Management Inc.*, San Bernardino Superior Court Case No. CIVSB2028067. I have a practice that encompasses cases in the Los Angeles Superior Courts, the Orange County Superior Courts, the Riverside County Superior Courts, the San Bernardino County Superior Courts, the Alameda County Superior Courts, Santa Clara County Superior Courts, San Mateo County Superior Courts, and the Monterey County Superior Courts.

3. Except as otherwise indicated, I have personal knowledge of all matters set forth herein and, if called as a witness, could and would competently testify thereto under oath.

Factual and Procedural Background

4. Defendant NORTH OAK is in the property management business. Plaintiff Larica Fantasia Jacko was classified as a salaried employee and worked for Defendant as a

1 property manager from approximately early July 2022 through August 31, 2022.

2 5. Plaintiff complied with the procedures of Labor Code § 2699.3 for bringing suit
3 under the Labor Code Private Attorneys General Act of 2004, Labor Code §§ 2698, et seq.
4 (“PAGA”). On October 25, 2022, Plaintiff Larica Fantasia Jacko on behalf of herself and
5 Defendant’s other California non-exempt employees (hereafter collectively the “Aggrieved
6 Employees”) gave written notice by electronic service to the California Labor and Workforce
7 Development Agency (“LWDA”) and via certified mail to Defendant of their claims against
8 Defendant. In her notice to the LWDA, Plaintiff asserted on behalf of herself and the Aggrieved
9 Employees that Defendant (1) failed to compensate for all hours worked and to pay minimum
10 wages (Labor Code Sections 1194, 1197, 1197.1); (2) failed to pay overtime compensation
11 (Labor Code Section 510); (3) failed to provide rest breaks (Labor Code Section 226.7); (4)
12 failed to provide meal breaks (Labor Code Sections 512, 226.7); (5) failed to timely pay wages
13 due during employment (Labor Code Section 204); (6) failed to provide accurate itemized wage
14 statements (Labor Code Section 226); (7) failed to keep accurate and complete payroll records
15 (Labor Code Section 1174/1174.5); (8) failed to pay wages at the end of employment (Labor
16 Code section 203); and (9) failed to reimbursement business expenses (Labor Code section
17 2802) and also under Industrial Welfare Commission Wage Orders 4-2001. Plaintiff filed her
18 initial lawsuit on August 21, 2023 in the Superior Court for the State of California, County of
19 Los Angeles, Case No. 23STCV20016 with a total of 1 cause of action for penalties under the
20 Private Attorneys General Act (PAGA) based on the following legal theories: (a) failure to pay
21 all minimum wages owed; (b) failure to pay all overtime wages owed; (c) failure to provide
22 compliant meal periods, or premium pay for non-compliant meal periods; (d) failure to authorize
23 and permit complaint rest periods, or provide premium pay for non-complaint rest periods; (e)
24 failure to provide accurate, itemized wage statements and/or otherwise maintain accurate
25 records; (f) failure to timely pay wages during employment and/or upon separation of
26 employment; and (g) failure to reimburse business expenses.

27 6. Through informal discovery, Defendant produced records and represented that it
28 employed approximately 113 workers falling within Plaintiff’s Aggrieved Employees definition

1 for the period from October 25, 2021 (one year before Plaintiff's PAGA notice) through August
2 17, 2023, and that there are paychecks issued for a total of approximately 3225 pay periods
3 worked for that same time period.

4 7. The Settlement Agreement covers PAGA Members, which are Aggrieved
5 Employees employed on or after October 25, 2021 through August 17, 2023.

6 8. Defendant denies any liability or wrongdoing of any kind whatsoever associated
7 with the lawsuit and the Representative PAGA Claim. It is the desire of the Parties to fully,
8 finally, and forever compromise, and discharge all claims known or unknown related to those
9 alleged in Plaintiff's lawsuit.

10 9. The parties attended a full-day mediation with experienced mediator Gig
11 Kyriacou on August 17, 2023, and settled the matter. Before agreeing to the terms of the
12 Settlement, the Parties engaged in informal discovery regarding Defendant's policies, practices,
13 operations, time and payroll information and other topics. Prior to negotiation, Defendants
14 produced Plaintiff's personnel file, time and payroll data for Plaintiff, and time records and
15 payroll records for 15 aggrieved employees falling within Plaintiff's Aggrieved Employees
16 definition and during the applicable PAGA period. Through extensive arm's length negotiations
17 and only after discovery and investigation were performed, the Parties agreed to settlement
18 terms. Attached as **Exhibit 1** is a true and accurate copy of the "Private Attorneys General Act
19 Settlement Agreement and Release" (hereinafter "Settlement Agreement") and the PAGA notice
20 that will be sent to the PAGA Members covered by the Settlement Agreement. As alluded to
21 above, the Parties negotiated the PAGA claims through arms-length negotiation during an all-
22 day mediation, and only after sufficient discovery was completed, including data being sent to
23 Plaintiff's data expert for analysis/review.

24 10. The Parties conducted investigation of the facts and law both before and after the
25 lawsuit was filed. Counsel for the Parties have further investigated the applicable law as applied
26 to the facts discovered regarding Plaintiff's claims, the defenses thereto, and the Labor Code
27 violations claimed by Plaintiff. Based on their own independent investigations and evaluations,
28 the Parties and their respective counsel are of the opinion that the Settlement for the

1 consideration and on the terms set forth in this Motion are fair, reasonable and adequate and are
2 in the best interests of Plaintiff, the PAGA Members, and Defendant in light of all known facts
3 and circumstances and the risks inherent in litigation, especially in this post-pandemic era when
4 most businesses are still struggling to remain afloat, much less prosper and make a large profit.

5 11. The Parties further recognize that the issues presented in the Action are likely
6 only to be resolved with extensive and costly pretrial and trial proceedings, and that further
7 litigation will cause inconvenience, distraction, disruption, delay, and expense disproportionate
8 to the maximum potential benefits, especially in light of the post- pandemic era and the business
9 climate.

10 12. Plaintiff alleges that the strongest claims are that Plaintiff and other PAGA
11 Members were not provided accurate, itemized pay statements under Labor Code section 226
12 and that Plaintiff and other PAGA Members were not reimbursed for use of their personal cell
13 phones for work purposes under Labor Code Section 2802.

14 13. Plaintiff contends that the civil penalty statutes applicable to the Action arise
15 from violations of the California Labor Code, including, but not limited to, Labor Code §§ 226.3,
16 2802, and 2699(f)(2). Under these civil penalty statutes, an employee who suffers a Labor Code
17 violation may be awarded a sum of money for each pay period in which he or she was underpaid.
18 However, under Labor Code § 2699(e)(2), the Court can reduce an award of civil penalties if
19 the award is unjust, arbitrary, oppressive, or confiscatory.

20 14. Plaintiff's main argument as it relates to the labor code violations was that
21 Plaintiff was misclassified as a salaried employee in her role as a resident manager and that she
22 utilized her personal cell phone for work purposes. Based on these theories, Plaintiff's strongest
23 arguments were a violation under Labor Code section 226 since the paystubs reflected salary
24 pay and didn't include all hours worked as well as a violation under Labor Code section 2802
25 since the resident managers did not get reimbursed for use of personal cell phones for work
26 purposes. Defendant disputed that Plaintiff and other resident managers were misclassified and
27 added that resident managers totaled 48 out of the 113 employees and that two-third of the shifts
28 for the resident managers were less than 3.5 hours and that 99.5% of the shifts for the resident

1 managers were less than 6 hours. As such, there would not be meal or rest break issues for the
2 resident managers and no minimum wage issues either based on the general number of hours
3 worked per shift. Under the civil penalty formulas applicable under PAGA, Plaintiff estimated
4 a **maximum** exposure of approximately \$271,000 for civil penalties for Plaintiff's strongest
5 disputed claims of failure to provide accurate itemized wage statements and failure to reimburse
6 business expenses. For the claim under Labor Code section 226, the exposure would be \$100 x
7 1355 pay periods (42% x 3225 pay periods based on only 42% of the employees being resident
8 managers), which is \$135,500. The \$100 per pay period calculation is based on *Gunther v.*
9 *Alaska Airlines* (2021) 72 Cal. App. 5th 334, since a paystub was actually provided by
10 Defendant. For the claim under Labor Code section 2802 for failure to reimburse business
11 expenses, the exposure would once again be \$100 x 1355 pay periods (42% x 3225 pay periods
12 based on only 42% of the employees being resident managers), which is \$135,500. The total
13 aggregate exposure for these two claims would be \$271,000 as alluded to above. Assuming that
14 Plaintiff's calculations and analysis are accurate, the maximum exposure presumes that the
15 Court will not reduce the penalty award as unjust, arbitrary, oppressive, or confiscatory. In terms
16 of Plaintiff's other claims based on meal and rest period violations and rounding of work hours,
17 the data analysis revealed that there was only a 3.5% violation rate in the sample for missed,
18 short or late meal periods. Moreover, there was no rounding noted as hours were paid to the
19 second decimal point.

20 15. Moreover, Plaintiff is aware of no California state courts awarding Plaintiff
21 multiple PAGA penalties for the same violation for the same pay period under different Labor
22 Code provisions. As such, one of the risks Plaintiff faces is that the Court would refuse to "stack"
23 civil penalties arising under the various Labor Code statutes. Furthermore, judges have awarded
24 extremely small sums to PAGA claimants in the past. Defendant also adamantly disputes all of
25 Plaintiff's allegations in the operative Complaint.

26 16. PAGA states a court has discretion to award a lesser amount than the maximum
27 penalty. *See Lab. Code* § 2699(e)(2) ("...a court may award a lesser amount than the maximum
28 civil penalty amount specified by this part if, based on the facts and circumstances of the

1 particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive,
2 or confiscatory.”); *see also Thurman v. Bayshore Transit Management, Inc.* (2012) 203
3 Cal.App.4th 1112, 1135 (reducing PAGA award). There is a substantial risk that the Court could
4 reduce civil penalties to an insignificant amount if it is unpersuaded by Plaintiff’s evidence of
5 willful and intentional conduct. *Carrington v. Starbucks* (2018) 30 Cal.App.5th 504
6 (“*Carrington*”) illustrates this. In that case, the Court of Appeal affirmed a trial court’s heavily
7 discounted award of only \$5 per violation because it was within the Court’s discretion to
8 significantly reduce PAGA penalties even when there is a finding that a violation of the
9 California Labor Code occurred. The plaintiff in *Carrington* had requested penalties in excess of
10 \$70 million and was successful in proving the PAGA claim during a bench trial. However, the
11 trial court reduced the total award after trial to only \$150,000 (30,000 violations x \$5) and stated
12 that this reduction was warranted because imposing the maximum penalty would be “unjust,
13 arbitrary, and oppressive”, based on Starbucks’s “good faith attempts” to comply with meal break
14 obligations and because the Court found the violations were minimal. Applying the same formula
15 here and assuming there was one violation during each pay period, the award of civil penalties
16 could not exceed \$16,125.00 in PAGA penalties (3,225 violations x \$5). As such, this Settlement
17 is a great result based solely on the risk the Court chooses to apply the *Carrington* formula.
18 Defendant has also posed formidable defenses to the Labor Code claims underlying Plaintiff’s
19 allegations. Thus, the chance of Plaintiff recovering a higher amount than the Gross Settlement
20 Amount is uncertain.

21 17. The Parties further recognize that the issues presented in the Action are likely
22 only to be resolved with extensive and costly pretrial and trial proceedings, and that further
23 litigation will cause inconvenience, distraction, disruption, delay, and expense disproportionate
24 to the maximum potential benefits to the PAGA Members and Plaintiff from continued
25 litigation.

26 18. The settlement of the Action involves monetary relief to all PAGA Members,
27 Plaintiff, her attorneys, and the State of California.

28 19. Furthermore, Plaintiff recognizes that continued litigation presents significant

1 risks that support a significant downward departure from Plaintiff's estimated civil penalties
2 amount. In view of the risks, the Settlement represents a fair, adequate, and reasonable
3 compromise amount for these claims and is in the best interest of Plaintiff and PAGA Members
4 and thus, warrants approval. *See Laguna v. Coverall N. Am., Inc.*, Case No. 12-55479 (9th Cir.
5 June 3, 2014) 2014 WL 2465049, * 3. The PAGA settlement and its terms are fair, just,
6 reasonable, adequate, and equitable to Defendant, Plaintiff, and the State, especially in light of
7 the current economic climate, and are the product of good faith, and informed arms-length
8 negotiations between the Parties consistent with public policy and fully comply with applicable
9 provisions of law.

10 20. As such, the settlement of PAGA penalties in the gross sum of \$100,000.00, of
11 which 75% of the net amount after attorney's fees [\$33,333.33], attorney costs [\$11,290.87],
12 and settlement administrator fees [\$5,000.00], which is \$37,781.85 will be paid to the LWDA,
13 and 25%, which equates to \$12,593.95, will be distributed to the PAGA Members, is reasonable
14 and appropriate under the circumstances.

15 ***Plaintiff's Individual Settlement***

16 21. Plaintiff did have individual claims for non-wage damages for retaliation and
17 constructive discharge. The parties agreed that the consideration Plaintiff received pursuant to
18 an individual settlement agreement was to settle her individual non-wage claims. As part of this
19 confidential agreement, Plaintiff also provided Defendant with a general release of all claims,
20 whether known or unknown, including unknown claims covered by Civil Code Section 1542.
21 Plaintiff has no conflict of interest with the absent Aggrieved Employees and is adequate to
22 represent the Aggrieved Employees.

23 ***Attorneys' Fees and Costs***

24 22. I represent Plaintiff on a straight contingency basis. My firm's request for
25 \$33,333.33 in attorney fees and \$11,290.87 in litigation costs is fair and reasonable. To date, I
26 have investigated and prosecuted this matter vigorously, including drafting the initial PAGA
27 notice as well as the complaint; drafting informal discovery questions, reviewing Defendants'
28 informal document production, including wage and hour policies; sending and receiving emails
on the case with defense counsel, including substantive discussions; sending the PAGA data to

1 Plaintiff's expert for review/analysis and reviewing the expert's findings/conclusions; engaging
2 in an all-day mediation; and drafting this PAGA approval motion. I also expect to perform
3 additional work on this case if the Court grants final approval of the Settlement, including
4 supervision of the Settlement Administrator's disbursement of the settlement funds to the
5 Aggrieved Employees. "Empirical studies show that, regardless of whether the percentage
6 method or the lodestar method is used, fee awards in class actions average around one-third of
7 the recovery. *Chavez v. Netflix, Inc.* (2008) 162 Cal.App.4th 43, 47 fn. 11 (quoting *Shaw v.*
8 *Toshiba America Information Systems, Inc.* (E.D. Tex. 2000) 91 F.Supp.2d 942, 972; *See also*
9 *Lafitte v. Robert Half Int'l Inc.* (Cal. Aug. 11, 2016) 1 Cal.5th 480, 503, 376 P.3d 672, 686
10 (holding that courts can use the percentage method for the calculation of attorneys' fees). This
11 is also consistent with Plaintiff's Counsel's experience in cases involving PAGA claims. This
12 award is justified here because Plaintiff's counsel achieved a strong result for the PAGA
13 Members and the State while bearing the substantial burdens of contingency representation.

14 23. My previous experience in litigating wage and hour actions also supports the
15 reasonableness of the fee request, as does the caliber of opposing counsel. My previous
16 experience in similar matters was integral in evaluating the strengths and weaknesses of the
17 case against Defendants and the reasonableness of the Settlement. Because it is reasonable to
18 compensate me commensurate with my skill, reputation, and experience, attorney's fees of
19 approximately one-third of the Gross Settlement Amount is reasonable. Likewise, the caliber
20 and experience of opposing counsel in labor and employment litigation supports the fairness and
21 reasonableness of the requested fee award.

22 24. The litigation costs expended to aid in the representation of the PAGA Members
23 include the following: lawsuit filing fee of \$454.22, PAGA initial filing fees of \$75.00; expert
24 data analysis fee of \$950.00, mediation fee of \$9,750.00, and motion filing fee of \$61.65 for a
25 total of \$11,290.87. All of these costs are documented and reasonably incurred.

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EXHIBIT 1

PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT
AGREEMENT AND RELEASE

This Private Attorneys General Act Settlement Agreement and Release (“Agreement”) is made by and between Larica Fantasia Jacko (“Plaintiff”), on behalf of herself, on behalf of the PAGA Employees (as defined below), and as a proxy/agent for the California Labor Workforce Development Agency (“LWDA”), and Defendant North Oak Real Estate Investments, Inc. (“Defendant”), to resolve the Action and Released Claims, subject to the terms and conditions hereof and the approval of the Court. Plaintiff and Defendant are collectively referred to herein as the “Parties” and each may be individually referred to as a “Party.”

I. REPRESENTATIONS AND DEFINITIONS

1. “Action” means and refers to the civil action filed pursuant to the terms of this Settlement in the Superior Court of the State of California for the County of Los Angeles, Case No. 23STCV20016, entitled *Larica Fantasia Jacko vs. North Oak Real Estate Investments, Inc.* alleging a cause of action for enforcement under the Private Attorneys General Act, California Labor Code § 2698, *et seq.*

2. “Agreement” or “Settlement” means the arm’s-length settlement agreement reached between the Parties as set forth in this Private Attorneys General Act Settlement Agreement and Release, and the terms, conditions and requirements set forth herein, including any attached exhibits.

3. “Counsel for Defendant” means and refers to Alfred J. Landegger, Esq. and Joseph Sklar, Esq. of Landegger Verano & Davis, ALC.

4. “Court” means and refers to the Superior Court of California for the County of Los Angeles. Court shall also mean any other Court that acquires proper jurisdiction of this Action.

5. “Defendant” means and refers to North Oak Real Estate Investment, Inc.

6. “Effective Date” means and refers to the date by which all of the following have occurred: (1) the Court has signed and entered the Approval Order (as defined below), and (2) Defendant has fully funded the Settlement.

7. “LWDA” means and refers to the California Labor and Workforce Development Agency.

8. “Operative Complaint” means and refers to: the Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, *et seq.*, to be filed by Plaintiff pursuant to the terms of this Agreement.

9. “PAGA” means and refers to the Private Attorneys General Act of 2004, codified at California Labor Code § 2698, *et seq.*

10. “PAGA Employees” or singularly “PAGA Employee” means and refers to Plaintiff and all current and former non-exempt employees who worked for Defendant within the State of California during the PAGA Period.

11. “PAGA Period” means the time period from October 25, 2021 through August 17, 2023.

12. “Parties” means and refers to, collectively, Plaintiff and Defendant, and “Party” means and refers to Parties individually.

13. “Pay Periods” means and refers to the total number of pay periods that each PAGA Employee worked as a non-exempt employee for Defendant during the PAGA Period.

14. “Plaintiff” means Larica Fantasia Jacko.

15. “Plaintiff’s Counsel” means and refers to Harout Messrelian, Esq. of MESSRELIAN LAW, INC.

16. “Released Claims” means and refers to any and all claims, demands, rights, liabilities and causes of action under the Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq.*, that are based upon or arise from the factual allegations in the Operative Complaint and the Notice to the LWDA, arising during and/or with respect to the PAGA Period, including without limitation, claims for civil penalties under the PAGA for the alleged failure to: properly pay for all hours worked, pay all minimum wages, pay all overtime wages, provide lawful meal periods or provide meal premium compensation in lieu thereof, authorize or permit lawful rest breaks or provide rest premium compensation in lieu thereof, reimburse necessary business expenses, timely pay all wages during employment and upon separation of employment, provide compliant wage statements, and keep requisite work records, and for civil penalties for violation of and/or based on California Labor Code §§ 201, 202, 203, 204, 210, 226, 226.3, 226.7, 246, 510, 512, 558, 558.1, 1174, 1194, 1197, 1197.1, 2800, 2802, and all applicable Wage Orders, and all claims for attorneys’ fees and costs and statutory interest in connection therewith.

17. “Released Parties” means and refers to Defendant, and its respective agents, attorneys, insurers, past, present and future divisions, affiliates, DBAs (if any), predecessors, successors, shareholders, officers, directors, managers, employees, trustees, representatives, administrators, fiduciaries, assigns, subrogees, executors, partners, parents, owners, subsidiaries, privies, and/or any and all persons and/or corporate entities acting by, through, under or in concert with any of them, including, without limitation, Joel Rodstein, Steven Rodstein, MNY, LLC, AE-DET, LLC, and CODET, LLC.

18. “Settlement Administrator” means and refers to Phoenix Class Action Administration Solutions.

II. NATURE OF ACTION

1. On October 25, 2022, Plaintiff sent a letter to the LWDA, Defendant North Oak Real Estate Investments, Inc., and Joel B. Rodstein giving notice of her intent to pursue a representative action pursuant to the PAGA, on behalf of herself and the State of California, as well as on behalf of a proposed group of aggrieved employees. This letter is referred to as “Notice to the LWDA.”

2. In connection with this Settlement, as set forth herein below, Plaintiff filed her Complaint in the Superior Court of the State of California for the County of Los Angeles, Case No. 23STCV20016, entitled *Larica Fantasia Jacko vs. North Oak Real Estate Investments, Inc.* alleging a cause of action for enforcement under the Private Attorneys General Act, California Labor Code § 2698, *et seq.*

3. The parties engaged in significant investigation and exchange of data and documents, as well as private mediation that took place on August 17, 2023 with mediator Gig Kyriacou, Esq., and with the benefit of the mediator’s evaluation, the Parties reached the Settlement described herein.

4. This Settlement relates solely to the PAGA claims on behalf of Plaintiff and the State of California with respect to Plaintiff and all PAGA Employees. Defendant denies any liability or wrongdoing of any kind associated with the claims alleged in the Action, denies liability for the Released Claims, and further denies that the Action is appropriate for representative treatment for any purpose other than settling this Action. Defendant contends, among other things, that it has complied at all times with the California Labor Code and the related Industrial Welfare Commission Wage Orders, all other state and federal wage laws, and further contends that all of their respective employees were and are paid properly and that the Action is without merit.

Defendant has denied and continues to deny each and every material factual allegation and all alleged claims asserted against it in the Action.

5. The Parties recognize that the issues presented in the Action are likely only to be resolved with extensive and costly pretrial and trial proceedings, and that further litigation will cause inconvenience, distraction, disruption, delay and expense disproportionate to the potential benefits of litigation. The Parties have taken into account the risk and uncertainty of the outcome inherent in any litigation.

6. Based on their own independent investigations and evaluations, the Parties and their respective counsel are of the opinion that the settlement for the consideration and on the terms set forth in this Agreement is fair, reasonable, adequate, and is in the best interests of Plaintiff, PAGA Employees, the State of California, and Defendant in light of all known facts and circumstances and the risks inherent in litigation, including the potential appellate issues. Further, Plaintiff's Counsel believes that the settlement amount entered into is in the best interests of the PAGA Employees and the State of California, and fair, reasonable, and adequate given the inherent risk of litigation.

III. TERMS OF SETTLEMENT

1. In consideration of the mutual covenants, promises and representations set forth in this Agreement, Plaintiff, on behalf of herself, the State of California, and all PAGA Employees, and Defendant agree to settle and compromise the Action and the Released Claims.

2. The Gross Settlement Amount. As consideration for the settlement described herein and the release provided herein, Defendant agrees to pay the all inclusive total amount of One Hundred Thousand Dollars and zero cents (\$100,000.00) ("Gross Settlement Amount"). Except in the event that the Escalator Clause is triggered, as provided for in Section III.8 below, Defendant will not be responsible for anything more than the Gross Settlement Amount under this Agreement. Defendant shall fund the Gross Settlement Amount as set forth herein. The Gross Settlement Amount will include payments as follows, which Plaintiff will seek approval of from the Court, in conformity with this Agreement:

- a. Payment of Attorneys' Fees and Costs to Plaintiff's Counsel, as set forth herein;
- b. Payment to the Settlement Administrator in the amount of up to \$6,000.00 ("Settlement Administration Costs"); and

- c. The PAGA Penalties to be paid to the LWDA and PAGA Employees, as set forth herein.

3. Allocation and Calculation of the PAGA Penalties. The amount available for distribution to the LWDA and PAGA Employees ("PAGA Penalties") is the Gross Settlement Amount less the Court-approved Attorneys' Fees and Costs to Plaintiff's Counsel and the Settlement Administration Costs to the Settlement Administrator. Seventy Five Percent (75%) of the PAGA Penalties will be paid to the LWDA ("LWDA Payment"), and Twenty Five Percent (25%) of the PAGA Penalties will be paid to the PAGA Employees ("Employee Amount"), as required by California Labor Code § 2699(i).

4. Allocation and Calculation of the Individual Settlement Payments. Each PAGA Employee will receive a *pro rata* portion of the Employee Amount, determined based on the pay periods that he or she worked for Defendant in the State of California during the PAGA Period, to be calculated as follows: the Employee Amount will be divided by the total number of Pay Periods of all PAGA Employees to yield the "Per Pay Period Amount," and then each PAGA Employee's individual number of Pay Periods will be multiplied by the Per Pay Period Amount to yield his or her "Individual Settlement Payment." Individual Settlement Payments shall be paid to PAGA Employees by way of a single check to each PAGA Employee ("Individual Settlement Check").

5. Tax Treatment of Individual Settlement Payments to PAGA Employees. The Parties agree that Individual Settlement Payments sent to PAGA Employees will be characterized One Hundred Percent (100%) as penalties and Form 1099s will be issued. Nothing in this Agreement is intended to constitute legal advice regarding federal, state, and/or local tax obligations. Plaintiff and PAGA Employees shall be deemed to acknowledge that they have not obtained any tax advice from Defendant, Counsel for Defendant, or Plaintiff's Counsel, and that neither Defendant, Counsel for Defendant, nor Plaintiff's Counsel have made any representation concerning the tax consequences, if any, of any payments made pursuant to this Agreement. To the extent that this Agreement or its attachment(s) are interpreted to contain or constitute advice regarding any U.S. or Federal tax issue, such advice is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding penalties under the Internal Revenue Code. Plaintiff and PAGA Employees are solely responsible for any tax obligations in connection with any payments made pursuant to this Agreement.

6. Plaintiff's Counsel's Attorneys' Fees and Costs. As part of the request for approval of this Settlement, Plaintiff will request that the Court award the following to Plaintiff's Counsel: up to one-third (1/3) of the Gross Settlement Amount, or Thirty-Three Thousand Three Hundred Thirty-Three Dollars and Thirty-Three Cents (\$33,333.33), for attorneys' fees and of up to

(\$) 11,290.87 for reimbursement of actual costs and expenses of litigating the Action (together, “Attorneys’ Fees and Costs”). The Attorneys’ Fees and Costs shall be paid from the Gross Settlement Amount, subject to approval by the Court. Should Plaintiff’s Counsel request a lesser amount for attorneys’ fees and costs and/or the Court approve a lesser amount, the difference shall be a part of the PAGA Penalties to be distributed to the LWDA and PAGA Employees as described above. Payment of Attorneys’ Fees and Costs will be reflected in a Form 1099 to Plaintiff’s Counsel who shall assume full responsibility and liability for the payment of taxes due on such payments.

7. No Effect on Employee Benefits. The payments made to Plaintiff and other PAGA Employees pursuant to this Agreement are not intended to count as earnings by Plaintiff or the PAGA Employees, and will not entitle Plaintiff or the PAGA Employees to any additional compensation and/or benefits under any retirement, benefit, bonus, incentive, pension, welfare, and/or any other plan of or sponsored by Defendant. Defendant shall not make as part of this Agreement, nor be required to make, any deductions, nor pay any monthly contributions for any insurance, retirement, bonuses, 403(b), or profit sharing plans related to monies paid as a result of this Agreement. The Individual Settlement Payments paid to PAGA Employees shall not have any effect on the eligibility for, or calculation of, any of the employee benefits (e.g. bonuses, vacation, holiday pay, retirement plans, etc.) of PAGA Employees. The Parties agree that any Individual Settlement Payments paid to PAGA Employees under the terms of this Agreement do not represent any modification of PAGA Employees’ previously credited hours of service or other eligibility criteria under an employee benefit plan sponsored by Defendant. Further, any Individual Settlement Payments are penalties and thus shall not be considered “compensation” in any year for purposes of determining eligibility for, or benefit accrual within, any employee benefit plan or bonus plan sponsored by Defendant.

8. Escalator Clause. Defendant estimates that there are 113 Aggrieved Employees who worked an estimated 3,225 total pay periods from October 25, 2021 through August 17, 2023. In the event that the total number of pay periods in the PAGA Period is determined to be more than 15% higher than 3,225 (i.e., more than 3,709), the Gross Settlement Amount will increase pro rata based on the number of pay periods over 3,709.

IV. RELEASE OF CLAIMS

1. Release by Plaintiff, PAGA Employees and LWDA. Upon the Effective Date, Plaintiff and each PAGA Employee, shall fully release and forever discharge the Released Parties from the Released Claims during the period from October 25, 2021 through August 17, 2023, and the State of California shall fully release and forever discharge the Released Parties from the

Released Claims as they pertain to Plaintiff and PAGA Employees from October 25, 2021 through August 17, 2023.

2. The Parties have executed a separate Plaintiff's Confidential Settlement Agreement and General Release ("Plaintiff's General Release Agreement") which resolves, *inter alia*, Plaintiff's individual claims, and includes a waiver by Plaintiff of the provisions of California Civil Code Section 1542. Any consideration provided for by Plaintiff's General Release Agreement will be paid separate from, and in addition to, the Maximum Settlement Amount.

V. DUTIES OF THE PARTIES PRIOR TO COURT APPROVAL

1. Filing of Complaint and Settlement Approval by Court. The Parties recognize that Court approval is required in the event of any settlement of a PAGA action, in accordance with California Labor Code § 2699(l)(2), and that a judgment with respect to the PAGA action is binding with respect to non-party aggrieved employees upon Court approval, pursuant to California Labor Code § 2699(l) and *Arias v. Superior Ct.* (2009) 46 Cal.4th 969. The Parties further recognize that a settlement of a PAGA action is not subject to class action procedural rules, and that PAGA Employees do not have the right to opt-out of or otherwise exclude themselves from the Settlement, or object to the Settlement, and upon approval of the Settlement by the Court and funding of the Settlement, all PAGA Employees will have released the Released Parties of and for the Released Claims and PAGA Employees will be entitled to receive payment, in conformity with the Settlement. Plaintiff's Counsel shall, with the assistance and cooperation of Defendant and its counsel, take all necessary steps to secure the approval of this Settlement from the Court. In order to comply with the requirements of California Labor Code § 2699, on August 21, 2023, Plaintiff's Counsel filed and served her Complaint alleging a cause of action for enforcement under the Private Attorneys General Act, California Labor Code § 2698, *et seq.*, alleging that, Defendant failed to: properly pay for all hours worked, pay all minimum wages, pay all overtime wages, provide lawful meal periods or provide meal premium compensation in lieu thereof, authorize or permit lawful rest breaks or provide rest premium compensation in lieu thereof, reimburse necessary business expenses, timely pay all wages during employment and upon separation of employment, provide compliant wage statements, and keep requisite work records, as applied to non-exempt employees employed by Defendant in California, during the PAGA Period. Plaintiff's Counsel shall prepare, file and serve a motion (or stipulation, if permitted by the Court) requesting that the Court approve the Settlement, including and not limited to the PAGA Penalties, Attorneys' Fees and Costs, and Settlement Administration Costs, and apply to the Court for the entry of an order approving the Settlement and all of the requested payments and entering judgment ("Approval Order"). The motion shall advocate that the penalties are fair,

adequate, and reasonable, which will draw no opposition from Defendant or Counsel for Defendant. On the same date that Plaintiff applies to the Court for approval of the Settlement, Plaintiff's Counsel shall submit the Agreement to the LWDA in conformity with California Labor Code § 2699(1)(2).

2. With Plaintiff's motion for approval of Settlement, Plaintiff shall submit a proposed Approval Order which shall seek, *inter alia*: (1) approval of this Settlement and the terms herein; (2) permanent bar of all PAGA Employees from prosecuting any of the Released Claims released in this Agreement against the Released Parties; and (3) that no individualized notice of entry of the Approval Order is required to be provided to the PAGA Employees. Prior to filing, Plaintiff's Counsel will provide Counsel for Defendant a courtesy copy of the proposed Approval Order. Upon entry of the Approval Order by the Court, Plaintiff's Counsel shall submit the Approval Order to the LWDA in conformity with California Labor Code § 2699(1)(2).

VI. ADMINISTRATION OF THE SETTLEMENT

1. PAGA Employee List. Defendant shall compile a list containing the following information regarding each of the PAGA Employees: (1) full name; (2) last known mailing address; (4) Social Security number; and (5) the total number of pay periods worked during the PAGA Period ("PAGA Employee List"). The PAGA Employee List will be provided to the Settlement Administrator within fifteen (15) calendar days after the the Court has signed and entered the Approval Order. This information shall be treated as and remain confidential and shall be used solely to manage the notice and payment process described herein, shall not be disclosed to anyone other than the Settlement Administrator, except to applicable taxing authorities, or pursuant to express written authorization of Defendant, the individual in question, or by order of the Court.

2. Funding of Settlement. Defendant shall fund the Gross Settlement Amount by way of electronic transfer to the account to be established by the Settlement Administrator for purposes of administration of the Settlement ("Settlement Administration Account") within thirty (30) calendar days after the Court has signed and entered the Approval Order granting approval of the PAGA Settlement, but in no event earlier than May 1, 2024. Defendant's obligations for funding the settlement are satisfied upon electronic transfer of the Gross Settlement Amount to the Settlement Administrator pursuant to the Settlement Administrator's instructions, provided, however, that any unsuccessful electronic transfer of funds be of no fault of Defendant. In the event of an unsuccessful electronic transfer of funds, the Parties agree to cooperate in good faith to resolve the issues.

3. Payments to LWDA, Plaintiff's Counsel, Plaintiff, and Settlement Administrator. Within fifteen (15) calendar days after Defendant funds the Gross Settlement Amount, the Settlement Administrator shall pay the Court-approved LWDA Payment to the LWDA, Attorneys' Fees and Costs to Plaintiff's Counsel, and Settlement Administration Costs to itself.

4. Employee Notices and Payments to PAGA Employees. Within fifteen (15) calendar days after Defendant funds the Gross Settlement Amount, the Settlement Administrator shall mail via U.S. First Class mail to each PAGA Employee his or her Individual Settlement Check at the last known address in the PAGA Employee List or a more updated address from the National Change of Address Database. A notice letter explaining why the check is being sent ("Employee Notice"), in a mutually-agreed upon form that has been approved by the Court, in substantially the form that is attached hereto as "Exhibit A," will be included in the mailing of each PAGA Employee's Individual Settlement Check. Together, an Individual Settlement Check that is mailed to a PAGA Employee with the Employee Notice is referred to as a "Payment Packet." Prior to mailing the Payment Packets, the Settlement Administrator shall check the addresses provided using the National Change of Address database. Should any of the Employee Notices be returned as undeliverable, the Settlement Administrator will have ten (10) calendar days after it receives the returned undeliverable mail to search for a more current address for the PAGA Employee (via a skip trace or other reasonable method) and to re-mail Employee Notices to the traced address. The Settlement Administrator will only be required to re-mail the Payment Packets once by way of this process.

5. Expiration of Settlement Checks. All Individual Settlement Checks will expire one hundred and eighty (180) calendar days after the initial mailing of the original Payment Packets to the PAGA Employees, and thereafter, shall be cancelled. If any funds remain in the Settlement Administration Account as a result of cancelled Individual Settlement Checks, such funds shall be transmitted to the California State Controller's Office Unclaimed Property Fund in the name of each PAGA Employee whose check is voided. All duties set forth herein shall be included in the Settlement Administration Costs and paid from the Gross Settlement Amount. Irrespective of whether a PAGA Employee's Individual Settlement Check has been actually received and/or cashed, he or she will be deemed to be bound to this Settlement, the release provided herein, and the Court's Approval Order.

6. Disputes Relating to Settlement Administration. Any disputes concerning administration of the Settlement which cannot be resolved by the Parties shall be submitted to and resolved by the Court.

7. Settlement Administrator's Tax Reporting. The Settlement Administrator shall be responsible for providing the requisite Form 1099's as required by this Agreement, and the completion of any other steps necessary for compliance with any tax obligations of the Settlement under federal, state, and/or local law, as applicable.

8. Confirmation of Administration of Settlement. Within twenty-one (21) calendar days of distributing the Gross Settlement Fund, the Settlement Administrator shall provide to Plaintiff's Counsel and Counsel for Defendant a written declaration verifying that it effected disbursement of the Gross Settlement Fund pursuant to the terms of this Agreement.

9. Notice Regarding Settlement Compliance. Within fourteen (14) calendar days of receipt of the Settlement Administrator's declaration confirming Defendant's funding of the Settlement and the Settlement Administrator's disbursement of the Gross Settlement Fund, Plaintiff shall file a notice informing the court of compliance with the terms of the Settlement and satisfaction of the Judgment, and requesting formal closure of the Action.

VII. ADDITIONAL TERMS.

1. No Prior Assignments. The Parties hereto 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 rights herein released and discharged except as set forth herein.

2. No Admission. Nothing contained herein, nor is the consummation of this Settlement, to be construed or deemed an admission with respect to liability, culpability, negligence, or wrongdoing on the part of Defendant, Released Parties, Plaintiff, Plaintiff's Counsel, PAGA Employees, or the LWDA. Each of the Parties hereto has entered into this Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience and expenses. Defendant denies that it has engaged in any unlawful activity, that it has failed to comply with the law in any respect, that it has any liability to anyone under the claims asserted in the Action. The Parties agree that this Agreement does not constitute an admission by Defendant or any of the Released Parties of any of the matters alleged in the Action or of any violation by any of them of any federal, state or local law, ordinance or regulation, or of any violation of any policy or procedure, or of any liability or wrongdoing whatsoever. This Agreement is entered into solely for the purpose of compromising highly disputed claims. Neither this Agreement nor anything in this Agreement shall be construed to be or shall be admissible in any proceeding as evidence of liability or wrongdoing by Plaintiff, Defendant or any of the Released Parties.

3. Nullification. If the Court should fail to approve the Settlement as agreed upon by the Parties, the Parties shall coordinate efforts to address the Court's questions or concerns and work jointly to make reasonable efforts to remedy the Settlement in order to obtain the Court's approval. If the Parties cannot resolve the issues identified by the Court in denying approval, the Parties shall be restored to their litigation positions and all funds returned to Defendant. If, after the Parties make a second attempt to obtain approval of the material terms of the Settlement, unless the Parties specifically agree to continue with their coordinated efforts to obtain Court approval, the Court fails to approve the material terms of the settlement in the form agreed to by the Parties (except for the amount of Attorneys' Fees and Costs requested by Plaintiff's Counsel), or if the Court's approval of this Agreement is materially modified or reversed, or declared or rendered void, then: (a) this Agreement shall be considered null and void; (b) neither this Agreement nor any of the related negotiations or proceedings shall be of any force or effect; and (c) all Parties to this Agreement shall stand in the same position, without prejudice, as if the Agreement had been neither entered into nor filed with the Court. Invalidation of any material portion of this Agreement, except for the amount of the Attorneys' Fees and Costs, shall invalidate this Agreement in its entirety unless the Parties shall subsequently agree in writing that the remaining provisions shall remain in full force and effect.

4. Attorneys' Fees, Costs And Expenses. Except as specifically set forth herein, each Party shall bear its/his/her own attorneys' fees, costs and expenses, taxable or otherwise, incurred by him/her/it/them arising out of the Action, and shall not seek reimbursement thereof from any other party to this Agreement, unless otherwise specifically stated.

5. Enforcement And Continuing Jurisdiction Of The Court. The Parties agree that upon approval by the Court, this Agreement shall be enforceable by the Court, and the Court shall retain exclusive and continuing equity jurisdiction pursuant to California Code of Civil Procedure § 664.6 over the Action, all Parties, and PAGA Employees to interpret and enforce the terms, conditions, and obligations set forth in this Agreement.

6. Severability. The Parties agree that if any immaterial provision of this Agreement is held to be invalid by a court of competent jurisdiction, that provision shall be deemed severed and deleted from this Agreement, and neither that provision nor its severance and deletion shall affect the validity of the remaining provisions, and the remaining provisions shall be deemed enforceable.

7. Construction. The Parties hereto agree that the terms and conditions of this Agreement are the result of lengthy, intensive arm's-length negotiations between the Parties and that this Agreement constitutes the entire agreement between Plaintiff and Defendant regarding

the settlement of the Released Claims and that this Agreement supersedes all prior agreements, written or oral, between or among the Parties regarding the resolution of the Released Claims.

8. Given that all Parties hereto had the opportunity to draft, review, and edit the language of this Agreement, no presumption for or against any Party arising out of drafting all or any part of this Agreement may be applied in any action relating to, connected to, or involving this Agreement. Accordingly, the Parties hereby waive the benefit of any legal principle or rule providing that, in cases of uncertainty, the language of a contract should be interpreted against the Party who caused the uncertainty to exist

9. Non-Evidentiary Use. Neither the existence of this Agreement, the terms of this Agreement, the negotiation and execution of this Agreement, all acts performed or documents executed pursuant to or in furtherance of this Agreement, nor the settlement of the Action shall be: (a) construed as, offered, or admitted in evidence as, received as, or deemed to be evidence for any purpose adverse to Plaintiff, the LWDA, Defendant or any other of the Released Parties, including but not limited to, evidence of a presumption, concession, indication, or admission by any of the Released Parties of any liability, culpability, fault, wrongdoing, omission, concession, or damage, or of the truth of any of the factual allegations in the Operative Complaint in the Action; (b) disclosed, referred to, or offered in evidence against Plaintiff, the LWDA, or any of the Released Parties in any further proceeding in the Action, or any other civil, criminal, or administrative action or proceeding in any court, administrative agency or other tribunal except for the purposes of effectuating the Settlement pursuant to this Agreement or for Defendant to attempt to establish that a PAGA Employee has resolved or been compensated for any claims made by that employee; and (c) deemed to be, nor used as, an admission or evidence of the appropriateness of these or similar claims for representative treatment, class certification or administration other than for purposes of administering this Settlement. Nothing herein shall constitute an admission by Defendant that the Action was properly brought as a representative action other than for settlement purposes.

10. Choice Of Law. The rights and obligations of the Parties under this Agreement shall be construed and enforced in accordance with, and governed by, the laws of the State of California. California law shall govern the interpretation of this Agreement even if a choice of law analysis under state or federal law would dictate that another forum's law be applied.

11. Cooperation. Each Party, on behalf of themselves, and their respective business entities, heirs, executors, and assigns, agrees that they will abide by this Agreement and will do all such acts, and prepare, execute, and deliver all such documents, as may be reasonably required to carry out the stated objectives of this Agreement.

12. Captions And Headings. Paragraph titles, captions, or headings contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provision hereof.

13. Modification. This Agreement may not be changed, altered, waived, or modified, except in writing and signed by counsel for the Parties hereto, 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 Parties hereto.

14. Binding. This Agreement is binding upon, and shall inure to the benefit of, the Parties hereto and their respective agents, employees, representatives, officers, directors, parents, subsidiaries, assigns, heirs, executors, administrators, insurers, and successors in interest.

15. No Publication. The Parties will, and will cause all their respective current or past counsel to: (i) maintain in confidence and not publish or otherwise disclose to any third party the terms of this Agreement or any related information, except as necessary to obtain Court approval as contemplated by this Agreement; (ii) not publish the fact and/or terms of this Agreement or any related information on their website(s), for advertising purposes and/or in publication materials generally available to the public. Notwithstanding the foregoing, the Parties acknowledge and agree that this Agreement will be admissible and subject to disclosure in any proceeding to enforce its terms.

16. Electronic Signatures and Counterparts. This Agreement may be executed in counterparts, and when each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one Agreement, which shall be binding upon and effective as to all Parties. The counterparts may be executed and/or transmitted electronically or by facsimile.

SIGNATURES TO FOLLOW ON THE NEXT PAGE

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IN WITNESS WHEREOF, the parties knowingly and voluntarily executed this Private Attorneys General Act Settlement Agreement and Release as of the date set forth below.

PLAINTIFF Larica Fantasia Jacko

DATED: Dec 20, 2023


Fantasia Jacko (Dec 20, 2023 12:14 PST)

Larica Fantasia Jacko

DEFENDANT North Oak Real Estate Investments, Inc.

DATED: _____

By: Joel Rodstein, President

APPROVED AS TO FORM AND CONTENT:

DATED: 12/20/23

MESSRELIAN LAW, INC

By:


Harout Messrelian, Esq.
Attorneys for Plaintiff

DATED: _____

LANDEGGER VERANO & DAVIS, ALC

By:

Alfred J. Landegger, Esq.
Joseph Sklar, Esq.
Attorneys for Defendant

IN WITNESS WHEREOF, the parties knowingly and voluntarily executed this Private Attorneys General Act Settlement Agreement and Release as of the date set forth below.

PLAINTIFF Larica Fantasia Jacko

DATED: _____

Larica Fantasia Jacko

DEFENDANT North Oak Real Estate Investments, Inc.

DATED: December 23 2023



By: Joel Rodstein, President

APPROVED AS TO FORM AND CONTENT:

DATED: _____

MESSRELIAN LAW, INC

By: _____
Harout Messrelian, Esq.
Attorneys for Plaintiff

DATED: December 26, 2023

LANDEGGER VERANO & DAVIS, ALC

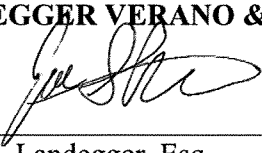

By: _____
Alfred J. Landegger, Esq.
Joseph Sklar, Esq.
Attorneys for Defendant

EXHIBIT A

Exhibit A

<<Mailing Date>>

To: <<First Name>><<Last Name>>
<<Address>>
<<City>> <<State>> <<Zip>>

Re: Individual Settlement Payment from *Larica Fantasia Jacko vs. North Oak Real Estate Investments, Inc.*
Los Angeles County Superior Court, Case No. 23STCV20016

Dear <<First Name>><<Last Name>>:

Please find enclosed a check in the amount of <<amount of payment>> ("Individual Settlement Check"). This check is your payment from the settlement of a lawsuit entitled *Larica Fantasia Jacko v. North Oak Real Estate Investments, Inc.*, Case No. 23STCV20016 ("Action"), pending in the Superior Court of California for the County of Los Angeles ("Court").

The lawsuit was filed by Larica Fantasia Jacko ("Plaintiff"), a former employee of North Oak Real Estate Investments, Inc. ("Defendant"), on behalf of the State of California with respect to herself and other alleged aggrieved employees, to seek recovery of civil penalties pursuant to the California Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq.* ("PAGA"). Plaintiff alleged that Defendant violated multiple provisions of the California Labor Code and Industrial Welfare Commission Wage Orders by failing to properly pay for all hours worked, pay all minimum wages, pay all overtime wages, provide lawful meal periods or provide meal premium compensation in lieu thereof, authorize or permit lawful rest breaks or provide rest premium compensation in lieu thereof, reimburse necessary business expenses, timely pay all wages during employment and upon separation of employment, provide compliant wage statements, and keep requisite work records. Defendant denies these allegations and denies any wrongdoing of any kind associated with these allegations.

A settlement was reached between Plaintiff and Defendant, on behalf of Plaintiff, the State of California, and the following aggrieved employees: all current and former non-exempt employees who worked for Defendant within the State of California between October 25, 2021 through August 17, 2023 ("PAGA Employees").

On <<Approval Date>>, the settlement was approved by the Court, with a portion to be paid to the State of California and a portion to be paid to the PAGA Employees. You are receiving a portion of the settlement (the enclosed Individual Settlement Check) because you have been identified as a PAGA Employee. Your Individual Settlement Check is based on the total number of pay periods that you worked as a PAGA Employee during the period between October 25, 2021 through August 17, 2023 ("PAGA Period"). The Individual Settlement Check is considered to be 100% penalties, which will be reported on an IRS Form 1099. You are responsible for paying any and all taxes that may be due as a result of any payment issued to you under the settlement and should consult a tax advisor regarding the tax consequences of such payment.

By way of the settlement, you are deemed to fully release and forever discharge the Released Parties from the Released Claims. The "Released Parties" means and refers to Defendant, and its respective agents, attorneys, insurers, past, present and future divisions, affiliates, DBAs (if any), predecessors, successors, shareholders, officers, directors, managers, employees, trustees, representatives, administrators, fiduciaries, assigns, subrogees, executors, partners, parents, owners, subsidiaries, privies, and/or any and all persons and/or corporate entities acting by, through, under or in concert with any of them, including, without limitation, Joel Rodstein, Steven Rodstein, MNY, LLC, AE-DET, LLC, and CODET, LLC.. The "Released Claims" means and refers to any and all claims, demands, rights, liabilities and causes of action under the Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq.*, that are based upon or arise from the factual allegations in the Operative Complaint and the Notice to the LWDA, arising during and/or with respect to the PAGA Period, including without limitation, claims for civil penalties under the PAGA for the alleged failure to: properly pay for all hours worked, pay all minimum wages, pay all overtime wages, provide lawful meal periods or provide meal premium compensation in lieu thereof, authorize or permit lawful rest breaks or provide rest premium compensation in lieu thereof, reimburse necessary business expenses, timely pay all wages during employment and upon separation of employment, provide compliant wage statements, and keep requisite work records, and for civil penalties for violation of and/or based on California Labor Code §§ 201, 202, 203, 204, 210, 226, 226.3, 226.7, 246, 510, 512, 558, 558.1, 1174, 1194, 1197, 1197.1, 2800, 2802, and all applicable Wage Orders, and all claims for attorneys' fees and costs and statutory interest in connection therewith. **By cashing your Individual Settlement Check, you are not giving up any right to sue for damages arising out of any individual claims that you may have against Defendant.**

Your Individual Settlement Check is valid for 180 calendar days from the date of issuance, and if you do not cash, deposit, or otherwise negotiate the check within the 180-day timeframe, your Individual Settlement Check will be cancelled and the funds will be transmitted to the State Controller's Office Unclaimed Property Fund in the name of the PAGA Employee whose check is voided.

Do not call or write the Court or Office of the Clerk of the Court to ask questions about the settlement. If you have any questions concerning the settlement, you may contact the Settlement Administrator at <<INSERT CONTACT INFORMATION>>.

EXHIBIT 2



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

November 13, 2023

CASE ASSUMPTIONS

Class Members	113
Opt Out Rate	N/A
Opt Outs Received	
Total Class Claimants	113
Subtotal Admin Only	\$5,110.49

Flat Fee Total \$5,000.00

For 113 Class Members

Pricing Good for Scope of Estimate Only

All Aspects of Escheating to the State of CA Included

Spanish Translation, Printing & Mailing Included

Case: Jacko v. North Oak Real Estate Investments, PAGA Administration

Phoenix Contact: Michael E. Moore

Contact Number: 949.331.0131

Email: mike@phoenixclassaction.com

Requesting Attorney: Harout Messrelian

Firm: Messrelian Law Inc.

Contact Number: 818.484.6531

Email: hm@messrelianlaw.com

Assumptions and Estimate are based on information provided by counsel. If class size changes, PHX will need to adjust this Estimate accordingly.

Estimate is based on **113** Class Members. Class data **Must** be sent in Microsoft Excel or uploaded in the same format. Class Data Must be sent in one spreadsheet, with no additional programming needed. A rate of \$150 per hour will be charged for any additional analysis or programming. Pricing good for 90 day

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

Administrative Tasks:	Rate	Hours/Units	Line Item Estimate
Programming Manager	\$100.00	1	\$100.00
Programming Database & Setup	\$100.00	1	\$100.00
Toll Free Setup*	\$100.00	1	\$100.00
Call Center & Long Distance	\$2.50	18	\$45.20
NCOA (USPS)	\$20.00	1	\$20.00
Total			\$365.20

* Up to 120 days after disbursement

Data Merger & Scrub / Notice Packet, Check & Postage / Spanish Translation

Project Action	Rate	Hours/Units	Line Item Estimate
Notice Packet Formatting	\$100.00	1	\$100.00
Spanish Translation	\$150.00	1	\$150.00
Data Merge & Duplication Scrub	\$0.09	113	\$10.17
Notice and Check Packet	\$1.00	113	\$113.00
Estimated Postage (up to 1 oz.)*	\$0.64	113	\$72.32
Total			\$445.49

* Prices good for 90 days. Subject to change with the USPS Rate or change in Notice pages or Translation, if any.



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Skip Tracing & Remailing Notice Packets / Tracking & Programming Undeliverables			
Project Action:	Rate	Hours/Units	Line Item Estimate
Case Associate	\$55.00	2	\$110.00
Skip Tracing Undeliverables	\$0.75	28	\$21.19
Remail Notice Packets	\$1.00	25	\$25.25
Estimated Postage	\$0.64	25	\$16.16
Programming Undeliverables	\$50.00	1	\$50.00
Total			\$222.60

Database Programming			
Project Action:	Rate	Hours/Units	Line Item Estimate
Programming Claims Database	\$150.00	2	\$300.00
Case Associate	\$55.00	3	\$165.00
Case Manager	\$85.00	2	\$170.00
Total			\$635.00

Calculation & Disbursement Programming/ Create & Manage QSF/ Mail Checks			
Project Action:	Rate	Hours/Units	Line Item Estimate
Programming Calculations	\$135.00	2	\$270.00
Disbursement Review	\$135.00	2	\$270.00
Programming Manager	\$95.00	2	\$190.00
QSF Bank Account & EIN	\$135.00	1	\$135.00
Check Run Setup & Printing	\$135.00	3	\$405.00
Total			\$1,270.00

* Checks are printed on 8.5 x 11 in. sheets with W2/1099 Tax Filing



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Tax Reporting & Reconciliation / Re-Issuance of Checks / Conclusion Reports and Declarations			
Project Action:	Rate	Hours/Units	Line Item Estimate
Case Supervisor	\$115.00	3	\$345.00
Remail Undeliverable Checks (Postage Included)	\$1.50	21	\$32.21
Case Associate	\$55.00	2	\$110.00
Reconcile Uncashed Checks	\$85.00	4	\$340.00
Conclusion Reports	\$115.00	2	\$230.00
Case Manager Conclusion	\$85.00	2	\$170.00
Final Reporting & Declarations	\$115.00	3	\$345.00
QSF Annual Tax Reporting * (State Tax Reporting & Escheating to the State of CA Included)	\$600.00	1	\$600.00
Check to Cy-Pres	\$150.00	1	Included
Total			\$2,172.21

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

Estimate Total: \$5,110.49



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

TERMS AND CONDITIONS

Provisions: The case estimate is in good faith and does not cover any applicable taxes and fees. The estimate does not make any provision for any services or class size not delineated in the request for proposal or stipulations. Proposal rates and amounts are subject to change upon further review, with Counsel/Client, of the Settlement Agreement. Only pre-approved changes will be charged when applicable. No modifications may be made to this estimate without the approval of PSA (Phoenix Settlement Administrators). All notifications are mailed in English language only unless otherwise specified. Additional costs will apply if translation into other language(s) is required. Rates to prepare and file taxes are for Federal and California State taxes only. Additional charges will apply if multiple state tax filing(s) is required. **Pricing is good for ninety (90) days.**

Data Conversion and Mailing: The proposal assumes that data provided will be in ready-to-use condition and that all data is provided in a single, comprehensive Excel spreadsheet. PSA cannot be liable for any errors or omissions arising due to additional work required for analyzing and processing the original database. A minimum of two (2) business days is required for processing prior to the anticipated mailing date with an additional two (2) business days for a National Change of Address (NCOA) update. Additional time may be required depending on the class size, necessary translation of the documents, or other factors. PSA will keep counsel apprised of the estimated mailing date.

Claims: PSA's general policy is to not accept claims via facsimile. However, in the event that facsimile filing of claims must be accepted, PSA will not be held responsible for any issues and/or errors arising out of said filing. Furthermore, PSA will require disclaimer language regarding facsimile transmissions. PSA will not be responsible for any acts or omissions caused by the USPS. PSA shall not make payments to any claimants without verified, valid Social Security Numbers. All responses and class member information are held in strict confidentiality.

Payment Terms: All postage charges and 50% of the final administration charges are due at the commencement of the case and will be billed immediately upon receipt of the data and/or notice documents. PSA bills are due upon receipt unless otherwise negotiated and agreed to with PSA by Counsel/Client. In the event the settlement terms provide that PSA is to be paid out of the settlement fund, PSA will request that Counsel/Client endeavor to make alternate payment arrangements for PSA charges that are due at the onset of the case. The entire remaining balance is due and payable at the time the settlement account is funded by Defendant, or no later than the time of disbursement. Amounts not paid within thirty (30) days are subject to a service charge of 1.5% per month or the highest rate permitted by law.

Tax Reporting Requirements

PSA will file the necessary tax returns under the EIN of the QSF, including federal and state returns. Payroll tax returns will be filed if necessary. Under the California Employment Development Department, all taxes are to be reported under the EIN of the QSF with the exception of the following taxes: Unemployment Insurance (UI) and Employment Training Tax (ETT), employer-side taxes, and State Disability Insurance (SDI), an employee-side tax. These are reported under Defendant's EIN. Therefore, to comply with the EDD payroll tax filing requirements we will need the following information:

1. Defendant's California State ID and Federal EIN.
2. Defendant's current State Unemployment Insurance (UI) rate and Employment Training Tax (ETT) rate. This information can be found in the current year DE 2088, Notice of Contribution Rates, issued by the EDD.
3. Termination dates of the class members, or identification of current employee class members, so we can account for the periods that the wages relate to for each class member.
4. An executed Power of Attorney (Form DE 48) from Defendant. This form is needed so that we may report the UI, SDI, and ETT taxes under Defendant's EIN on their behalf. If this form is not provided we will work with the EDD auditors to transfer the tax payments to Defendant's EIN.
5. Defendant is responsible for reporting the SDI portion of the settlement payments on the class member's W-2. PSA will file these forms on Defendant's behalf for an additional fee and will issue an additional W-2 for each class member under Defendant's EIN, as SDI is reported under Defendant's EIN rather than the EIN of the QSF. The Power of Attorney (Form DE 48) will be needed in order for PSA to report SDI payments.

EXHIBIT 3