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Attorneys for Plaintiff and the proposed class

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO**

JOHNATHAN SATELE, an individual, on
behalf of himself and others similarly situated,

PLAINTIFF,

v.

KSARIA SERVICE CORPORATION; and
DOES 1 thru 50, inclusive,

DEFENDANTS.

CASE NO. 37-2023-00002198-CU-OE-CTL

[Case Assigned for All Purposes to Hon.
Gregory W. Pollack in Dept. C-71]

**DECLARATION OF LIANE
KATZENSTEIN LY IN SUPPORT OF
PLAINTIFF'S MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

*[Filed concurrently with Motion for
Preliminary Approval of Settlement and
[Proposed] Order Thereon]*

Date: August 16, 2024

Time: 9:30 A.M.

Dept.: C-71

Reservation ID: 3093915

Complaint Filed: January 17, 2023

FAC Filed: March 24, 2023

Trial Date: None Set

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I, Liane Katzenstein Ly, state and declare as follows:

1. I am an attorney admitted before all courts of the State of California and a partner in the law firm of Kingsley & Kingsley, APC, counsel of record for Plaintiff in this action. I am completely familiar with the present litigation, including the pleadings, discovery, and filings submitted in this matter. I make this Declaration from my own personal knowledge, and, if called upon, I could and would competently testify to the following.

2. I graduated from Florida State University in 2005 with a degree in English. I graduated from University of California, Davis School of Law in 2008. I am admitted to practice before the following Courts: United States District Court, Northern, Southern, Eastern, and Central of California; all of California State Courts.

3. I make this Declaration in support of Plaintiff's Motion for Preliminary Approval of the Class Action Settlement in the above-captioned case.

RELEVANT PROCEDURAL HISTORY

4. On January 17, 2023, Plaintiff filed a Class Action Complaint seeking recovery for: (1) failure to reimburse expenses pursuant to Labor Code §2802 and (2) violation of Business & Professions Code §17200.

5. Also on January 17, 2023, Plaintiff sent a notice letter, pursuant to Labor Code §2699, et seq. (“PAGA”), to the Labor Workforce Development Agency (“LWDA”) regarding his intent to seek civil penalties for the violations above, under PAGA. Plaintiff also included a claim for a violation of Labor Code §432.5, arguing that the non-solicitation agreement signed by the aggrieved employees was illegal.

6. On March 24, 2023, Plaintiff filed an amended Complaint adding an additional cause of action for penalties pursuant to PAGA.

THE DISCOVERY PROCESS

7. The Parties have yet to engage in formal discovery, instead focusing their efforts on resolving this case through early mediation. Defendant informally produced the necessary discovery for mediation.

1 8. Defendant denies any liability or wrongdoing of any kind associated with the claims
2 alleged, disputes the damages and penalties claimed by Plaintiff, and further contends that, for any
3 purpose other than settlement, Plaintiff's claims are not appropriate for class or representative
4 action treatment. Defendant contends, among other things, that, at all times, it has complied with
5 the California Labor Code, and the Industrial Wage Commission Orders.

6 9. Based on their own independent investigation and evaluation, Class Counsel is of
7 the opinion that the Agreement with Defendant is fair, reasonable and adequate, and in the best
8 interest of the settlement classes in light of all known facts and circumstances, including the risk
9 of significant delay, defenses asserted by Defendant, uncertainties regarding a class and
10 representative action trial on the merits, and numerous potential appellate issues. Although
11 Defendant denies any liability, Defendant is agreeing to this Agreement solely to avoid the cost of
12 litigation. Accordingly, the Parties and their counsel desire to fully, finally, and forever settle,
13 compromise and discharge all disputes and claims arising from or relating to the Action on the
14 terms set forth here.

15 **CERTIFICATION FOR SETTLEMENT PURPOSES**

16 10. The proposed Class is ascertainable, because Defendant has agreed to provide a
17 class list to the Administrator containing the Class Member's information.

18 11. Here, Plaintiff argues that there are questions of law and fact common to the
19 proposed Class that predominate over any questions affecting only individual Class Members.

20 12. These common questions include:

- 21 1) Whether Defendant failed to reimburse business-related expenses;
22 2) Whether Defendant violated § 2699, et seq. for violations of Labor Code § 432.5
and by engaging in the acts previously alleged

23 13. Plaintiff's challenge to Defendant's uniform policies and practices involves
24 common factual and legal issues that are amenable to class treatment.

25 14. Here, Plaintiff maintains that the proposed Class Members suffered the same
26 injuries, in the same manner: Class Members were not reimbursed for business-related expenses.

27 15. Accordingly, for purposes of settlement, the evidence reviewed by Class Counsel
28 demonstrates that common cell phone policies applied to the proposed Class Members and

1 certification for settlement purposes is appropriate.

2 16. Plaintiff worked as an “hourly employee” for Defendant as a technician in the
3 National City, California location, earning \$22 per hour.

4 17. He also alleges that he experienced derivative claims for unfair business
5 competition (B&P Code §17200) and Labor Code §2699, et seq.

6 18. Plaintiff also contends that his claims are typical of those of the Class.

7 19. Plaintiff believes that he is capable of fairly representing and adequately protecting
8 the interests of the proposed Class Members.

9 20. The members of the proposed Class all worked for Defendant during the relevant
10 time period and incurred the same type of alleged damages with regard to Defendant’s alleged
11 violations of the law.

12 21. Moreover, Plaintiff has agreed to serve as Class Representative and has retained
13 qualified Counsel who is experienced in prosecuting wage and hour class actions.

14 22. This demonstrates he commitment to bringing about the best possible results for
15 the benefit of the proposed Class

16 23. Plaintiff has provided his Counsel with all necessary and pertinent information.

17 24. He has been a very active participant in the litigation including having frequent
18 contact with Class Members, responding to informal discovery, and working closely with Class
19 Counsel to develop the theories of liability.

20 25. Therefore, Plaintiff believes that he has and will continue to adequately represent
21 the proposed Class Members.

22 26. In this regard, the superiority of class treatment is evident here because individual
23 pursuit of class members’ claims may not be economically viable

24 27. Plaintiff maintains that this economic reality would result in a windfall for
25 Defendant if this case were not certified.

26 **THE PROPOSED SETTLEMENT**

27 28. For purposes of Agreement, the settlement class is defined as: “means all
28 individuals who have worked for Defendant in California as non-exempt employees during the

Class Period, excluding those individuals who have entered agreements releasing the claims alleged by Plaintiff.” (“Class”).

29. The Class Period is from January 17, 2019 through January 6, 2024.

30. As of September 27, 2023 (the date of mediation), and based on documents and other information produced by Defendant, there are approximately 79 Class Members

31. For purposes of Agreement, the Allegedly Aggrieved Employees are defined as: all individuals who worked for Defendant in California as non-exempt employees during the PAGA Period. (“Allegedly Aggrieved Employees”).

32. The PAGA Period is from January 17, 2022 to through January 6, 2024.

33. As of September 27, 2023 (the date of mediation), and based on documents and other information produced by Defendant, there are approximately 55 aggrieved employees.

34. As detailed fully in the Agreement, the Settlement provides for Defendant to pay a Gross Settlement Amount of \$70,000.00, which includes the sum of the Individual Class Payments, the Class Representative service award, the Class Counsel Award (including fees and expenses), PAGA Payment (including Individual PAGA Payments and the LWDA PAGA Payment), and the Settlement Administration Costs.

35. The Net Settlement Amount is the Gross Settlement Amount, less Class Counsel Award (including fees and expenses), Class Representative Service Payment, PAGA Payment (including Individual PAGA Payments and the LWDA PAGA Payment), and Settlement Administration Costs.

KULLAR ANALYSIS

36. The proposed settlement satisfies each of these factors.

37. This discovery permitted Class Counsel to fairly evaluate the strength of the case and the risks associated with ongoing litigation.

38. Class Counsel is experienced in handling wage and hour class actions and, after weighing all of the following factors, supports this Agreement.

39. Here, Plaintiff alleges that Defendant failed to reimburse Plaintiff and the Proposed Class for the cost of using their personal cell phones that were not provided by Defendant but were

1 necessary for the performance of Plaintiff and the Proposed Class's job duties.

2 40. Plaintiff contends that Defendant required Plaintiff and all Proposed Class members
3 to use their own cellphones to perform and complete their job duties, including communicating
4 with supervisors and coworkers.

5 41. These cell phones were not provided by Defendant and it is Plaintiff's position that
6 Defendant failed to reimburse Plaintiff and the Proposed Class for the costs of regular and
7 consistent cellular phone usage despite the fact that these expenditures were necessary for business
8 related purposes.

9 42. Here, Plaintiff alleges that Defendant requires, as a condition of employment, that
10 Plaintiff and other aggrieved employees sign a "Nondisclosure, Inventions and Noncompetition
11 Agreement" which includes an unlawful noncompete provision: Employees agree that when they
12 are employed by the Company and for 18 months after their employment terminates for any reason,
13 employees will not, directly or indirectly, solicit or endeavor to entice away from the Company,
14 or otherwise interfere with the business relationship of the Company with any person who is, or
15 was within the prior year, employed by or working for the Company.

16 43. There is significant expense associated with the class certification process, which
17 the Parties can avoid by entering into the contemplated Agreement now.

18 44. If the Court did eventually certify a reimbursement class, trial of a case involving
19 approximately 79 Class Members would require the retention of expensive expert witnesses, the
20 accrual of extensive litigation costs, and a significant time overlay by the parties.

21 45. Moreover, given the complexity and unsettled nature of the issues in this case it is
22 likely that any outcome at trial would have resulted in a lengthy and costly appeal. An appeal
23 would result in further delay for the Class Members who are waiting for a resolution in this matter.

24 46. This case has not been certified to be tried as a class action. Moreover, in class
25 actions, decertification is always a possibility. In attempting to certify a class, the parties would
26 need to conduct depositions, including of the Class Representative and of several person(s) most
27 knowledgeable regarding Defendant's reimbursement policies. There is a risk for both sides as to
28 what these depositions will reveal and whether they will support class certification to the extent

1 expected.

2 47. It was very difficult for the Parties to reach this Settlement of \$70,000.00.

3 48. This Settlement is the result of adversarial, non-collusive, and arms-length
4 negotiations. The Parties arrived at it after extensive investigation and discovery, careful
5 evaluation of the law, risks, and all information substantiating the amount of penalties reasonably
6 likely to be awarded to the class were the trier of fact to find Defendant liable, and the assistance
7 of an experienced mediator, Kevin T. Barnes, Esq.

8 49. If each Class Member is owed \$15 a month for reimbursement, the full value of
9 this claim is \$24,705.00.

10 50. The Labor Code §432.5 claim is assessed as one pay period per aggrieved
11 employee. As such, the value of this claim is \$5,500.00 (55 aggrieved employees multiplied by
12 \$100).

13 51. The Labor Code §2802 claim is valued at approximately \$32,300.00.

14 52. As such, with stacking, the full value of the PAGA claim is \$37,800.00.

15 53. The main risk taken into account with PAGA is the discretionary nature of the
16 penalty award.

17 54. A judge can award the statutory maximum of \$100 for the initial violation and \$200
18 thereafter or – in theory – one cent per wage statement.

19 55. While there is a dearth of available authority, in Plaintiff's view, were he to succeed
20 on any of the underlying Labor Code violations, it is not likely that a Judge would also award a
21 large amount of penalties of top of any damages recovered.

22 56. Per Plaintiff's assessment, the maximum potential value of all of Plaintiff's and the
23 Class Members' claims was approximately \$62,505.

24 57. As a result of the forgoing risks on the merits, Class Counsel believes the Gross
25 Settlement Amount of \$70,000.00 is fair and reasonable.

26 **ATTORNEY COMPETENCE**

27 58. Kingsley & Kingsley is experienced in prosecuting employment litigation, and
28 since 2000 we have focused our practice on wage, hour, and working condition violations. My

1 firm is well versed in class action litigation and has diligently and aggressively pursued this action.
2 Kingsley & Kingsley currently serves as class counsel for several dozens of pending class action
3 lawsuits in Northern, Central, Eastern, and Southern California in both State and Federal Court.

4 Below is a small, but representative sampling of wage and hour cases handled by my firm:

- 5 a. *Goodman v. Crystal Ventures, Inc.* (No. BC245561, L.A. Super. Ct.) In January
6 2002, Hon. Anthony Mohr granted final approval of settlement in the gross amount
7 of \$255,000 and the court approved the attorneys' fee request of 33 1/3%.
- 8 b. *Johnston v. The Cheesecake Factory* (No. BC316180, L.A. Super. Ct.) In
9 December 2005, Honorable Rita Miller granted final approval of Settlement in the
10 gross amount of \$4,000,000 and the court granted attorneys' fees request of 30%.
- 11 c. *Tumino v. HOB Entertainment* (No. BC327962, L.A. Super. Ct.) In May 2006, the
12 Honorable Conrad R. Aragon granted final approval of Settlement in the gross
13 amount of \$1,000,000 and the court granted attorneys' fees request of 30%.
- 14 d. *Ryan v. Hilton Hotels Corporation*, (No. BC364260, L.A. Super. Ct.) In March
15 2008, the Honorable Mary Thornton House granted final approval of Settlement in
16 the gross amount of \$1,675,000.00 and the court granted attorneys' fees request of
17 33 1/3%.
- 18 e. *Gerritson v. Styles For Less, Inc.*, (No. BC402921, L.A. Super. Ct.) In September
19 2010, the Hon. Kenneth R. Freeman granted final approval of Settlement in the
20 gross amount of \$2,000,000.00, and the court granted attorneys' fees request of
21 33.3%.
- 22 f. *Lewis v. Collabrus, Inc., et al.*, (No. 109CV-142927, Santa Clara Super. Ct.) In
23 March 2012, the Honorable James P. Kleinberg granted final approval of
24 Settlement in the gross amount of \$2,000,000.00, and the court granted attorneys'
25 fees request of 33.3%.
- 26 g. *Hirschinger v. Blue Cross of California*, Los Angeles Superior Court (No.
27 BC402739, L.A. Super. Ct.) In June 2013, the Honorable Lee Smally Edmund
28 granted final approval of Settlement in the gross amount of \$4,700,000.00, and the

1 court granted attorneys' fees request of 38%.

2 h. *Anderson v. Total Renal Care, Inc.*, (No. BC388335, L.A. Super. Ct.) In January
3 2014, the Honorable William F. Highberger granted final approval of Settlement in
4 the gross amount of \$1,500,000.00 and the court granted attorneys' fees request of
5 33.33%.

6 i. *Rojas, et al. v. Sunview Vineyards of California, Inc.*, Eastern District (1:09-cv-
7 00705 AWIJLT). This certified class action was approved for final settlement by
8 the Honorable Anthony W. Ishii in October 2015, in the gross amount of
9 \$4,550,000.00, with attorneys' fees approved in the amount of \$1,137,500.00.

10 j. *Westbrook v. International Surfacing Systems*, (No. RG10510015, Alameda Super.
11 Ct.) In August 2015, the Hon. Wynne Carvill granted final approval of Settlement
12 in the gross amount of \$995,000.00, and the court granted attorney's fees request
13 of 33.33%.

14 k. *Kane et al. v. Valley Slurry Seal*, (No. CV08-2483, Yolo Super. Ct.) In March 2016
15 after a class trial with a verdict in the class's favor, the Honorable Daniel P.
16 Maguire, awarded Kingsley & Kingsley and co-counsel \$996,232.72 in attorney's
17 fees.

18 l. *Aparacio v. Abercrombie & Fitch Stores, Inc.*, (No. BC499281, L.A. Super. Ct.) In
19 June 2016, the Hon. Kenneth Freeman granted final approval of Settlement in the
20 gross amount of \$2,000,000.00, and the court granted attorney's fees request of
21 33.33%.

22 m. *Isaguirre v. Guess?, Inc., Los Angeles Superior Court (BC357631)*. The matter was
23 proposed for final settlement by the Honorable Richard L. Fruin on February 19,
24 2016, in the gross amount of \$5,250,000.

25 n. *Hirschinger v. Blue Cross of California*, Los Angeles Superior Court (BC402739).
26 The matter was approved for final settlement by the Honorable Lee Smally Edmund
27 in June 2013, in the gross amount of \$4,700,000.00, with attorney's fees request of
28 38%.

- 1 o. *Munoz, et al. v. Giumarra Vineyards Corporation*, United States District Court for
2 the Eastern District of California (Case No.: 1:09-cv-00703 - AWI – JLT). The
3 matter was approved for final settlement by the Honorable Anthony W. Ishii in
4 November 2017, in the gross amount of \$6,100,000.00, plus interest, with
5 attorney’s fees benchmark award of \$1,525,000.
- 6 p. *Pineda, et al. v. Grimmway Enterprises, Inc.*, Kern County Superior Court (BCV-
7 15-101333). The matter was approved for final settlement before the Hon. Stephen
8 D. Schuett, Dept. 10, in January 2018, in the gross amount of \$9,000,000 with
9 attorneys’ fees request of 33.33%.
- 10 59. Kingsley & Kingsley, APC filed its first class certification motion in the year 2000
11 and since that time has been appointed class counsel on dozens of wage and hour class actions that
12 have been approved for class certification. Since 2012, Kingsley & Kingsley, APC has moved for
13 class certification in 15 matters and has successfully obtained class certification in 15 of those
14 cases. A brief sampling of which includes:
- 15 a. *Lewis v. Collabrus, Inc., Santa Clara County Superior Court (109CV-142927)*,
16 *approved for Class Certification in 2011.*
- 17 b. *Melendrez v. JK Communications*, No. BC497692, (L.A. Super. Ct., filed
18 December 19, 2012) (court granted contested class certification and appointed
19 Kingsley & Kingsley as class counsel).
- 20 c. *Amaro, et al v. Gerawan Farming, Inc.*, No. 1:14-cv-00147-DAD-SAB (E.D. Cal.,
21 filed February 3, 2014) (court granted contested class certification and appointed
22 Kingsley & Kingsley as class counsel).
- 23 d. *Suarez v. Mazatlan, Inc.*, No. 37-2015-00002978-CU-OE-CTL (S.D. Super. Ct.,
24 filed January 27, 2015) (court granted contested class certification and appointed
25 Kingsley & Kingsley as class counsel).
- 26 e. *Ruiz v. Daniel C. Salas Harvesting, Inc.*, Kings County Superior Court (16 C 0214).
27 contested class certification granted in June 2020.
- 28 f. *Weldon v. Geo Corrections & Detentions, LLC*, Kern County Superior Court

(BCV-16-102833), contested class certification granted in 2018.

g. *Patton v. Skyler Electric*, Nevada County Superior Court, (CU17-082544), contested class certification granted in June 2020.

h. *Hameister v. Jaco Oil Company*, Kern County Superior Court (BCV-17-102876), contested class certification granted in August 2020.

60. Class Counsel is experienced in the handling of wage and hour class actions and supports this Settlement. Based on its analysis, Class Counsel believes that this settlement is fair and reasonable and in the best interest of the Class.

61. After factoring in the risks explained above, Class Counsel believes that the proposed settlement is fair and reasonable.

62. Here, the proposed plan of allocation compensates Class Members pro rata based on the share of the Net Settlement Amount calculated according to the number of Class Workweeks worked during the Class Period.

SERVICE AWARD TO THE NAMED PLAINTIFF

63. The Class Representative is entitled to an enhancement for his valiant effort and time expended in this matter.

64. The time spent by Plaintiff is significant and includes researching and retaining competent counsel; providing information to Class Counsel regarding the nature of the work at Defendant; compiling relevant documents; working closely with Class Counsel to develop the theories of liability and marshal relevant evidence; regularly discussing the status of the case with Class Counsel; discussing the case via telephone with many Class Members; providing informal discovery responses; attending a full-day of mediation; and responding promptly to Class Counsel's communications regarding settlement.

65. As set forth in the Agreement, Plaintiff will also be entering into a general release of liability pursuant to Civil Code Section 1542.

66. Class Counsel considers this to be a fair and reasonable enhancement. The enhancement takes into consideration the time, effort, and expense incurred by Plaintiff in coming forward to litigate this matter on behalf of all Class Members. Plaintiff will provide a detailed

1 declaration with the Final Approval Motion.

2 **SUBMISSION TO THE LABOR WORKFORCE DEVELOPMENT AGENCY**

3 67. Proof of submission of Plaintiff's Motion, all related documents, and copy of the
4 email from the LWDA confirming receipt is attached to the Declaration of Liane Katzenstein Ly
5 as Exhibit "3."

6 **EXHIBITS**

7 68. Attached hereto as Exhibit "1" is a true and correct copy of the fully-executed Class
8 Action and PAGA Settlement Agreement ("Settlement" or "Agreement").

9 69. Attached hereto as Exhibit "2" is a true and correct copy of the Administrator's,
10 Apex, bid.

11 70. Attached hereto as Exhibit "3" is a true and correct copy of the proof of submission
12 of Plaintiff's Motion, all related documents, and copy of the email from the LWDA confirming
13 receipt.

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

16 This Declaration was executed this 26th day of February, 2024, in Los Angeles, California.

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18 _____
19 Liane Katzenstein Ly
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EXHIBIT "1"

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff Johnathan Satele (“Plaintiff”) and Defendant kSARIA Service Corporation (“Defendant”). The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1. “Action” means the action of Plaintiff’s lawsuit against Defendant captioned *Satele v. kSARIA Service Corporation*, initiated on January 17, 2023, and amended on March 24, 2023, pending in the Superior Court of the State of California, County of San Diego.
- 1.2. “Administrator” means ILYM Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4. “Allegedly Aggrieved Employee” means all individuals who worked for Defendant in California as non-exempt employees during the PAGA Period.
- 1.5. “Class” means all individuals who have worked for Defendant in California as non-exempt employees during the Class Period, excluding those individuals who have entered agreements releasing the claims alleged by Plaintiff.
- 1.6. “Class Counsel” means Eric Kingsley, Liane Katzenstein Ly, and Jessica Bulaon of Kingsley & Kingsley, APC and William Zev Abramson of Abramson Labor Group.
- 1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.8. “Class Data” means Class Member identifying information in Defendant’s possession including the Class Member’s name, last-known mailing address, Social Security number, and number of Class Workweeks and PAGA Pay Periods.
- 1.9. “Class Member” or “Participating Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Allegedly Aggrieved Employee).
- 1.10. “Class Member Address Search” Means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of

Address database, skip traces, and direct contact by the Administrator with Class Members.

- 1.11. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.
- 1.12. “Class Workweek” means any workweek during which a Class Member worked for Defendant for at least one day during the workweek.
- 1.13. “Class Period” means the period from January 17, 2019 through January 6, 2024.
- 1.14. “Class Representative” means the named Plaintiff in the operative complaint in the Action seeking Court approval to serve as a Class Representative.
- 1.15. “Class Representative Service Payment” means the payment to the Class Representative for initiating the Action and providing services in support of the Action.
- 1.16. “Court” means the Superior Court of California, County of San Diego.
- 1.17. “Defendant” means kSARIA Service Corporation.
- 1.18. “Defense Counsel” means Kevin D. Sullivan and Chelsea Hadaway of Epstein Becker & Green, P.C.
- 1.19. “Effective Date” means the date by when the following have occurred: (a) if no objection to the Settlement is made and no individual moves to intervene in the Action and/or vacate the judgment or final approval order, the settlement shall become final on the 61st day after notice of entry of judgment is served on all parties and the LWDA, such that no appeal could timely be filed. If there is no appeal filed, Defendant shall fund the Settlement no later than thirty (30) days after the Settlement becomes final. If an appeal is filed, Defendant shall fund the Settlement no later than thirty (30) days after the date of remittitur affirming the judgment, in whole or in material part, and no longer subject to appeal.
- 1.20. “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.21. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.22. “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.

- 1.23. “Gross Settlement Amount” means \$70,000.00 which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payment, and the Administrator’s Expenses.
- 1.24. “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Class Workweeks worked during the Class Period.
- 1.25. “Individual PAGA Payment” means the Allegedly Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.
- 1.26. “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.27. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.28. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under the Labor Code section 2699, subd. (i).
- 1.29. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.
- 1.30. “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.31. “PAGA Pay Period” means any Pay Period during which an Allegedly Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.
- 1.32. “PAGA Period” means the period from January 17, 2022 to through January 6, 2024.
- 1.33. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.34. “PAGA Notice” means Plaintiff’s January 17, 2023 letter to Defendant and the LWDA, which provided notice pursuant to Labor Code section 2699.3, subd. (a).

- 1.35. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Allegedly Aggrieved Employees \$1,875.00 and the 75% to the LWDA \$5,625.00 in settlement of PAGA claims.
- 1.36. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.37. “Plaintiff” means Johnathan Satele, the named plaintiff in the Action.
- 1.38. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.39. “Preliminary Approval Order” means the Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.40. “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.
- 1.41. “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.
- 1.42. “Released Parties” means: Defendant and its subsidiaries and/or parent corporations, predecessors and successors, as well as its divisions, affiliates, past and present officers, owners, predecessors, directors, employees, agents, shareholders, fiduciaries, representatives, attorneys, insurers, benefit plans, private investigators, and each and all of the foregoing persons’ heirs, assigns, executors, administrators and successors, or any of them, or anyone claiming by, through, under, or on behalf of any of them.
- 1.43. “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.
- 1.44. “Response Deadline” means 45 days after the Administrator mails Notice to Class Members and Allegedly Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.
- 1.45. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

2. RECITALS.

- 2.1. Plaintiff's counsel provided written notice to the LWDA and Defendant regarding Defendant's alleged Labor Code violations, as required by Lab. Code § 2699.3(a), on January 17, 2023. On January 17, 2023, Plaintiff filed a putative class action against Defendant in the San Diego County Superior Court on behalf of Defendant's non-exempt employees. On March 24, 2023, Plaintiff filed a first amended class and representative action complaint alleging failure to reimburse business expenses and violation of Business and Professions Code section 17200, and for penalties under PAGA for alleged failure to reimburse and for alleged violations of Labor Code section 432.5. This will be the "Operative Complaint" and collectively they are the "Complaints."
- 2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.
- 2.3. Defendant denies the allegations in the pleadings and PAGA Notice, deny any failure to comply with the laws identified in the pleadings and PAGA Notice and deny any and all liability for the causes of action alleged.
- 2.4. On September 27, 2023, the Parties participated in an all-day mediation presided over by Kevin Barnes, Esq. A full day of mediating and several negotiations following the mediation led to this Agreement to settle the Action.
- 2.5. Prior to mediation, Plaintiff obtained through informal discovery: handbooks and policy documents, Class Member data and Allegedly Aggrieved Employee data. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").
- 2.6. The Court has not granted class certification.
- 2.7. The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant promises to pay \$70,000.00 and no more as the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Allegedly Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:

3.2.1. To Plaintiff: Class Representative Service Payment to the Class Representative of not more than \$5,000.00 and any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member. Defendant will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed that amount. As part of the motion for preliminary approval, Plaintiff will seek Court approval for any Class Representative Service Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payment.

3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than thirty-three percent (33%) of the Gross Settlement Amount, which is currently estimated to be \$23,333.33 and a Class Counsel Litigation Expenses Payment of not more than \$10,000.00. Defendant will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel arising from any claim to any portion any Class Counsel Fees Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed \$10,000 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$10,000 the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4. To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Class Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Class Workweeks.

3.2.4.1. Tax Allocation of Individual Class Payments. Each Participating Class Member's Individual Class Payment will be allocated to settlement of claims as ten percent for interest and ninety percent for restitution. The Individual Class Payments are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

3.2.5. To the LWDA and Allegedly Aggrieved Employees: PAGA Penalties in the amount of \$7,500.00 to be paid from the Gross Settlement Amount, with 75% \$5,625.00 allocated to the LWDA PAGA Payment and 25% \$1,875.00 allocated to the Individual PAGA Payments.

3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Allegedly Aggrieved Employees' 25% share of PAGA Penalties \$1,875.00 by the total number of PAGA Period Pay Periods worked by all Allegedly Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Allegedly Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.6. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Class Workweeks and Allegedly Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendant estimates there were (i) approximately 7,134 workweeks collectively worked by the Class Members from January 17, 2019 through September 6, 2023, and (ii) approximately 1,398 pay periods collectively worked by the Allegedly Aggrieved Employees from January 17, 2022 to September 6, 2023.

4.2. Class Data. Not later than 20 days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information

and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

- 4.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than thirty (30) days after the Effective Date.
- 4.4. Payments from the Gross Settlement Amount. Within 14 days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.
 - 4.4.1. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Allegedly Aggrieved Employees including Non-Participating Class Members who qualify as Allegedly Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.
 - 4.4.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.
 - 4.4.3. For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the

Administrator shall transmit the funds represented by such checks to the State Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).

- 4.4.4. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. RELEASES OF CLAIMS. Effective on the date when Defendant fully funds the entire Gross Settlement Amount, Plaintiff, Class Members, and Class Counsel will release claims against all Released Parties as follows:

- 5.1. Plaintiff's Release. Plaintiff and his former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences that occurred, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged based on the facts alleged in the Action and facts alleged in Plaintiff's PAGA Notice; (b) all claims that were, or reasonably could have been, ascertained during the Action, and (c) all claims released pursuant to Paragraphs 5.2 and 5.3 below ("Plaintiff's Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences after this Agreement is executed by Plaintiff. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

- 5.1.1. Plaintiff's Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiff's Release only, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that if known by him or her would have materially affected his or her settlement with the debtor or Released Party.

Notwithstanding the foregoing, the 1542 waiver and general release of Plaintiff's claims in this Agreement do not apply to: (i) those rights as a matter of law that cannot be waived, including, but not limited to, workers' compensation claims, if any; (ii) any rights or claims arising out of this Agreement after it is executed by Plaintiff; and (iii) rights or claims arising of this Agreement. The Agreement in no way affects Plaintiff's entitlement and/or benefits, if any, to be received by Plaintiff in workers' compensation pursuant to the jurisdiction of workers' compensation.

Plaintiff also agrees to not request an exclusion from this Settlement.

5.2. Release by Participating Class Members:

Upon notice of entry of final judgment and funding of the settlement, the Released Parties shall be entitled to, and each Participating Class Member shall be deemed to have given, a release of the following claims for the Class Period: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release and discharge Released Parties from all claims, demands, rights, liabilities and causes of action that have been pled in the Complaints in the Action as well as all claims, demands, rights, liabilities and causes of action that could have been alleged based on the facts that have been alleged in the Complaints in the Action, that arose during the Class Period defined above with respect to (a) the alleged failure to reimburse necessary business expenses; the alleged requirement that employees agree to any term or condition known to be prohibited by law; and the alleged entry into a noncompetition agreement that is purportedly void; (b) any right or claim for unfair business practices in violation of California Business and Professions Code section 17200 et seq., based on the alleged failures set forth above; and (c) any violation of the California Labor Code or other state or federal statute, rule or regulation that could have been asserted in this Action based on the facts, claims, causes of action or legal theories described above, including alleged violations of California Labor Code sections 2802 and 432.5 and alleged violations of Business and Professions Code section 16600 et seq., any and all corresponding claims that could have been brought under the Fair Labor Standards Act (“FLSA”), 29 U.S.C. section 201, et seq. based on the facts, claims, causes of action or legal theories described above and in accordance with *Rangel v. PLS Check Cashers of Cal., Inc.*, 899 F.3d 1106, 1110–11 (9th Cir. 2018) (holding opt-out release of California state law claims was *res judicata* against FLSA claims “which were direct federal law counterparts to the state law claims settled”); *accord Richardson v. Wells Fargo Bank, N.A.*, 839 F.3d 442, 451–52 (5th Cir. 2016) (plaintiff who became party to the opt-out Rule 23 settlement was bound by all settlement terms, including release of FLSA claims). Per the requirements of FLSA, the release of FLSA claims shall apply only to those Class Members who cash their check under this Settlement. Except as set forth in Paragraph 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period.

The following language will be printed on the reverse of each Individual Class Payment check, or words to this effect: “By endorsing or otherwise negotiating this check, I acknowledge that I read, understood, and agree to the terms set forth in the Notice of Class Action Settlement and I consent to join in the Fair Labor Standards Act (“FLSA”) portion of the Action, elect to participate in the settlement of the FLSA claims, and agree to release all of my FLSA claims that are covered by the Settlement.”

5.3. Release by Allegedly Aggrieved Employees:

Upon notice of entry of final judgment and funding of the settlement, Released Parties

shall be entitled to, and each Allegedly Aggrieved Employee and the LWDA shall be deemed to have given, a release of the following claims for the PAGA Period: All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims, demands, rights, liabilities and causes of action under PAGA as asserted in the Complaints in the Action and/or the PAGA Notice sent to the LWDA dated January 17, 2023 (case no. LWDA-CM-929827-23) that arose during the PAGA Period premised on the facts, claims, causes of action or legal theories as well as all claims, demands, rights, liabilities and causes of action under PAGA that could have been alleged based on the facts that have been alleged in the Complaints in the Action and the PAGA Notice referenced herein (“Released PAGA Claims”).

6. MOTION FOR PRELIMINARY APPROVAL. The Parties agree to jointly prepare and file a motion for preliminary approval (“Motion for Preliminary Approval”) that complies with the Court’s current checklist for Preliminary Approvals.

- 6.1. Defendant’s Declaration in Support of Preliminary Approval. Within 10 business days of the full execution of this Agreement, Defendant will prepare and deliver to Class Counsel a signed Declaration from Defendant and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator. In their Declarations, Defense Counsel and Defendant shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.
- 6.2. Plaintiff’s Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code section 2699, subd. (I)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its “not to exceed” bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense Counsel; (v) signed declarations from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and/or the Administrator; (v) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (I)(1)), this Agreement (Labor Code section 2699, subd. (I)(2)); (vi) a redlined version of the parties’ Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (vii) all facts relevant

to any actual or potential conflicts of interest with Class Members, and the Administrator. In their Declarations, Plaintiff and Class Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

- 6.3. Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 30 days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval Order to the Administrator.
- 6.4. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns. The Parties agree not to object to any Court filings consistent with this Agreement, and litigation will be stayed for all purposes except for the purpose of effectuating this Agreement through preliminary and final approval by the Court.

7. SETTLEMENT ADMINISTRATION.

- 7.1. Selection of Administrator. The Parties have jointly selected ILYM Group, Inc. to serve as the Administrator and verified that, as a condition of appointment, ILYM Group, Inc. agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 7.2. Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes providing reports to state and federal tax authorities, if applicable.
- 7.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.
- 7.4. Notice to Class Members.
- 7.4.1. No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the

number of Class Members, PAGA Members, Class Workweeks and PAGA Pay Periods in the Class Data.

7.4.2. Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class Notice substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Class Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

7.4.3. Not later than 3 business days after the Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

7.4.4. The deadlines for Class Members’ written objections, Challenges to Class Workweeks and/or PAGA Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond the 60 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

7.4.5. If the Administrator, Defendant or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

7.5. Requests for Exclusion (Opt-Outs).

7.5.1. Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her

representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

7.5.2. The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

7.5.3. Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraph 5.2 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.5.4. Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon notice of entry of the Judgment, Non-Participating Class Members who are Allegedly Aggrieved Employees are deemed to release the claims identified in Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

7.5.5. Plaintiff shall not submit a Request for Exclusion.

7.6. Challenges to Calculation of Class Workweeks. Each Class Member shall have 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Class Workweeks contained in the Class Notice are correct as long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Class Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Class Workweeks and/or PAGA Pay Periods to Defense

Counsel and Class Counsel and the Administrator's determination of the challenges.

7.7. Objections to Settlement.

7.7.1. Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment.

7.7.2. Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 60 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed).

7.7.3. Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

7.8. Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

7.8.1. Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment, the Final Approval and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

7.8.2. Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 5 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

- 7.8.3. Weekly Reports. The Administrator must, on a weekly basis provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Class Workweeks received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.
- 7.8.4. Workweek Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Class Workweeks. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.
- 7.8.5. Administrator’s Declaration. Not later than 14 days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including but not limited to, its mailing of the Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator’s declaration(s) in Court.
- 7.8.6. Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 15 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator’s declaration in Court.

- 8. CLASS SIZE ESTIMATES and ESCALATOR CLAUSE** Based on their records, Defendant estimates that, as of the date of this Settlement Agreement, there are approximately 7,134 Total Class Workweeks from January 17, 2019 through September 6, 2023. In the event the total number of workweeks is more than 10% larger for the Class Period, then Defendant will have the option to either (i) allow the Gross Fund to increase on a pro rata basis above 10% to the extent the threshold is exceeded (e.g., if the total number of workweeks for the Class Period is actually 11% more than 7,134 workweeks, the Gross Fund shall increase by 1%), or (ii) shorten the Class Period such that the threshold is not exceeded – i.e., such that there is not an increase in the total number of workweeks more than 10%.

However, Defendant will remain responsible for paying all Settlement Administration Expenses incurred to that point.

9. **DEFENDANT'S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds ten percent (10%) of the total of all Class Members, Defendant may, but is not obligated, to elect to withdraw from the Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw not later than ten (10) days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

10. **MOTION FOR FINAL APPROVAL.** Not later than 16 court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (1), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiff shall provide drafts of these documents to Defense Counsel not later than seven days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.
 - 10.1. Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

 - 10.2. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

 - 10.3. Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

10.4. Waiver of Right to Appeal. Provided the Judgment is consistent with the material terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

10.5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment, or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

11. AMENDED JUDGMENT. If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit a proposed amended judgment.

12. ADDITIONAL PROVISIONS.

12.1. No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Complaints have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does not grant Preliminary Approval, Final Approval or enter Judgment, Defendant reserves the right to contest certification of any class for any reasons, and Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserve the right to move for class certification on any grounds available and to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or

effectuate the Settlement and this Agreement).

- 12.2. Confidentiality Prior to Preliminary Approval. Neither Plaintiff, Class Counsel, Defendant, nor Defense Counsel shall publicize the settlement on their website or in advertising/marketing materials, other than filing documents with the Court. Neither Plaintiff, Class Counsel, Defendant, nor Defense Counsel shall issue any press releases or initiate any contact with the media about the fact, amount, or terms of the settlement. If Plaintiff, Class Counsel, Defendant, or Defense Counsel receives an inquiry about the settlement from the media, they may respond only after the motion or preliminary approval has been filed and only by confirming the accurate terms of the settlement. Nothing in this provision shall prevent Defendant or Plaintiff from making any required disclosure. This provision shall also not prohibit Class Counsel from responding to specific questions from Class Members. Additionally, following Preliminary Approval of the Settlement, Class Counsel may list the settlement on its website, as long as the disclosure does not identify Defendant by name. This provision shall also not prohibit Class Counsel from listing the instant action in support of a motion for class certification or a motion for appointment as class counsel/PAGA representative counsel or motion for attorneys' fees. Nothing herein shall be interpreted as preventing any good-faith communications by Plaintiff, Class Counsel, Defendant, or Defense Counsel with the Court, the Class Members, or the Administrator.
- 12.3. No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 12.4. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 12.5. Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 12.6. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the

Court for resolution.

- 12.7. No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 12.8. No Tax Advice. Neither Plaintiff, Class Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 12.9. Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 12.10. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 12.11. Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 12.12. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 12.13. Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 12.14. Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code § 1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy, all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant make a written request to Class Counsel for the return, rather than the destructions, of Class Data.
- 12.15. Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this

Agreement.

12.16. Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

12.17. Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff: Kingsley & Kingsley, APC
Eric B. Kingsley (eric@kingsleykingsley.com)
Liane Katzenstein Ly (liane@kingsleykingsley.com)
Jessica Bulaon (jessi@kingsleykingsley.com)
16133 Ventura Blvd, Suite 1200
Encino, California 91436

Abramson Labor Group
William Zev Abramson (wza@abramsomlabor.com)
3580 Wilshire Blvd., Suite 1260
Imperial, California 90010

To Defendant: Epstein Becker & Green, P.C.
Kevin D. Sullivan (ksullivan@ebglaw.com)
Chelsea Hadaway (chadaway@ebglaw.com)
1925 Century Park East, Suite 500
Los Angeles, California 90067-2506

12.18. Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically, (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterparts will be admissible in evidence to prove the existence and contents of this Agreement.

12.19. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

Date: January 17, 2024

PLAINTIFF JOHNATHAN SATELE

DocuSigned by:

Johnathan Satele

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Johnathan Satele

Date: _____

DEFENDANT KSARIA SERVICE
CORPORATION

By: Michael DiPoto, authorized signatory

Date: January 17, 2024

KINGSLEY & KINGSLEY, APC



Eric B. Kingsley
Liane Katzenstein Ly
Jessica Bulaon
Attorneys for Plaintiff Johnathan Satele

Date: January 18, 2024

ABRAMSOM LABOR GROUP

DocuSigned by:

Zev Abramson

27C2307883934A2...

William Zev Abramson
Attorneys for Plaintiff Johnathan Satele

Date: _____

EPSTEIN BECKER & GREEN, P.C.

Kevin D. Sullivan
Chelsea Hadaway
Attorneys for Defendant

EXHIBIT "A"

**COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND
HEARING DATE FOR FINAL COURT APPROVAL**

Satele v. kSARIA Service Corporation, et al.

San Diego County Superior Court case number 37-2023-00002198-CU-OE-CTL

*The Superior Court for the State of California authorized this Notice. Read it Carefully!
It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.*

You may be eligible to receive money from an employee class action lawsuit (“Action”) against kSARIA Service Corporation (“Defendant”) for alleged Labor Code violations. The Action was filed by former employee Johnathan Satele (“Plaintiff”) and seeks payment of (1) business expense reimbursement and other relief for a class of hourly employees (“Class Members”) who worked for Defendant at any time from January 17, 2019 to January 6, 2024 (the “Class Period”); and (2) penalties under the California Private Attorney General Act (“PAGA”) for all hourly employees who worked for Defendant at any time from January 17, 2022 to January 6, 2024 (the “PAGA Period”) (“Allegedly Aggrieved Employees”).

The proposed Settlement has two main parts: (1) a Class Settlement requiring Defendant to fund Individual Class Payments, and (2) a PAGA Settlement requiring Defendant to fund individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency (“LWDA”).

Based on Defendant’s records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$_____ (less withholding) and your Individual PAGA Payment is estimated to be \$_____**. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to Defendant’s records you are not eligible for an Individual PAGA Payment under the Settlement because you didn’t work during the PAGA Period.)

The above estimates are based on Defendant’s records showing that **you worked _____ workweeks** during the Class Period and **you worked _____ pay periods** during the PAGA Period. If you believe that you worked more workweeks or pay periods during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff’s attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires Defendant to make payments under the Settlement and requires Class Members and Allegedly Aggrieved Employees to give up their rights to assert certain claims against Defendant.

If you worked for Defendant during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

(1) **Do Nothing.** You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against Defendant.

(2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against Defendant, and, if you are an Allegedly Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

Defendant will not retaliate against you for any actions you take with respect to the proposed Settlement

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendant that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is _____	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Defendant must pay Individual PAGA Payments to all Allegedly Aggrieved Employees and the Allegedly Aggrieved Employees must give up their rights to pursue Released Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members.

Must be Submitted by _____	You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the _____ Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on _____. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks or Pay Periods Written Challenges Must be Submitted by _____	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many Workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number of Class Period Workweeks and number of PAGA Period Pay Periods you worked according to Defendant's records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by _____. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former employee of Defendant. The Action accuses Defendant of violating California labor laws by failing to reimburse for purportedly necessary business expenses and requiring employees to sign an allegedly unlawful nondisclosure agreement. Based on these claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) ("PAGA"). Plaintiff is represented by attorneys in the Action: Eric B. Kingsley, Liane Katzenstein Ly, and Jessica Bulaon of Kingsley & Kingsley, APC.; William Zev Abramson of Abramson Labor Group ("Class Counsel").

Defendant strongly denies violating any laws or failing to reimburse for any necessary business expenses or requiring employees to sign any unlawful agreement, and Defendant contends it complied with all applicable laws.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the Court has made no determination whether Defendant or Plaintiff is correct on the merits. In the meantime, Plaintiff and Defendant hired an experienced, neutral mediator in an effort to resolve the Action by negotiating to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement ("Agreement") and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and Defendant have negotiated a proposed Settlement that is subject to the Court's Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendant does not admit any violations or concede the merit of any claims.

Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendant has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Allegedly Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. Defendant Will Pay \$70,000.00 as the Gross Settlement Amount (Gross Settlement). Defendant has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel's attorney's fees and expenses, the Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, Defendant will fund the Gross Settlement not more than 30 days after the Judgment entered by the Court becomes final. The Judgment will be final 61 days after notice of the Court's entry of Judgment, or a later date if any Participating Class Member or the LWDA objects to the proposed Settlement and the Judgment is appealed.
2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - A. Up to \$23,333, before any escalator clause, (33% of the Gross Settlement) to Class Counsel for attorneys' fees and up to \$10,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - B. Up to \$5,000 as a Class Representative Award for filing the Action, working with Class Counsel and representing the Class.
 - C. Up to \$10,000 to the Administrator for services administering the Settlement.
 - D. Up to \$7,500.00 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Allegedly Aggrieved Employees based on their PAGA Period Pay Periods.

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making Individual Class Payments to Participating

Class Members based on their Class Period Workweeks.

4. Taxes Owed on Payments to Class Members. Plaintiff and Defendant are asking the Court to approve an allocation of 10% for interest and 90% for restitution. The Individual Class and Individual PAGA Payments are counted as restitution and penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Individual Class Payments on IRS 1099 Forms.
5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies shall be paid to the California State Controller's Unclaimed Property Fund in your name. If the monies represented by your check is sent to the Controller's Unclaimed Property Fund, you should consult the rules of the Fund for instructions on how to retrieve your money.
6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than _____, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the _____ Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Defendant.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Defendant based on the PAGA Period facts alleged in the Action.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and Defendant have agreed that, in either case, the Settlement will be void: Defendant will not pay any money and Class Members will not release any claims against Defendant.
8. Administrator. The Court has appointed a neutral company, ILYM Group, Inc. (the "Administrator") to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.

9. Participating Class Members' Release. After the Judgment is final and Defendant has fully funded the Gross Settlement, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendant or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

The Participating Class Members will be bound by the following release:

Upon notice of entry of final judgment and funding of the settlement, the Released Parties shall be entitled to, and each Participating Class Member shall be deemed to have given, a release of the following claims for the Class Period: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release and discharge Released Parties from all claims, demands, rights, liabilities and causes of action that have been pled in the Complaints in the Action as well as all claims, demands, rights, liabilities and causes of action that could have been alleged based on the facts that have been alleged in the Complaints in the Action, that arose during the Class Period defined above with respect to (a) the alleged failure to reimburse necessary business expenses; the alleged requirement that employees agree to any term or condition known to be prohibited by law; and the alleged entry into a noncompetition agreement that is purportedly void; (b) any right or claim for unfair business practices in violation of California Business and Professions Code section 17200 et seq., based on the alleged failures set forth above; and (c) any violation of the California Labor Code or other state or federal statute, rule or regulation that could have been asserted in this Action based on the facts, claims, causes of action or legal theories described above, including alleged violations of California Labor Code sections 2802 and 432.5 and alleged violation of Business and Professions Code section 16600 et seq., any and all corresponding claims that could have been brought under the Fair Labor Standards Act ("FLSA"), 29 U.S.C. section 201 et seq. based on the facts, claims, causes of action or legal theories described above and in accordance with *Rangel v. PLS Check Cashers of Cal., Inc.*, 899 F.3d 1106, 1110–11 (9th Cir. 2018) (holding opt-out release of California state law claims was *res judicata* against FLSA claims "which were direct federal law counterparts to the state law claims settled"); *accord Richardson v. Wells Fargo Bank, N.A.*, 839 F.3d 442, 451–52 (5th Cir. 2016) (plaintiff who became party to the opt-out Rule 23 settlement was bound by all settlement terms, including release of FLSA claims). Per the requirements of FLSA, the release of FLSA claims shall apply only to those Class Members who cash their check under this Settlement. Except as set forth in Paragraph 5.3 of the Parties' Settlement Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation,

or claims based on facts occurring outside the Class Period.

10. Allegedly Aggrieved Employees' PAGA Release. After the Court's judgment is final, and Defendant has paid the Gross Settlement, all Allegedly Aggrieved Employees will be barred from asserting PAGA claims against Defendant, whether or not they exclude themselves from the Settlement. This means that all Allegedly Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against Defendant or its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

The Allegedly Aggrieved Employees' Releases for Participating and Non-Participating Class Members are as follows:

Upon notice of entry of final judgment and funding of the settlement, Released Parties shall be entitled to, and each Allegedly Aggrieved Employee and the LWDA shall be deemed to have given, a release of the following claims for the PAGA Period: All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims, demands, rights, liabilities and causes of action under PAGA as asserted in the Complaints in the Action and/or the PAGA Notice sent to the LWDA dated January 17, 2023 (case no. LWDA-CM-929827-23) that arose during the PAGA Period premised on the facts, claims, causes of action or legal theories as well as all claims, demands, rights, liabilities and causes of action under PAGA that could have been alleged based on the facts that have been alleged in the Complaints in the Action and the PAGA Notices referenced herein ("Released PAGA Claims").

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$1,875.00 by the total number of PAGA Pay Periods worked by all Allegedly Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Allegedly Aggrieved Employee.
3. Workweek Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendant's records, are stated in the first page of this Notice. You have until _____ to challenge the number of Workweeks and Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendant's calculation of Workweeks and Pay Periods based on Defendant's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Defendant's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as Allegedly Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment.
2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Allegedly Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as Satele v. kSARIA and include your identifying information (full name, address, telephone number, approximate dates of employment for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by _____, or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and Defendant are asking the Court to approve. At least 16 business days before the _____ Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is requesting as a Class Representative Service Award. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's

Website _____ (url) _____ or the Court's website
<https://www.lacourt.org/paonlineservices/pacommerce/login.aspx?appId=IMG&casetype=CI>
 V

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is _____.** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action as Satele v. kSARIA and include your name, current address, telephone number, and approximate dates of employment for Defendant and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on _____ at (time) in Department 71 of the San Diego County Superior Court, located at 330 West Broadway, San Diego, CA 92101. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making any decisions. You can attend (or hire a lawyer to attend) either personally or virtually (<https://www.sdcourt.ca.gov/virtualhearings>). Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website _____ beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendant and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to the Administrator's website at _____ (url) _____. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (<https://www.sdcourt.ca.gov/sdcourt/generalinformation/accesscourtrecords>) and entering the Case Number for the Action, Case No. 37-2023-00002198-CU-OE-CT. You can also

personally review court documents in the Clerk's Office at the Hall of Justice Courthouse at 330 West Broadway, San Diego, CA 92101.

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

Class Counsel:

Name of Firm: Kingsley & Kingsley, APC

Name of Attorneys: Eric B. Kingsley, Liane Katzenstein Ly, Jessica Bulaon

Email Address: eric@kingsleykingsley.com, liane@kingsleykingsley.com, jessi@kingsleykingsley.com

Mailing Address: 16133 Ventura Blvd, Suite 1200, Encino, California 91436

Telephone: (818) 990-2903

Name of Firm: Abramson Labor Group

Name of Attorney: William Zev Abramson

Email Address: wza@abramsomlabor.com

Mailing Address: 3580 Wilshire Blvd., Suite 1260, Imperial, California 90010

Telephone: (213) 493-6300

Settlement Administrator:

Name of Company: ILYM Group, Inc.

Email Address:

Mailing Address:

Telephone:

Fax Number:

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void, you should consult the Unclaimed Property Fund _____ for instructions on how to retrieve the funds

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.

EXHIBIT "2"

ILYM | GROUP, Inc.

SETTLEMENT ADMINISTRATION EXPERTS

Case Name: Ksaria

Friday, February 23, 2024

Requesting Attorneys Name:

Liane Katzenstein Ly

E-Mail:

liane@kingsleykingsley.com

ILYM Contact:

Lisa Mullins

E-Mail:

Lisa@ilymgroup.com

Contact Number:

714.878.8836

ESTIMATE FOR ADMINISTRATION SOLUTIONS

ASSUMPTIONS	
Total Number of Class Members	100
Estimated Mail Returned as Undeliverable	15%
Certified Spanish Translation	No
Case Duration (Year(s))	1

Activity	Rate Type	Unit Cost	Volume	Amount
CASE STARTUP				
Initial Setup - Import and Formatting of Data*	Hourly	\$150.00	1	\$150.00
Programming of Class Database	Hourly	\$175.00	1	\$175.00
*ILYM assumes that data will be in a standard format. Client will be notified immediately if not in standard format to correct data or ILYM can convert to standard format @ \$150.00 per hour.				
Subtotal				\$325.00

PROJECT MANAGEMENT & NOTICING				
Project Manager (Case notification and maintenance)	Hourly	\$120.00	3	\$360.00
Staff Hours for Processing Returned Mail	Hourly	\$70.00	2	\$140.00
Staff Hours for Processing Opt-Outs, Disputes & Objection(s)	Hourly	\$70.00	2	\$140.00
Report Processing	Hourly	\$70.00	3	\$210.00
NCOA	Flat Rate	\$50.00	1	\$50.00
Toll Free Customer Service Representative	Flat Fee	\$100.00	1	\$100.00
Weekly Reports	Flat Rate	\$750.00	1	Waived
Subtotal				\$1,000.00

ILYM | GROUP, Inc.

SETTLEMENT ADMINISTRATION EXPERTS

Activity	Rate Type	Unit Cost	Volume	Amount
NOTIFICATION/MAILING				
Fulfillment of Notice	Per Piece	\$1.50	100	\$150.00
USPS First Class Postage	Per Piece	\$0.64	100	\$64.00
Re-Mails (Forward/Skip trace Undeliverables)	Per Piece	\$2.00	20	\$40.00
Storage, Photocopies, Deliveries	Flat Fee	\$302.00	1	\$302.00

Subtotal \$556.00

DISTRIBUTION (Includes EIN, Bank Acct * /QSF Setup)				
Distribution Setup & Management	Hourly	\$150.00	3	\$450.00
Account Reconciliation & Distribution Reporting	Hourly	\$125.00	3	\$375.00
Check, Stub & Release - Print & Mail (W-2/1099)	Per Check	\$1.00	100	\$100.00
USPS First Class Postage	Per Piece	\$0.64	100	\$64.00
Re-Mails (Forward/Skip trace Undeliverables up to 10%)	Per Piece	\$1.50	10	\$15.00
Preparation of Taxes	Hourly	\$120.00	5	\$600.00
Annual Filing of Tax Return	Per Year	\$1,500.00	1	\$1,500.00

**Additional Bank fees may apply*

Subtotal \$3,104.00

CASE CONCLUSION				
Data Manager Final Reporting	Hourly	\$100.00	1	\$100.00
Project Manager Final Reporting	Hourly	\$120.00	2	\$240.00
Process Unclaimed Funds to the State Controller	Flat Fee	\$550.00	1	\$550.00
Declaration	Hourly	\$125.00	1	\$125.00

Subtotal \$1,015.00

TOTAL CASE ESTIMATE: \$6,000.00

Terms and Conditions

All services to be provided by ILYM Group, Inc. (hereinafter, "ILYM") to Client shall be subject to the following terms and conditions:

Services: Subject to the terms hereof, ILYM agrees to provide the Client with Administration Services (hereinafter, "services") as specified in the Proposal provided to Client to which these Terms and Conditions are attached. The estimate is in good faith and does not cover any applicable taxes and fees. The estimate does not make provision for any services or class members/size not delineated in the request for proposal or stipulations. Such services do not in any way constitute legal services or advice. ILYM is performing its services as an Independent Contractor and neither it nor its employees shall be deemed to be employees of the Client.

Mailing and Data Conversion: ILYM's database administration assumes the Client will provide complete data that includes all information required to send notifications and complete the administration process. Data must be provided in a complete, consistent, standardized electronic format. ILYM's standard format is Microsoft Excel, however, ILYM may accept other formats at its discretion. Further developments or enhancements to non-standardized data will be billed to Client by ILYM on a time and materials basis, according to ILYM's Standard Rates.

Charges for Services: Charges to the Client for services shall be on a time and materials basis at our prevailing rates, as the same may change from time to time. Any fee estimates set forth in the proposal are estimates only, based on information provided by Client to ILYM. Actual fees charged by ILYM to Client may be greater or less than such estimate, and Client shall be responsible for the payment of all such charges and expenses in accordance with Section 5 hereof. Charges incurred related to resolving post distribution withholdings and related corrective files due to voids and re-issues of payments and related correspondence with state and federal taxing authorities will not be charged to the Client to the extent that funds are received from the taxing authorities offset these charges. ILYM may derive financial benefits from financial institutions in connection with the deposit and investment of settlement funds with such institutions, including without limitation, discounts on eligible banking services and fees, and loans at favorable rates.

Indemnification: Client will indemnify and hold ILYM (and the officers, employees, affiliates and agents harmless against any Losses incurred by ILYM, arising out of, in connection with, or related to (i) any breach of the terms by Client; (ii) the processing and handling of any payment by ILYM in accordance with Client's instructions, including without limitation, the imposition of any stop payment or void payment on any check or the wrongful dishonor of a check by ILYM pursuant to Client's instructions.

Payment of Charges: ILYM reserves the right to request payment of postage charges and 50% of the final administration charges at the start of the case. ILYM bills are due upon receipt unless otherwise negotiated and agreed to with the Client. In the event settlement terms provide that ILYM is to be paid out of the Settlement Fund, ILYM will request that Counsel endeavor to make alternate payment arrangements for ILYM 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, or no later than the time of disbursement. Decisions of the court and actions of the parties, including disapproval or withdrawal of a settlement, do not affect the Client's liability to ILYM for payment of services. Services are not provided on a contingency fee basis.

Confidentiality: ILYM maintain reasonable and appropriate security measures and safeguards to protect the security and confidentiality of Client data provided to ILYM by Client in connection herewith. Should ILYM ever be notified of any judicial order or other proceedings in which a third party seeks to obtain access to the confidential data created by or for the Client, ILYM will promptly notify the Client, unless prohibited by applicable law. The Client shall have the option to (1) provide legal representation at the Client's expense to avoid such access or (2) promptly reimburse ILYM for any of its costs, including attorneys' fees, reasonably incurred in avoiding, attempting to avoid or providing such access and not paid by the entity seeking the data. If ILYM is required, pursuant to a court order, to produce documents, disclose data, or otherwise act in contravention of the obligations imposed by this Agreement, or otherwise, with respect to maintaining the confidentiality, proprietary nature and secrecy of the produced documents or disclosed data, ILYM will not be liable for breach of said obligation.

Data Rights: ILYM does not convey nor does the Client obtain any right in the programs, system data, or materials utilized or provided by ILYM in the ordinary course of business in the performance of this Agreement.

Document Retention: Unless directed otherwise in writing by Client, ILYM will destroy undeliverable mail on the effective date of the settlement or the date that the disposition of the case is no longer subject to appeal or review, whichever is later. ILYM will maintain claim forms and other correspondence for one year after final distribution of funds or benefits, or until the date that the disposition of the case is no longer subject to appeal or review, whichever is later.

Limitation of damages: ILYM is not responsible to the Client for any special, consequential or incidental damages incurred by Client. Any liability of ILYM to the Client shall not exceed the total amount billed to the Client for the particular services that give rise to any loss.

Termination: The services to be provided under this Agreement may be terminated, at will by the Client upon at least 30 calendar days' prior written notice to ILYM. The Client's obligation to pay for services or projects in progress at the time of notice of withdrawal shall continue throughout that 30 day period. ILYM may terminate this Agreement (i) with 10 calendar days' prior written notice, if the Client is not current in payment of charges or (ii) in any event, upon at least 3 months' prior written notice to the Client.

Notice: Any notice required or permitted hereunder shall be in writing and shall be delivered personally, or sent by registered mail, postage prepaid, or overnight courier service to the responsible officer or principal of ILYM or the Client, as applicable, and shall be deemed given when so delivered personally, or, if mailed, five days after the date of deposit in United States mail, or, if sent by courier, one business day after delivery to such courier service.

Force Majeure: To the extent performance by ILYM of any of its obligations hereunder is substantially prevented by reason of any act of God or by reason of any other matter beyond ILYM's reasonable control, then such performance shall be excused and this Agreement, at ILYM's option, be deemed suspended during the continuation of such condition and for a reasonable time thereafter.

Waiver of Rights: No failure or delay on the part of a party in exercising any right hereunder will operate as a waiver of, or impair, any such right. No single or partial exercise of any such right will preclude any other or further exercise thereof or the exercise of any other right. No waiver of any such right will be effective unless given in a signed writing.

Jurisdiction: The parties hereto submit to the jurisdiction of the Court of the applicable case for purposes of any suit, action or proceeding to enforce any provision of, or based on any right arising out of, this Agreement. The parties hereto hereby waive any objection to the laying of venue of any such suit, action or proceeding in the Court.

Entire Agreement: These terms and conditions and the proposal embody the entire agreement between the parties with respect to the subject matter hereof, and cancels and supersedes all prior negotiations, representations, and agreements related thereto, either written or oral, except to the extent they are expressly incorporated herein. No changes in, additions to, or waivers of, the terms and conditions set forth herein will be binding upon any party, unless approved in writing by such party's authorized representative.

(Proof of Submission to the LWDA)

EXHIBIT "3"

(PROOF OF SERVICE)
[CCP 1013(a)(3)]
STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 years and not a party to the within action. My business address is 16133 Ventura Boulevard, Suite 1200, Encino, California 91436.

On February 26, 2024, I served all interested parties in this action the following documents described as **DECLARATION OF LIANE KATZENSTEIN LY IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT** placing a true copy thereof enclosed in a sealed envelope addressed as follows:

EPSTEIN BECKER & GREEN, P.C. Chelsea Hadaway Emily T. Patajo 1925 Century Park East, Suite 500 Los Angeles, CA 90067-2506 CHadaway@ebglaw.com EPatajo@ebglaw.com cemail@ebglaw.com Attorneys for Defendant	ABRAMSON LABOR GROUP Willian Zev Abramson wza@abramsonlabor.com 11846 Ventura Blvd., Suite 100 Studio City, CA 91604 Attorneys for Plaintiff
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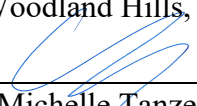
[] (BY MAIL) I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage fully prepaid at Encino, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

[XX] BY ELECTRONIC SERVICE: I caused a true and correct copy thereof to be electronically filed using the Labor and Workforce Development Agency Electronic Filing ("EF") System (<https://dir.tfaforms.net/315>) and service was completed by electronic means by transmittal of the documents referenced herein on the EF System.

[XX] (BY ELECTRONIC SERVICE) I caused the document to be sent to the persons at the e-mail address(es) listed on the attached service list. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful. A pdf copy of which was sent via email to the above email address(es).

[XX] (STATE) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on February 26, 2024, at Woodland Hills, California.



Michelle Tanzer