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8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

9 **FOR THE COUNTY OF LOS ANGELES**

10 TYKIAH TORRES,

11 Plaintiff,

12 vs.

13 JSI ACQUISITION, INC.; JONATHAN
14 ISTRIN; and DOES 1 to 25, inclusive,

15 Defendants.
16
17
18
19
20

Case No.: 23STCV06790

**DECLARATION OF HAROUT
MESSRELIAN IN SUPPORT OF
UNOPPOSED MOTION FOR APPROVAL
OF SETTLEMENT AGREEMENT AND
RELEASE OF PAGA CLAIMS PURSUANT
TO LABOR CODE SECTIONS 2698 *ET SEQ.***

Action filed:
3/28/23

Date: 4/17/2025
Time: 8:30am
Dept: 20

Reservation ID:
549685860664

Department: 20, Hon. Kevin C.
Brazile

Submitted Herewith Under Separate Cover:

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

I, HAROUT MESSRELIAN, declare and state as follows:

2. I am experienced in handling employment law matters and specifically wage and hour representative and individual actions. My qualifications are as follows: I received my JD from Loyola Law School in 2010. I started my own law firm in 2011 – the Law Offices of Harout Messrelian. Since 2016, I have been the founder and principal attorney at Messrelian Law, Inc. Since 2011, I have filed and handled over 350 civil actions and/or claims involving representative actions under the Private Attorneys General Act (“PAGA”) and/or wage and hour claims on behalf of my clients and have been appointed Class Counsel in three class action cases – *Zohrab Mekhitarian v. Triple Play Motors dba Bob Smith Toyota*, Los Angeles Superior Court Case No. 19STCV22411 (ADR Services, Inc., Case Number 20-2668-RWT), *Carina Camberos, on behalf of herself and others similarly situated, v. Great American Chicken Corp, Inc.*, Los Angeles Superior Court Case No. 21STCV32015, and *Robert Garcia, on behalf of himself and others similarly situated v. HD Supply Management Inc.*, San Bernardino Superior Court Case No. CIVSB2028067. I have a practice that encompasses cases in the Los Angeles Superior Courts, the Orange County Superior Courts, the Riverside County Superior Courts, the San Bernardino County Superior Courts, the Alameda County Superior Courts, Santa Clara County Superior Courts, San Mateo County Superior Courts, and the Monterey County Superior Courts.

Factual and Procedural Background

2

1 worked for Defendant as a caregiver from 2017 through 2024 Plaintiff complied with the
2 procedures of Labor Code § 2699.3 for bringing suit under the Labor Code Private Attorneys
3 General Act of 2004, Labor Code §§ 2698, et seq. (“PAGA”).

4 5. On January 10, 2023, Plaintiff Tykia Torres on behalf of herself and
5 Defendant’s other California non-exempt employees (hereafter collectively the “Aggrieved
6 Employees”) gave written notice by electronic service to the California Labor and Workforce
7 Development Agency (“LWDA”) and via certified mail to Defendant of their claims against
8 Defendant. In her notice to the LWDA, Plaintiff asserted on behalf of herself and the Aggrieved
9 Employees that Defendant (1) failed to compensate for all hours worked and to pay minimum
10 wages (Labor Code Sections 1194, 1197, 1197.1); (2) failed to pay overtime compensation
11 (Labor Code Section 510); (3) failed to provide rest breaks (Labor Code Section 226.7); (4)
12 failed to provide meal breaks (Labor Code Sections 512, 226.7); (5) failed to timely pay wages
13 due during employment (Labor Code Section 204); (6) failed to provide accurate itemized wage
14 statements (Labor Code Section 226); (7) failed to keep accurate and complete payroll records
15 (Labor Code Section 1174/1174.5); (8) failed to pay wages at the end of employment (Labor
16 Code section 203); (9) failed to reimbursement business expenses (Labor Code section 2802);
17 and claims under Industrial Welfare Commission Wage Orders 4-2001/5-2001. Plaintiff filed
18 her initial lawsuit on March 28, 2023, in the Superior Court for the State of California, County
19 of Los Angeles, Case No. 23STCV06790, with one cause of action for PAGA penalties based
20 on the theories as outlined in the PAGA letter.

21 6. Through informal discovery, Defendant produced records and represented that it
22 employed approximately 411 employees falling within the parties’ Aggrieved Employees
23 definition for the period from January 22, 2022 (one year and 65 days before Plaintiff’s PAGA
24 complaint filing) through May 25, 2024 [total number of self-directed respite care employees
25 employed in California during the PAGA period], and that there are paychecks issued for a total
26 of approximately 22,754 pay periods worked for that same time period.

27 7. The Settlement Agreement covers PAGA Members, which are all self-directed
28 respite care employees employed by Defendants in California on or after January 22, 2022

1 through September 30, 2024.

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

6 9. The Parties attended a full-day mediation with experienced mediator Lisa
7 Klerman on August 19, 2024, and settled the matter at mediation. Before agreeing to the terms
8 of the Settlement Agreement, the Parties engaged in extensive informal discovery regarding
9 Defendants' policies, practices, operations, time and payroll information and other topics. Prior
10 to negotiation, Defendants produced Plaintiff's personnel file, time and payroll data for Plaintiff,
11 and time records and payroll records for 41 aggrieved employees (10% sample) falling within
12 Plaintiff's Aggrieved Employees definition and during the applicable PAGA period. Through
13 extensive arm's length negotiations and only after extensive discovery and investigation were
14 performed, the Parties agreed to settlement terms. Attached as **Exhibit 1** is a true and accurate
15 copy of the "PAGA Settlement Agreement" (hereinafter "Settlement Agreement") and the
16 PAGA notice that will be sent to the PAGA Members covered by the Settlement Agreement.

17 10. The Parties conducted investigation of the facts and law both before and after the
18 lawsuit was filed. Counsel for the Parties have further investigated the applicable law as applied
19 to the facts discovered regarding Plaintiff's claims, the defenses thereto, and the Labor Code
20 violations claimed by Plaintiff. Based on their own independent investigations and evaluations,
21 the Parties and their respective counsel are of the opinion that the Settlement for the
22 consideration and on the terms set forth in this Motion are fair, reasonable and adequate and are
23 in the best interests of Plaintiff, the PAGA Members, and Defendants in light of all known facts
24 and circumstances and the risks inherent in litigation, especially in this post-pandemic era when
25 most California businesses are still struggling to remain afloat, much less prosper and make a
26 large profit.

27 11. The Parties further recognize that the issues presented in the Action are likely
28 only to be resolved with extensive and costly pretrial and trial proceedings, and that further

1 litigation will cause inconvenience, distraction, disruption, delay, and expense disproportionate
2 to the maximum potential benefits, especially in light of the post- pandemic era and the business
3 climate.

4 12. Plaintiff alleges that the strongest claims based on the analyzed data were that
5 Plaintiff and other PAGA Members were not provided meal breaks under the law.

6 13. Plaintiff contends that the civil penalty statutes applicable to the Action arise
7 from violations of the California Labor Code, including, but not limited to, Labor Code §§ 512,
8 558, 1197, 1197.1, and 2699(f)(2). Under these civil penalty statutes, an employee who suffers
9 a Labor Code violation may be awarded a sum of money for each pay period in which he or she
10 was underpaid. However, under Labor Code § 2699(e)(2), the Court can reduce an award of
11 civil penalties if the award is unjust, arbitrary, oppressive, or confiscatory.

12 14. As it relates to Plaintiff's argument for meal break violations, Plaintiff's data
13 analysis revealed a shift violation rate of 97.9% for short, late, or no meal breaks for shifts over
14 5 hours long (which comprised 58.7% of the overall shifts in the sample). If you extrapolate the
15 97.9% shift violation rate, it amounts to 100% of pay periods having at least one meal period
16 violation. As such, the maximum exposure for meal period violations in the PAGA period would
17 be \$667,850, which is calculated as follows: 22,754 total pay periods x 58.7% pay periods over
18 5 hours equals 13,357 pay periods at issue as far as meal period violations are concerned. 13,357
19 pay periods x 100% pay period violation rate equals 13,357 affected pay periods; 13,357 pay
20 periods x \$50/pay period (civil penalty) amounts to \$667,850 in exposure. The latter exposure
21 calculation does not take into account the fact that Defendant has a compelling argument that
22 Plaintiff and other respite caregivers are considered Personal Attendants pursuant to California
23 law. Personal Attendants are those caregivers who do not spend more than 20% of their total
24 weekly hours on non-caregiving duties, such as house cleaning, laundry, cooking, making beds,
25 etc. In this case, Plaintiff and other aggrieved employees signed a policy document in 2020
26 which explained that they are considered personal attendants and must adhere to the 80%
27 caregiving/20% non-caregiving duties. Personal Attendants are governed by Wage Order 15,
28 which exempts Personal Attendants from meal breaks and rest breaks and also has different

1 overtime provisions (1.5 times the regular rate if working over 9 hours per day or 45 hours per
2 week). In essence, in the likely event that Defendants could prevail at trial on the argument that
3 Plaintiff and all other allegedly Aggrieved Employees were Personal Attendants, Plaintiff and
4 others' meal and rest break claims would be zero. Defendants' anticipated defense presents a
5 massive risk that would likely eliminate Plaintiff's PAGA claims for alleged violations of meal
6 break requirements.

7 15. As it relates to Plaintiff's other claims, there would be issues with proof. The
8 sampling did not reveal any rounding as hours were paid to the second decimal point. There
9 were no clock-in or clock-out entries for rest breaks as it is not required under California law.
10 Furthermore, Plaintiff and others would run into the same argument that since Plaintiff and
11 others are Personal Attendants, they are not entitled to rest breaks. There would be no regular
12 rate issue, since the only bonus seen in the sample was something called a "mileage bonus",
13 which was actually not a bonus, but a mileage reimbursement code. As it relates to any overtime
14 issues, the data showed the average workday was 6.5 hours, which means that overtime pay was
15 not a major consideration, especially since the overtime threshold for Personal Attendants is 9
16 hours per day. Moreover, Defendant provided overall strong written policies as it related to wage
17 and hour practices. As it relates to Plaintiff's claim of business expense reimbursement, there
18 was no evidence that Plaintiff and others used their cell phones for caregiving duties.
19 Furthermore, and as mentioned above, Defendants did provide mileage reimbursement.
20 Plaintiff's other claims for violations of Labor Code sections 203, 204, and 226 (for not being
21 paid all wages owed every pay period or at the end of employment as well as not receiving
22 accurate, itemized wage statements) would not be triggered since they are derivative claims, and
23 no rounding/overtime issues were identified.

24 16. Based on the above calculations, Plaintiff's aggregate exposure for the strongest
25 disputed claims would be **\$667,850**. Assuming that Plaintiff's calculations and analysis are
26 accurate, the maximum exposure presumes that the Court will not reduce the penalty award as
27 unjust, arbitrary, oppressive, or confiscatory. Based on the above analysis, a gross settlement in
28 the amount of \$205,000, is a very strong result, especially in light of the risk factors as discussed

1 above based on a Wage Order 15 classification.

2 17. Moreover, Plaintiff is aware of no California state courts awarding Plaintiff
3 multiple PAGA penalties for the same violation for the same pay period under different Labor
4 Code provisions. As such, one of the risks Plaintiff faces is that the Court would refuse to “stack”
5 civil penalties arising under the various Labor Code statutes. Furthermore, judges have awarded
6 extremely small sums to PAGA claimants in the past. Defendant also adamantly disputes all of
7 Plaintiff’s allegations in the operative Complaint.

8 18. PAGA states a court has discretion to award a lesser amount than the maximum
9 penalty. *See Lab. Code* § 2699(e)(2) (“...a court may award a lesser amount than the maximum
10 civil penalty amount specified by this part if, based on the facts and circumstances of the
11 particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive,
12 or confiscatory.”); *see also Thurman v. Bayshore Transit Management, Inc.* (2012) 203
13 Cal.App.4th 1112, 1135 (reducing PAGA award). There is a substantial risk that the Court could
14 reduce civil penalties to an insignificant amount if it is unpersuaded by Plaintiff’s evidence of
15 willful and intentional conduct. *Carrington v. Starbucks* (2018) 30 Cal.App.5th 504
16 (“*Carrington*”) illustrates this. In that case, the Court of Appeal affirmed a trial court’s heavily
17 discounted award of only \$5 per violation because it was within the Court’s discretion to
18 significantly reduce PAGA penalties even when there is a finding that a violation of the
19 California Labor Code occurred. The plaintiff in *Carrington* had requested penalties in excess of
20 \$70 million and was successful in proving the PAGA claim during a bench trial. However, the
21 trial court reduced the total award after trial to only \$150,000 (30,000 violations x \$5) and stated
22 that this reduction was warranted because imposing the maximum penalty would be “unjust,
23 arbitrary, and oppressive”, based on Starbucks’s “good faith attempts” to comply with meal break
24 obligations and because the Court found the violations were minimal. Applying the same formula
25 here and assuming there was one violation during each pay period, the award of civil penalties
26 could not exceed \$113,770 in PAGA penalties (22,754 violations x \$5). As such, this Settlement
27 is a great result based solely on the risk the Court chooses to apply the *Carrington* formula.
28 Defendant has also posed formidable defenses to the Labor Code claims underlying Plaintiff’s

1 allegations. Thus, the chance of Plaintiff recovering a higher amount than the Gross Settlement
2 Amount is uncertain.

3 19. The Parties further recognize that the issues presented in the Action are likely
4 only to be resolved with extensive and costly pretrial and trial proceedings, and that further
5 litigation will cause inconvenience, distraction, disruption, delay, and expense disproportionate
6 to the maximum potential benefits to the PAGA Members and Plaintiff from continued
7 litigation.

8 20. The settlement of the Action involves monetary relief to all PAGA Members,
9 Plaintiff, her attorneys, and the State of California.

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

20 22. As such, the settlement of PAGA penalties in the gross sum of \$205,000.00, of
21 which 75% of the net amount after attorney's fees [\$68,333.33], attorney costs [\$12,908.26],
22 and settlement administrator fees [\$5,400.00], which is \$88,768.81 will be paid to the LWDA,
23 and 25%, which equates to \$29,589.60, will be distributed to the PAGA Members, is reasonable
24 and appropriate under the circumstances.

25 ***Plaintiff's Individual Settlement***

26 23. Plaintiff did have individual claims for individual labor code violations. The
27 Parties agreed that the consideration Plaintiff received pursuant to an individual settlement
28 agreement was to settle any individual claims and was also part of a severance agreement
wherein Plaintiff agreed to no longer work for Defendants. As part of this confidential

1 agreement, Plaintiff also provided Defendant with a general release of all claims, whether
2 known or unknown, including unknown claims covered by Civil Code Section 1542. Plaintiff
3 has no conflict of interest with the absent Aggrieved Employees and is adequate to represent
4 the Aggrieved Employees.

5 *Attorneys' Fees and Costs*

6 24. I represent Plaintiff on a straight contingency basis. My firm's request for
7 \$68,333.33 in attorney fees and \$12,908.26 in litigation costs is fair and reasonable. To date, I
8 have investigated and prosecuted this matter vigorously, including drafting the initial PAGA
9 notice as well as the original complaint; drafting informal discovery questions, reviewing
10 Defendant's informal data and document production, including wage and hour policies; sending
11 and receiving emails on the case with defense counsel; sending the PAGA data to Plaintiff's
12 expert for review/analysis and reviewing the expert's findings/conclusions; attending a full-day
13 private mediation and reviewing the PAGA Settlement Agreement; and drafting this PAGA
14 approval motion. I also expect to perform additional work on this case if the Court grants final
15 approval of the Settlement, including supervision of the Settlement Administrator's
16 disbursement of the settlement funds to the Aggrieved Employees. "Empirical studies show that,
17 regardless of whether the percentage method or the lodestar method is used, fee awards in class
18 actions average around one-third of the recovery. *Chavez v. Netflix, Inc.* (2008) 162 Cal.App.4th
19 43, 47 fn. 11 (quoting *Shaw v. Toshiba America Information Systems, Inc.* (E.D. Tex. 2000) 91
20 F.Supp.2d 942, 972; *See also Lafitte v. Robert Half Int'l Inc.* (Cal. Aug. 11, 2016) 1 Cal.5th 480,
21 503, 376 P.3d 672, 686 (holding that courts can use the percentage method for the calculation
22 of attorneys' fees). This is also consistent with my experience in cases involving PAGA claims.
23 This award is justified here because I achieved a strong result for the PAGA Members and the
24 State while bearing the substantial burdens of contingency representation.

25 25. My previous experience in litigating wage and hour actions also supports the
26 reasonableness of the fee request, as does the caliber of opposing counsel. My previous
27 experience in similar matters was integral in evaluating the strengths and weaknesses of the
28 case against Defendant and the reasonableness of the Settlement. Because it is reasonable to

1 compensate me commensurate with my skill, reputation, and experience, attorney's fees of
2 approximately one-third of the Gross Settlement Amount is reasonable. Likewise, the caliber
3 and experience of opposing counsel in labor and employment litigation supports the fairness and
4 reasonableness of the requested fee award.

5 26. The litigation costs expended to aid in the representation of the PAGA Members
6 include the following: lawsuit filing fee of \$454.22; PAGA initial filing fees of \$75.00; expert
7 data analysis fee of \$1,200.00; mediation fee of \$11,000; and miscellaneous filing fees of \$29.04
8 for a total of \$12,908.26. All of these costs are documented and reasonably incurred.

9 ***Settlement Administration Costs***

10 27. With regard to the settlement administration costs provision, it is reasonable.
11 Before agreeing to Phoenix Settlement Administrators ("Phoenix"), the Parties sought and
12 reviewed bids from other reputable third-party administrators, including ILYM Group and Apex,
13 and Phoenix's bid was comparable. Phoenix's bid has been attached as **Exhibit 2** to this
14 declaration.

15 ***Notice of Settlement to the LWDA***

16 28. Pursuant to Lab. Code § 2699(1)(2), my firm submitted a copy of the Settlement
17 with the LWDA at the same time the Settlement is being filed with the Court. True and correct
18 copies of this submission with the LWDA and the confirmation email are collectively attached
19 as **Exhibit 3** to this declaration. My firm will further provide a copy of the Court's Order and
20 Judgment to the LWDA within ten (10) calendar days after entry of said judgment or order as
21 required by Labor Code sections 2699(1)(2)-(3).

22 I declare under the penalty of perjury of the laws of the State of California that the
23 foregoing is true and correct to the best of my knowledge.

24 Executed on March 18, 2025, at Glendale, California.

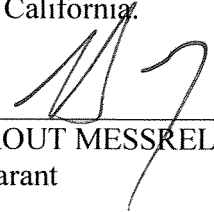
25
26 
27 HAROUT MESSRELIAN,
28 Declarant

EXHIBIT 1

1 **PAGA SETTLEMENT AGREEMENT**

2 This PAGA Settlement Agreement ("Agreement") is made by and between plaintiff Tykiah
3 Marsha Torres ("Plaintiff") and defendant JSI Acquisition, Inc. d/b/a Libertana Home Health
4 ("Defendant" or "JSI"). The Agreement refers to Plaintiff and Defendant collectively as "Parties," or
5 individually as "Party."

6 **1. DEFINITIONS.**

7 1.1. "Action" means the Plaintiff's PAGA lawsuit alleging wage and hour violations against
8 JSI captioned *Tykiah Torres v. JSI Acquisition, Inc.; Jonathan Istrin*, Case No.
9 23STCV06790, initiated on March 28, 2023, and pending in Superior Court of the State
10 of California, County of Los Angeles.

11 1.2. "Administrator" means Phoenix Settlement Administrators, the neutral entity the
12 Parties have agreed to appoint to administer the Settlement.

13 1.3. "Administration Expenses Payment" means the amount the Administrator will be paid
14 from the Gross Settlement Amount to reimburse its reasonable fees and expenses in
15 accordance with the Administrator's "not to exceed" bid submitted to the Court in
16 connection with approval of this Settlement.

17 1.4. "Aggrieved Employee" means all self-directed respite care employees employed by
18 Defendant in California, who worked for JSI during the PAGA Period.

19 1.5. "Aggrieved Employee Data" means Aggrieved Employee identifying information in
20 JSI's possession including the Aggrieved Employee's name, last-known mailing
21 address, Social Security number, and number of PAGA Pay Periods.

22 1.6. "Aggrieved Employee Address Search" means the Administrator's investigation and
23 search for current Aggrieved Employee mailing addresses using all reasonably
24 available sources, methods and means including, but not limited to, the National
25 Change of Address database, skip traces, and direct contact by the Administrator with
26 Aggrieved Employees.

27 1.7. "Court" means the Superior Court of California, County of Los Angeles.
28

- 1.8. "Defendants" means JSI Acquisition, Inc. d/b/a Libertana Home Health and Jonathan Istrin.
- 1.9. "Defense Counsel" means Shiva Shirazi Davoudian, Esq. and Emily Atherton, Esq. of Littler Mendelson, P.C.
- 1.10. "Effective Date" means the date by when all of the following have occurred: (a) notice of this Settlement has been sent to the LWDA; (b) the Court enters a Judgment on its Order Approving the PAGA Settlement; and (c) the later of the following events: (i) five (5) court days after the period for filing any appeal, writ, or other appellate proceeding opposing the Order Approving PAGA Settlement has elapsed without any appeal, writ, or other appellate proceeding having been filed (i.e., 65 days from the date the Court enters Order Approving the PAGA Settlement); or (ii) if any appeal, writ, or other appellate proceeding opposing the Order Approving the PAGA Settlement has been filed within that timeframe, then five (5) court days after any appeal, writ, or other appellate proceedings opposing the Settlement has finally and conclusively dismissed with no right to pursue further remedies or relief.
- 1.11. "Gross Settlement Amount" means \$205,000.00 which is the total amount JSI agrees to pay under the Settlement except as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administrator's Expenses Payment.
- 1.12. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.
- 1.13. "JSI" means named Defendant JSI Acquisition Inc., d/b/a Libertana.
- 1.14. "Judgment" means the judgment entered by the Court based upon the Order Approving the PAGA Settlement.
- 1.15. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).

- 1.16. "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.17. "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, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Aggrieved Employees as Individual PAGA Payments.
- 1.18. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.19. "PAGA Counsel" means Harout Messrelian, of Messrelian Law Inc., the attorneys representing the Plaintiff in the Action.
- 1.20. "PAGA Counsel Fees Payment" and "PAGA Counsel Litigation Expenses Payment" mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action.
- 1.21. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for JSI for at least one day during the PAGA Period.
- 1.22. "PAGA Period" means the period from January 22, 2022 to September 30, 2024.
- 1.23. "PAGA Notice" means Plaintiff's January 10, 2023 letter to JSI and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.24. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$29,066.67) and the 75% to LWDA (\$87,200.00) in settlement of PAGA claims.
- 1.25. "Plaintiff" means Tykiah Marsha Torres, the named plaintiff in the Action.
- 1.26. "Approval Order" means the proposed Court Order Granting Approval of PAGA Settlement.
- 1.27. "Released PAGA Claims" means the claims being released by the Plaintiff and PAGA Counsel, on behalf of the State of California, the LWDA and Aggrieved Employees, and as described in Paragraph 5 below.

- 1.28. "Released Parties" means: Defendant JSI Acquisition Inc., d/b/a Libertana and each of its former and present directors, officers, shareholders, owners, attorneys, insurers, predecessors, successors, assigns, subsidiaries and affiliates, including Jonathan Istrin.
- 1.29. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.

2. RECITALS.

- 2.1. On March 28, 2023, Plaintiff commenced this Action by filing a Complaint alleging one cause of action against Defendants for penalties pursuant to the PAGA. The Complaint is the operative complaint in the Action (the "Operative Complaint.") Defendants deny the allegations in the Operative Complaint, deny any failure to comply with the laws identified in in the Operative Complaint and deny any and all liability for the alleged penalties sought by Plaintiff and PAGA Counsel.
- 2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendants and the LWDA by sending the PAGA Notice.
- 2.3. On August 19, 2024, the Parties participated in an all-day mediation presided over by Lisa Klerman, who issued a mediator's proposal and facilitated subsequent negotiations, which led to this Agreement to settle the Action.
- 2.4. Prior to mediation, Plaintiff obtained, through informal discovery, relevant policies, sample time and payroll records for the applicable PAGA period.
- 2.5. The Parties, PAGA 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, JSI promises to pay \$205,000 and no more as the Gross Settlement Amount. JSI 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 Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to JSI.

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 PAGA Counsel: A PAGA Counsel Fees Payment of not more than 33.33% which is currently estimated to be \$68,333.33 and PAGA Counsel Litigation Expenses Payment of not more than \$15,000.00. JSI will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. Plaintiff and/or PAGA Counsel will file an application or motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA 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 PAGA Counsel or any other Plaintiff's Counsel arising from any claim to any portion any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.2. To the Administrator: An Administrator Expenses Payment not to exceed \$5,400.00 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 \$5,400.00, the Administrator will retain the remainder in the Net Settlement Amount.

1 3.2.3. To the LWDA and Aggrieved Employees: Subject to Court approval of the
2 payments amounts identified in the Paragraph 3.2, payment of PAGA Penalties
3 in the amount of \$116,266.67 to be paid from the Gross Settlement Amount,
4 with 75% (\$87,200.00) allocated to the LWDA PAGA Payment and 25%
5 (\$29,066.67) allocated to the Individual PAGA Payments.

6 3.2.3.1. The Administrator will calculate each Individual PAGA Payment by (a)
7 dividing the amount of the Aggrieved Employees' 25% share of PAGA
8 Penalties (\$29,066.67) by the total number of PAGA Period Pay Periods
9 worked by all Aggrieved Employees during the PAGA Period and (b)
10 multiplying the result by each Aggrieved Employee's PAGA Period Pay
11 Periods. Aggrieved Employees assume full responsibility and liability
12 for any taxes owed on their Individual PAGA Payment.

13 3.2.3.2. If the Court approves PAGA Penalties of less than the amount
14 requested, the Administrator will allocate the remainder to the Net
15 Settlement Amount. The Administrator will report the Individual
16 PAGA Payments on IRS 1099 Forms.

17 **4. SETTLEMENT FUNDING AND PAYMENTS.**

18 4.1. Aggrieved Employee Pay Periods. Based on a review of its records to date, JSI
19 estimates that between January 22, 2022 and May 25, 2024, there were 411 Aggrieved
20 Employees who worked a total 22,754 pay periods in the PAGA Periods.

21 4.2. Aggrieved Employee Data. Within thirty (30) days, JSI will simultaneously deliver the
22 Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel
23 spreadsheet. To protect Aggrieved Employee' privacy rights, the Administrator must
24 maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee
25 Data only for purposes of this Settlement and for no other purpose, and restrict access
26 to the Aggrieved Employee Data to Administrator employees who need access to the
27 Aggrieved Employee Data to effect and perform under this Agreement. JSI has
28 continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved

Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which JSI must send the Aggrieved Employee 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 Aggrieved Employee Data.

4.3. Funding of Gross Settlement Amount. JSI 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 fourteen (14) days after JSI funds the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA Counsel Expenses Payment. Disbursement of the PAGA Counsel Litigation Expenses Payment shall not precede disbursement of Individual PAGA Payments.

4.4.1. The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 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. 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 an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are returned undelivered without USPS forwarding address. Within fourteen (14) 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 Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to

1 Aggrieved Employees whose re-mailed checks are returned as undelivered.
2 The Administrator shall promptly send a replacement check to any Aggrieved
3 Employee whose original check was lost or misplaced, requested by the
4 Aggrieved Employee prior to the void date.

5 4.4.3. For any Aggrieved Employee whose Individual PAGA Payment check is
6 uncashed and cancelled after the void date, the Administrator shall transmit the
7 funds represented by such checks [to the California Controller's Unclaimed
8 Property Fund in the name of the Aggrieved Employee.

9 4.4.4. The payment of Individual PAGA Payments shall not obligate JSI to confer any
10 additional benefits or make any additional payments to the Aggrieved
11 Employees (such as 401(k) contributions or bonuses) beyond those specified in
12 this Agreement.

13 **5. RELEASES OF CLAIMS.** Effective on the date when JSI fully funds the entire Gross
14 Settlement Amount, Plaintiff and PAGA Counsel, on behalf of the State of California, the
15 LWDA and the Aggrieved Employees, will release claims against all Released Parties as
16 follows:

17 5.1. Plaintiff's Release. Plaintiff and his or her respective former and present spouses,
18 representatives, agents, attorneys (including PAGA Counsel), heirs, administrators,
19 successors, and assigns generally, release and discharge Released Parties from all
20 claims, transactions, or occurrences that occurred during the PAGA Period, including,
21 but not limited to: (a) all claims that were, or reasonably could have been, alleged,
22 based on the facts contained in the Operative Complaint and the PAGA Notice
23 ("Plaintiff's Release"), concerning alleged violations of the California Labor Code and
24 the California Industrial Welfare Commission Wage Orders during the PAGA Period;
25 and (b) any and all claims of any form whatsoever, whether known or unknown,
26 unsuspected or latent, that have been or could have been asserted by Plaintiff whether
27 directly, indirectly, representatively, derivatively or in any other capacity, against
28 Released Parties which arose at any time prior to entry of the Judgment, including but

1 not limited to any and all claims which arose out of or are in any way connected with
2 Plaintiff's employment and separation from JSI. Plaintiff's Release does not extend to
3 any claims or actions to enforce this Agreement, or to any claims for vested benefits,
4 unemployment benefits, disability benefits, social security benefits, workers'
5 compensation benefits that arose at any time, or based on occurrences outside the
6 PAGA Period. Plaintiff acknowledges that Plaintiff may discover facts or law different
7 from, or in addition to, the facts or law that Plaintiff now knows or believes to be true
8 but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all
9 respects, notwithstanding such different or additional facts or Plaintiff's discovery of
10 them.

11 5.1.1. Plaintiff's Waiver of Rights Under California Civil Code Section 1542. For
12 purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the
13 provisions, rights, and benefits, if any, of section 1542 of the California Civil
14 Code, which reads:

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

18 5.2. Release by Aggrieved Employees: All Aggrieved Employees, including Plaintiff, the
19 State of California and the LWDA, are deemed to release, on behalf of themselves and
20 their respective former and present representatives, agents, attorneys, heirs,
21 administrators, successors, and assigns, the Released Parties from all claims for PAGA
22 penalties that were alleged, or reasonably could have been alleged, based on the facts
23 stated in the Operative Complaint and the PAGA Notice concerning alleged violations
24 of the California Labor Code and the California Industrial Welfare Commission Wage
25 Orders during the PAGA Period for alleged: failure to pay minimum, regular, overtime
26 and double time wages, failure to provide meal periods, failure to authorize and permit
27 rest periods, failure to pay all wages during employment, failure to pay all wages at the
28 time of separation, failure to furnish accurate itemized wage statements, failure

reimburse necessary business expenditures incurred in discharge of duties, in violation of Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 558.1, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2800, and 2802; and IWC Wage Order Nos. 4, 5 & 15.

5.3. Release by PAGA Counsel: PAGA Counsel release on behalf of their present and former attorneys, employees, agents, successors and assigns the Released Parties from all claims for PAGA Fees incurred in connection with the Operative Complaint and the PAGA Period facts stated in the Operative Complaint and the PAGA Notice.

5.4. No Opt-Out: Pursuant to *Arias v. Superior Ct. (Dairy)*, 46 Cal. 4th 969 (2009), no Aggrieved Employee has the right to exclude himself or herself from this Settlement. All Aggrieved Employees will be bound by this Settlement, upon its approval by the Court, regardless of whether he or she negotiates (i.e., cashes or deposits) his or her settlement check for the Individual PAGA Payments.

6. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT. PAGA Counsel agrees to prepare and file an application or motion for approval of this Settlement.

6.1. Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subd. (f)(2)) including (i) a draft proposed Order Granting Approval of PAGA Settlement; (ii) 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 Aggrieved Employee 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 Aggrieved Employees or the LWDA; and the nature and extent of any financial relationship with Plaintiff, PAGA Counsel or Defense Counsel; (iii) a signed declaration from PAGA Counsel firm attesting to 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. (l)(1)), this

1 Agreement (Labor Code section 2699, subd. (1)(2)); and (iv) all facts relevant to any
2 actual or potential conflict of interest with Aggrieved Employees and/or the
3 Administrator. In their Declarations, Plaintiff and PAGA Counsel shall aver that they
4 are not aware of any other pending matter or action asserting claims that will be
5 extinguished or adversely affected by the Settlement.

6 6.2. Responsibilities of PAGA Counsel. PAGA Counsel and Defense Counsel are jointly
7 responsible for expeditiously finalizing and filing the application or motion for
8 approval of this Settlement no later than thirty (30) days after the full execution of this
9 Agreement and, if necessary, obtaining a prompt hearing date for the motion and
10 appearing in Court to advocate in favor of the motion. PAGA Counsel is responsible
11 for delivering the Court's Approval Order and Judgment to the Administrator.

12 6.3. Duty to Cooperate. If the Parties disagree on any aspect of the proposed application or
13 motion for approval of this Settlement and/or the supporting declarations and
14 documents, PAGA Counsel and Defense Counsel will expeditiously work together on
15 behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve
16 the disagreement. If the Court does not grant the motion for approval of this Settlement
17 or conditions its approval on any material change to this Agreement, PAGA Counsel
18 and Defense Counsel will expeditiously work together on behalf of the Parties by
19 meeting in person or by telephone, and in good faith, to modify the Agreement and
20 otherwise satisfy the Court's concerns.

21 **7. SETTLEMENT ADMINISTRATION.**

22 7.1. Selection of Administrator. The Parties have jointly selected Phoenix Settlement
23 Administrators to serve as the Administrator and verified that, as a condition of
24 appointment, Phoenix Settlement Administrators agrees to be bound by this Agreement
25 and to perform, as a fiduciary, all duties specified in this Agreement in exchange for
26 payment of Administration Expenses. The Parties and their Counsel represent that they
27 have no interest or relationship, financial or otherwise, with the Administrator other
28

1 than a professional relationship arising out of prior experiences administering
2 settlements.

3 7.2. Employer Identification Number. The Administrator shall have and use its own
4 Employer Identification Number for purposes of calculating payroll tax withholdings
5 and providing reports state and federal tax authorities.

6 7.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that
7 meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury
8 Regulation section 468B-1.

9 7.4. Administrator Duties. The Administrator has a duty to perform or observe all tasks to
10 be performed or observed by the Administrator contained in this Agreement or
11 otherwise.

12 **8. AGGRIEVED EMPLOYEE SIZE ESTIMATES**

13 Based on its records, JSI estimates that, between January 22, 2022 and May 25, 2024, there
14 are 411 Aggrieved Employees who worked 22,754 Pay Periods during the PAGA Period. In
15 the event that the number of pay periods being released exceeds 22,754 by fifteen percent
16 (15%) or more, the Gross Settlement Amount shall be increased proportionally by the amounts
17 in excess of 15%. However, JSI shall have sole discretion to, alternatively, terminate the
18 PAGA Period (and hence the date through which the Released PAGA Claims end) on the date
19 the number of workweeks released during the PAGA Period reaches 26,167 pay periods.

20 **9. CONTINUING JURISDICTION OF THE COURT.** The Parties agree that, after entry of
21 Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely
22 for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement
23 administration matters, and (iii) addressing such post-Judgment matters as are permitted by
24 law.

25 9.1. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and
26 conditions of this Agreement, specifically including the PAGA Counsel Fees Payment
27 and PAGA Counsel Litigation Expenses Payment, the Parties, their respective counsel
28 waive all rights to appeal from the Judgment, including all rights to post-judgment and

1 appellate proceedings, the right to file motions to vacate judgment, motions for new
2 trial, extraordinary writs, and appeals. The waiver of appeal does not include any
3 waiver of the right to oppose such motions, writs or appeals. If another party appeals
4 the Judgment, the Parties' obligations to perform under this Agreement will be
5 suspended until such time as the appeal is finally resolved and the Judgment becomes
6 final, except as to matters that do not affect the amount of the Net Settlement Amount.

7 **10. ADDITIONAL PROVISIONS.**

8 10.1. No Admission of Liability or Representative Manageability for Other Purposes. This
9 Agreement represents a compromise and settlement of highly disputed claims. Nothing
10 in this Agreement is intended or should be construed as an admission by Defendants
11 that any of the allegations in the Operative Complaint have merit or that Defendants
12 have any liability for any claims asserted; nor should it be intended or construed as an
13 admission by Plaintiff that Defendants' defenses in the Action have merit. The Parties
14 agree that representative treatment is for purposes of this Settlement only. If, for any
15 reason the Court does not approve this Settlement, Defendants reserve all available
16 defenses to the claims in the Action, and Plaintiff reserves the right to contest
17 Defendants' defenses. The Settlement, this Agreement and Parties' willingness to settle
18 the Action will have no bearing on, and will not be admissible in connection with, any
19 litigation (except for proceedings to enforce or effectuate the Settlement and this
20 Agreement.

21 10.2. Res Judicata. The Released Parties shall have the right to file this Settlement, the
22 Court's Approval Order and Judgment, and any other documents or evidence relating
23 to this Settlement in any action that may be brought against them in order to support a
24 defense or counterclaim based on principles of *res judicata*, collateral estoppel, release,
25 good-faith settlement, judgment bar, reduction, or any other theory of claim preclusion
26 or issue preclusion or similar defense or counterclaim.

27 10.3. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement
28 together with its attached exhibits shall constitute the entire agreement between the

1 Parties relating to the Settlement, superseding any and all oral representations,
2 warranties, covenants, or inducements made to or by any Party.

3 10.4. Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and
4 represent that they are authorized by Plaintiff and Defendants, respectively, to take all
5 appropriate action required or permitted to be taken by such Parties pursuant to this
6 Agreement to effectuate its terms, and to execute any other documents reasonably
7 required to effectuate the terms of this Agreement including any amendments to this
8 Agreement.

9 10.5. Cooperation. The Parties and their counsel will cooperate with each other and use their
10 best efforts, in good faith, to implement the Settlement by, among other things,
11 modifying the Settlement Agreement, submitting supplemental evidence and
12 supplementing points and authorities as requested by the Court. In the event the Parties
13 are unable to agree upon the form or content of any document necessary to implement
14 the Settlement, or on any modification of the Agreement that may become necessary
15 to implement the Settlement, the Parties will seek the assistance of a mediator and/or
16 the Court for resolution.

17 10.6. No Prior Assignments. The Parties separately represent and warrant that they have not
18 directly or indirectly assigned, transferred, encumbered, or purported to assign,
19 transfer, or encumber to any person or entity and portion of any liability, claim,
20 demand, action, cause of action, or right released and discharged by the Party in this
21 Settlement.

22 10.7. No Tax Advice. Neither Plaintiff, PAGA Counsel, Defendants nor Defense Counsel
23 are providing any advice regarding taxes or taxability, nor shall anything in this
24 Settlement be relied upon as such within the meaning of United States Treasury
25 Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

26 10.8. Modification of Agreement. This Agreement, and all parts of it, may be amended,
27 modified, changed, or waived only by an express written instrument signed by all
28 Parties or their representatives, and approved by the Court.

- 1 10.9. Agreement Binding on Successors. This Agreement will be binding upon, and inure to
2 the benefit of, the successors of each of the Parties.
- 3 10.10. Applicable Law. All terms and conditions of this Agreement and its exhibits will be
4 governed by and interpreted according to the internal laws of the state of California,
5 without regard to conflict of law principles.
- 6 10.11. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation
7 of this Agreement. This Agreement will not be construed against any Party on the basis
8 that the Party was the drafter or participated in the drafting.
- 9 10.12. Confidentiality. To the extent permitted by law, all agreements made, and orders
10 entered during Action and in this Agreement relating to the confidentiality of
11 information shall survive the execution of this Agreement.
- 12 10.13. Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel
13 pursuant to Cal. Evid. Code §1152, and all copies and summaries of the PAGA Data
14 provided to PAGA Counsel by Defendants in connection with the mediation, other
15 settlement negotiations, or in connection with the Settlement, may be used only with
16 respect to this Settlement, and no other purpose, and may not be used in any way that
17 violates any existing contractual agreement, statute, or rule of court. Not later than 90
18 days after the Administrator discharges its obligation to pay out of all Settlement funds,
19 Plaintiff shall destroy all paper and electronic versions of Aggrieved Employee Data
20 received from JSI unless, prior to the Administrator's payment of all Settlement Funds,
21 JSI makes a written request to PAGA Counsel for the return, rather than the
22 destructions, of Aggrieved Employee Data.
- 23 10.14. Headings. The descriptive heading of any section or paragraph of this Agreement is
24 inserted for convenience of reference only and does not constitute a part of this
25 Agreement.
- 26 10.15. Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall
27 be to calendar days. In the event any date or deadline set forth in this Agreement falls
28

1 on a weekend or federal legal holiday, such date or deadline shall be on the first
2 business day thereafter.

3 10.16. Notice. All notices, demands or other communications between the Parties in
4 connection with this Agreement will be in writing and deemed to have been duly given
5 as of the third business day after mailing by United States mail, or the day sent by email
6 or messenger, addressed as follows:

7 To Plaintiff:

8 Harout Messrelian, Esq.
9 MESSRELIAN LAW INC.
10 500 N. Central Ave., Suite 840
11 Glendale, CA 91203
12 818.484.6531; 818.956.1983 (Fax)
13 hm@messrelianlaw.com

14 To Defendants:

15 Shiva Shirazi Davoudian, Esq.
16 Emily Atherton, Esq.
17 LITTLER MENDELSON P.C.
18 2049 Century Park East, 5th Floor
19 Los Angeles, CA 90067-3107
20 310.712.7331; 213.947.1805 (fax)
21 SDavoudian@littler.com
22 eatherton@littler.com

23 10.17. Execution in Counterparts. This Agreement may be executed in one or more
24 counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes
25 of this Agreement shall be accepted as an original. All executed counterparts and each
26 of them will be deemed to be one and the same instrument if counsel for the Parties
27 will exchange between themselves signed counterparts. Any executed counterpart will
28 be admissible in evidence to prove the existence and contents of this Agreement.

10.18. 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.

1 Dated: 12/11/2024

PLAINTIFF TYKIAH TORRES

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4 
Tykiah Torres (Dec 11, 2024 09:45 PST)

5
6 Dated: _____

JSI ACQUISITION INC., D/B/A LIBERTANA

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8
9
10 By: Jonathan Istrin
11 ITS: _____

12 APPROVED AS TO FORM:

13 Dated: 12/11/2024

MESSRELIAN LAW

14
15 
16 Harout Messrelian
17 Attorneys for Plaintiff
18 TYKIAH TORRES

19
20 Dated: _____

LITTLER MENDELSON P.C.

21
22 
23 Shiva Shirazi Davoudian
24 Emily J. Atherton
25 Attorneys for Defendants JSI ACQUISITION,
INC.; AND JONATHAN
ISTRIN

26 4875-4279-6517.2 / 107761-1011

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Dated: 12/11/2024

PLAINTIFF TYKIAH TORRES



Tykia M. Torres

Dated: 12/16/24

JSI ACQUISITION INC., D/B/A LIBERTANA



By: Jonathan Istrin
Title: President

APPROVED AS TO FORM:

Dated: 12/11/2024

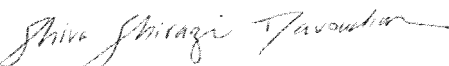
MESSRELIAN LAW



Harout Messrelian
Attorneys for Plaintiff
TYKIAH TORRES

Dated: 12/16/2024

LITTLER MENDELSON P.C.



Shiva Shirazi Davoudian
Emily J. Atherton
Attorneys for Defendants JSI ACQUISITION,
INC.; AND JONATHAN
ISTRIN

4875-4279-6517.2 / 107761-1011

[CLAIMS ADMINISTRATOR LETTERHEAD]

Mailing Date

NOTICE OF SETTLEMENT

Re: Tykiah Torres v. JSI Acquisition, Inc. et al., Superior Court of California, County of Los Angeles
Case No. Case No. 23STCV06790 (the "Lawsuit")

[claims admin info]

You have received the enclosed check in connection with the Settlement of the above-referenced lawsuit brought by a former employee Tykiah Torres ("Plaintiff") against JSI Acquisition, Inc. d/b/a Libertana ("Company") and Jonathan Istrin (hereinafter be referred to as "Defendants") for civil penalties pursuant to the Private Attorneys General Act, Labor Code § 2698 et seq. ("PAGA").

Plaintiff claimed she and other non-exempt employees of the Company employed anytime from January 22, 2022 to September 30, 2024 ("PAGA Period"), were subjected to various Labor Code violations for which she sought penalties under PAGA.

Defendants deny all allegations and liability, but to avoid further time and expense of protracted and uncertain litigation, Defendants and Plaintiff have agreed to settle the lawsuit for civil penalties. The settlement, approved by the Court on [DATE], resolves the alleged PAGA claims brought on behalf of all self-directed respite care employees employed by the Company in California, who worked for the Company during the PAGA Period ("Aggrieved Employees"). Pursuant to the Court's order, a payment of \$205,000.00 was approved in settlement of this lawsuit. Upon the date of entry of that order approving this Settlement, and payment of all funds due under this Settlement, the State of California and the Labor and Workforce Development Agency ("LWDA") and all individuals covered by this Settlement, including you, will fully release and forever discharge Defendants (and other releasees described in the Settlement) from any and all Released PAGA Claims, from January 22, 2022 to September 30, 2024, defined as all PAGA claims asserted in this Action and, which includes Plaintiff's PAGA Notice filed on January 10, 2023, or that could have been raised in this Action or, including in the PAGA letter filed on January 10, 2023, based upon the facts set forth therein, including but not limited to failure to pay minimum, regular, overtime and double time wages, failure to provide meal periods, failure to authorize and permit rest periods, failure to pay all wages during employment, failure to pay all wages at the time of separation, failure to furnish accurate itemized wage statements, failure reimburse necessary business expenditures incurred in discharge of duties, in violation of Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 558.1, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2800, and 2802; and IWC Wage Order Nos. 4, 5 & 15.

After accounting for Plaintiff's Counsel's attorneys' fees of \$68,333.33 and reimbursement of litigation costs of \$_____, settlement administration costs of \$_____, the remaining sum called the "PAGA Payment" has been divided pursuant to California law as follows: \$_____ (75% of \$_____) to the LWDA and \$_____ (25% of \$_____) to all Aggrieved Employees to be shared on a proportionate basis. The enclosed check represents your share based upon the number of pay periods you worked during the PAGA Period from January 22, 2022 to September 30, 2024. An IRS 1099 form is enclosed. You will be solely responsible for paying federal, state, or local taxes, if any, on the amount of your check.

Regardless of whether you cash or deposit the enclosed check, by way of this Settlement and the corresponding final order, for the PAGA Period, each individual covered by this Settlement shall fully release Defendants for all claims for civil penalties under PAGA as alleged in the LWDA letter and Plaintiff's operative complaint filed

in this Action, as well as claims reasonably could have been asserted under PAGA based upon the facts alleged in the LWDA Letter and Plaintiff's Complaint filed in this Matter.

Your enclosed check is valid for 180 days from the date of its issuance. **It is strongly recommended that you cash or deposit this check immediately.** After that date, you cannot cash the check and it will be null and void and the amount forwarded to the State of California Controller's Office Unclaimed Property Fund for further handling. **Even if you fail to cash the enclosed check, you will still be deemed to have waived all claims arising from the Lawsuit, including the Released PAGA Claims described above.**

If the check is lost or misplaced, please contact the Administrator immediately, [xxx-xxx-xxxx] to have it reissued. If you have any questions about your check, please contact the [insert administrator information].

4903-0869-2224.2 / 107761-1011

EXHIBIT 2



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

CASE ASSUMPTIONS

Class Members	411
Opt Out Rate	N/A
Opt Outs Received	
Total Class Claimants	411
Subtotal Admin Only	\$5,468.25

Flat Fee Total **\$5,400.00**

For 411 Class Members

Pricing Good for Scope of Estimate Only

All Aspects of Escheating to the State of CA Included

Spanish Translation, Printing & Mailing Included

October 11, 2024

Case: Tykiah Torres v JSI, PAGA Administration

Phoenix Contact: Michael E. Moore
Contact Number: 949.331.0131
Email: mike@phoenixclassaction.com

Requesting Attorney: Harout Messrelian
Firm: Messrelian Law, Inc.
Contact Number: 818.484.6531
Email: hm@messrelianlaw.com

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

Estimate is based on **411** Class Members. Class data **Must** be sent in Microsoft Excel or uploaded in the same format. Class Data Must be sent in one spreadsheet, with no additional programming needed. A rate of \$150 per hour will be charged for any additional analysis or programming. Pricing good for 90 day

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

Administrative Tasks:	Rate	Hours/Units	Line Item	Estimate
Programming Manager	\$100.00	1		\$100.00
Programming Database & Setup	\$100.00	1		\$100.00
Toll Free Setup*	\$100.00	1		\$100.00
Call Center & Long Distance	\$2.50	38		\$95.00
NCOA (USPS)	\$85.00	1		\$85.00
Total				\$480.00

* Up to 120 days after disbursement

Data Merger & Scrub / PAGA Letter & Check / Postage / Spanish Translation

Project Action	Rate	Hours/Units	Line Item	Estimate
Notice Packet Formatting	\$100.00	1		\$100.00
Spanish Translation	\$150.00	1		\$150.00
Data Merge & Duplication Scrub	\$0.09	411		\$36.99
PAGA Letter and Check Packet	\$1.00	411		\$411.00
Estimated Postage (up to 1 oz.)*	\$0.64	411		\$263.04
Total				\$961.03

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



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Skip Tracing & Remailing PAGA Packets / Tracking & Programming Undeliverables				
Project Action:	Rate	Hours/Units	Line Item	Estimate
Case Associate	\$55.00	3		\$165.00
Skip Tracing Undeliverables	\$0.75	76		\$57.00
Remail PAGA Packets	\$1.00	73		\$73.00
Estimated Postage	\$0.64	73		\$46.72
Programming Undeliverables	\$50.00	1		\$50.00
Total				\$391.72

Case Management				
Project Action:	Rate	Hours/Units	Line Item	Estimate
Case Associate	\$55.00	3		\$165.00
Case Manager	\$85.00	2		\$170.00
Total				\$335.00

Calculation & Disbursement Programming/ Create & Manage QSF/ Mail Checks				
Project Action:	Rate	Hours/Units	Line Item	Estimate
Programming Calculations	\$135.00	1		\$135.00
Disbursement Review	\$135.00	1		\$135.00
Programming Manager	\$95.00	2		\$190.00
QSF Bank Account & EIN	\$135.00	1		\$135.00
Check Run Setup & Printing	\$135.00	4		\$540.00
Total				\$1,135.00

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



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Tax Reporting & Reconciliation / Re-Issuance of Checks / Conclusion Reports and Declarations				
Project Action:	Rate	Hours/Units	Line Item	Estimate
Case Supervisor	\$115.00	2		\$230.00
Remail Undeliverable Checks (Postage Included)	\$1.50	47		\$70.50
Case Associate	\$55.00	3		\$165.00
Reconcile Uncashed Checks	\$85.00	3		\$255.00
Conclusion Reports	\$115.00	2		\$230.00
Case Manager Conclusion	\$85.00	2		\$170.00
Final Reporting & Declarations	\$115.00	3		\$345.00
QSF Annual Tax Reporting * (State Tax Reporting & Escheating Uncashed Checks to the State of CA included)	\$700.00	1		\$700.00
Check to Cy-Pres	\$150.00	1		Included
Total				\$2,165.50
* All applicable California State & Federal taxes, which include SUI, ETT, and SDI, and FUTA filings. Additional taxes are Defendant's responsibility.				
Estimate Total:				\$5,468.25



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TERMS AND CONDITIONS

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

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

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

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

Tax Reporting Requirements

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

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

EXHIBIT 3