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DEBORAH HUBBARD

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN MATEO

COMPLEX CIVIL LITIGATION

DEBORAH HUBBARD, on behalf of herself and all others similarly situated,

Plaintiff,

v.

L&T TECHNOLOGY SERVICES LTD., a Delaware Corporation; ALCON VISION, LLC, a Delaware Corporation; and DOES 1 through 50, inclusive,

Defendants.

Case No. 23-CIV-01416

Assigned for all purposes to the Honorable Judge Michael L. Mau

DECLARATION OF SHAUN SETAREH IN SUPPORT OF PLAINTIFF'S MOTION FOR APPROVAL OF PAGA SETTLEMENT

Date: November 6, 2026
Time: 2:00 p.m.
Dept.: 20

Action Filed: March 28, 2023
FAC Filed: June 7, 2023
Trial Date: None Set

DECLARATION OF SHAUN SETAREH

I, Shaun Setareh, declare as follows:

1. I am an attorney in good standing duly admitted to the State Bar of California, the principal attorney at Setareh Law Group, counsel of record for DEBOARH HUBBARD ("Plaintiff") in this action against Defendants L&T Technology Services LTD ("LTTS") and Alcon Vision, LLC ("Alcon") (collectively, "Defendants") (Plaintiff and Defendant, collectively, the "Parties"). This declaration is made in support of Plaintiff's Motion for Approval of PAGA Settlement filed concurrently herewith. A true and correct copy of the PAGA Settlement Agreement ("Settlement") executed by the Parties is attached hereto as **Exhibit 1**.

2. Except for those matters stated on information and belief, which I am informed and believe are true and correct, I have personal knowledge of all matters set forth herein. If called as a witness, I could and would competently testify thereto.

Experience of Plaintiff's Counsel

3. I received my undergraduate degree from UCLA in 1996 and my law degree from Loyola Law School in 1999. Since being admitted to the State Bar of California in 1999, I have actively practiced civil litigation for the entirety of that time period.

4. Setareh Law Group and I, as its principal attorney, are well-experienced class action and PAGA representative action attorneys. I, along with the senior attorney assigned to this case, Iona Levin,[1] have considerable experience in class action and PAGA litigation. I, and the attorneys at Setareh Law Group, have been involved as lead class counsel, co-lead class counsel, and other levels of involvement in over 100 wage-and-hour, consumer, and antitrust class action cases. Because of this, Setareh Law Group has more than 140 Westlaw citable opinions, including the following noteworthy appellate decisions:

State Appellate Decisions

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[1] The Senior Attorney from Setareh Law Group who originally handled this case through settlement, Jose Maria D. Patino, Jr., is no longer with the firm. Senior Attorney Iona Levin has been assigned to this matter in his place.

a. *Troester v. Starbucks Corporation, et al.*, 5 Cal.5th 829 (2018) (reversed summary judgment in favor of Defendants, issuing a landmark published decision that clarified and rejected the application of the widely adopted federal *de minimis* doctrine to California's wage-and-hour laws). In this victory for Plaintiff in the Supreme Court of California, I was appointed as Lead Counsel and received the California Lawyer of the Year or "CLAY" award for my work on the case.

b. *Allen v. Labor Ready Southwest, Inc.* (Cal.App. 2 Dist., 2013) 2013 WL 1910293 (reversing an Order from the Superior Court of Los Angeles County compelling Plaintiff's claims to arbitration, finding that Defendant waived the right to compel arbitration by litigating the merits of Plaintiff's arbitrable federal and state claims).

c. *Lacour v. Marshalls of CA, LLC, et al.* (Cal.App. 1 Dist., 2023) 2023 WL 5543622 (reversing an Order from the Superior Court of Alameda County granting judgment on the pleadings, holding that the trial court erred in giving claim preclusive effect to a federal court judgment in a prior PAGA case against the same defendant.).

Setareh Law Group has prevailed in its eight most recent Ninth Circuit appeals. Five of the eight cases resulted in reversals of the trial court decision, with the other three cases (*Harris*, *Parsittie,* and *Ortiz*) affirming a decision favorable to the plaintiff. These seven cases are listed below:

<u>*Ninth Circuit Decisions*</u>

d. *Allen v. Bedolla*, 787 F.3d 1218 (9th Cir. 2015) (affirming the district court's Order denying objector's motion to intervene and remanding to the district court where settlement was granted final approval. Final approval was upheld on a subsequent appeal in the 9th Cir. [*see Bedolla v. Allen*, 736 Fed.Appx. 614 (9th Cir. 2018)]).

e. *Troester v. Starbucks Corp.,* 738 Fed. Appx. 562 (9th Cir. 2018) (Ninth Circuit opinion following the California Supreme Court answering the Ninth Circuit's certified question).

f. *Gilberg v. California Check Cashing Stores, LLC*, 913 F.3d 1169 (9th Cir. 2019) (vacated district court's summary judgment in favor of Defendants and remanded for further proceedings, holding that Defendants' Fair Credit Reporting Act disclosure form lacked sufficient clarity in a published opinion).

g. *Rodriguez v. U.S. Healthworks*, 813 Fed.Appx. 315 (9th Cir. 2020) (reversed district court's summary judgement in favor of Defendants with instructions to remand the action to state court).

h. *Harris v. KM Industrial, Inc.,* 980 F.3d 694 (9th Cir. November 13, 2020) (affirmed the district court's granting of Plaintiff's motion to remand, holding in a published opinion that Defendants had failed to establish by a preponderance of the evidence that the amount in controversy exceeded $5 million as required under the Class Action Fairness Act for removal).

i. *Parsittie v. Schneider Logistics, Inc. et al.,* Case No. 20-55470 (9th Cir. 2021) (reversed the district court's dismissal of Plaintiff's meal and rest break claims, holding that Plaintiff's security check allegations were sufficient to state a claim for break-time violations and remanding for further proceedings).

j. *Ahlstrom v. DHI Mortg. Co., Ltd., L.P.*, 21 F.4th 631 (9th Cir. 2021) (reversed the district court's ruling compelling claims to arbitration, holding that parties cannot delegate issues of formation of an arbitration agreement to the arbitrator for determination).

k. *Ortiz v. Randstad Inhouse Services, LLC et al.,* 2024 WL 1070823 (9th Cir. March 12, 2024), (affirmed the District Court's order denying Defendants' Motion to Compel Arbitration in a wage and hour class action, holding that warehouse workers are covered by the Federal Arbitration Act's transportation worker exception).

Class Counsel Appointments. The following is a sampling of class actions in which the Setareh Law Group and I have been appointed as class counsel:

Federal Cases

l. *Cerdenia v. USA Truck, Inc.*, U.S. District Court, Central District of California, Case No. 10-CV-1489-JVS (granted final approval in an action on behalf of truck drivers for meal and rest period violations, off-the-clock pre- and post-shift work, and unauthorized wage deductions).

m. *Fronda v. Staffmark*, U.S. District Court, Northern District of California, Case No. 15-CV-02315-MEJ (granted final approval in a case involving alleged uncompensated security checks for warehouse workers).

n. *Garcia v. Am. Gen. Fin. Mgmt. Corp.*, U.S. District Court, Central District of California, Case No. 09-CV-1916 (granted final approval in a case filed on behalf of account managers in case involving, among other things, alleged overtime miscalculations and meal and rest period violations).

o. *Jones v. Shred-It USA, Inc.*, U.S. District Court, Central District of California, Case No. 11-CV-00526 (granted final approval in a case brought on behalf of customer service representatives and balers for alleged off-the-clock work and meal and rest period violations).

p. *O'Neill v. Genesis Logistics, Inc.*, U.S. District Court, Northern District of California, Case No. 08-CV-4707 (granted final approval in a case involving claims for failure to provide meal periods to employees who worked as drivers delivering goods to 7-11 stores throughout California and failure to pay final wages in a timely manner to terminated employees).

q. *Padilla v. UPS*, U.S. District Court, Central District of California, Case No. 08-CV-1590 (granted final approval in a case involving claims for failure to provide meal periods to part time employees engaged in sort operations and failure to pay final wages in a timely manner to terminated employees).

r. *Pitre v. Wal-Mart Stores, Inc.*, U.S. District Court, Central District of California, Case No. 17-cv-01281-DOC (granting class certification in a highly contested Action against Wal-Mart for a class of almost 5,000,000 in a Fair Credit Reporting Act action).

s. *Utne v. Home Depot U.S.A., Inc.*, U.S. District Court, Northern District of California, Case No. 16-cv-01854-RS (granting class certification in a highly contested Action against Home Depot in connection with uncompensated off-the-clock work occurring at the start of all employee shifts and at the end of closing shifts).

t. *Vang v. Burlington Coat Factory Warehouse Corp.*, U.S. District Court, Central District of California Case No. 09-CV-8061 (granted final approval in a case involving, among other things, vacation pay forfeitures, failures to provide meal and rest periods, and failures to pay overtime wages based on employee misclassification).

u. *Wilson v. TE Connectivity,* Northern District of California Case No. 3:14-cv-04872-EDL (granted class certification through contested motion in case on behalf of manufacturing facility employees subject to auto-deduction of meal breaks).

State Cases

v. *Alvarez v. Gary Grace Enterprises, LP*, Marin Superior Court, Case No. CIV 1002553 (granted final approval in a case on behalf of hair salon employees for overtime miscalculation and related claims).

w. *Butler v. Lexxiom, Inc.*, San Bernardino Superior Court, Case No. CIVRS 1001579 (granted final approval in an action on behalf of debt resolution center employees alleging, among other things, meal and rest period violations and overtime calculation errors).

x. *Calderon v. GreatCall, Inc.*, San Diego Superior Court, Case No. 37-2010- 00093743-CU-OE-CTL (granted final approval in a case on behalf of customer service employees for, among other things, alleged meal and rest period violations and overtime calculation errors).

y. *Douglas v. California Credit Union*, Los Angeles Superior Court, Case No. BC445050 (granted final approval in a case on behalf of customer service representatives alleging overtime miscalculation claims).

z. *Green v. Staples Contract and Commercial, Inc.*, Los Angeles Superior Court, Case No. BC389789 (granted final approval in a case involving claims for unprovided meal and rest periods, inaccurate wage statements, waiting time penalties, and unfair business practices on behalf of truck drivers delivering Staples office supplies in California).

aa. *Green v. Universal Music Group*, Los Angeles Superior Court, Case No. BC374253 (granted final approval in a case involving misclassification claims of current or former IT Support employees, including engineers, server analysts, desktop support, and technical leads).

bb. *Sandoval v. Rite Aid Corp.*, Los Angeles County Superior Court, Case No. BC431249 (granted class certification through contested motion in case on behalf of former pharmacy employees based on late final wage payments in violation of Labor Code §§ 201–203; subsequently granted final approval of class action settlement).

cc. *Spokes v. Lush Cosmetics, LLC*, Los Angeles Superior Court, Case No. BC391397 (granted final approval in a case alleging failures to provide meal and rest periods and failure to timely pay all final wages to California sales associates and key holders).

dd. *Valencia v. SCIS Air Security Corp.*, Los Angeles Superior Court, Case No. BC421485 (granted class certification through contested motion in case on behalf of former security workers based on late final wage payments in violation of Labor Code §§ 201–203; subsequently granted preliminary approval of proposed class action settlement).

5. I am the owner and managing attorney of Setareh Law Group. All strategic decisions regarding the selection of clients to represent and the major strategic decisions for each client fall to me to make or approve. I bear all of the risk associated with the operation of a law firm. As a result, my scope of responsibility is substantially greater than an attorney of equal years of experience who does not bear these additional obligations. As the above shows, the Setareh Law Group and I have substantial experience in wage-and-hour class action litigation, including actions alleging failure to provide meal and/or rest periods, failure to pay wages, failure to provide accurate wage statements, failure to provide timely final wage payments, and other related claims. We are knowledgeable about the applicable law and have worked diligently to investigate and identify the potential claims in this action. I will continue to commit my firm's resources to further the interests of the Class. Setareh Law Group and I have no known conflicts of interest with Plaintiffs, the State of California, or with absent aggrieved employees.

Procedural Background

6. Defendant LTTS runs a staffing agency based on India. Plaintiff Deborah Hubbard was assigned to Alcon Vision, LLC, a U.S. medical development and manufacturing company with a facility in Belmont, California. Plaintiff worked for Defendants as an hourly, non-exempt Manufacturing Technician from approximately August 2021 through June 2022.

7. On or before February 16, 2023, Plaintiff submitted a letter to the LWDA and sent a copy to Defendant via certified mail to notify them pursuant to PAGA of Plaintiff's intent to seek civil

penalties under PAGA for violations of Labor Code sections 201, 202, 203, 204, 223, 226, 226.7, 510, 512, 1194, 1197, 1197.1, 1198, 1199, and 2802. A true and correct copy of the Notice Letter to the LWDA and the certified mail receipt is attached hereto as **Exhibit 2**.

8. On March 28, 2023, Plaintiff filed the initial complaint in this Action in the above-titled Court alleging causes of action against Defendant for the following alleged violations of the California Labor Code: (1) failure to provide meal periods (Labor Code sections 204, 223, 226.7, 512 and 1198); (2) failure to provide rest periods (Labor Code sections 204, 223, 226.7, and 1198); (3) failure to pay hourly wages (Labor Code sections 223, 510, 1194, 1194.2, 1197, 1197.1, and 1198); (4) failure to indemnify business expenses (Labor Code section 2802); (5) failure to provide accurate written wage statements (Labor Code section 226); (6) failure to timely pay all final wages (Labor Code sections 201, 202, and 203); (7) failure to timely furnish personnel records (Labor Code sections 432 and 1198.5); (8) failure to timely produce payroll records (Labor Code section 226(b)); and (9) unfair competition (Business and Professions Code section 17200 *et seq*.).

9. On June 7, 2023, Plaintiff filed a First Amended Complaint, adding only one cause of action for civil penalties pursuant to the PAGA based on the same Labor Code violations alleged in the Complaint.

Investigation Into the Claims; Settlement

10. On May 1, 2025, the Parties participated in an all-day mediation presided over by before experienced wage-and-hour mediator Michael Loeb.

11. Before the mediation, the Parties exchanged extensive information concerning Plaintiff's claims, including payroll data, timekeeping records, policies, employee information, and exposure analyses. Plaintiff's counsel prepared a detailed mediation brief addressing the factual allegations, legal theories, estimated exposure, and anticipated defenses. Defendants likewise prepared a comprehensive mediation submission disputing liability and contesting Plaintiff's damages and penalty calculations.

12. Prior to settlement, Plaintiff conducted a thorough investigation into the claims and potential defenses in this matter. Plaintiff and her counsel reviewed payroll and timekeeping records, policies and procedures, wage statements, employee data, and representative evidence concerning meal periods, rest periods, and alleged wage violations.

13. Defendants provided data regarding the number of allegedly aggrieved employees and total pay periods worked during the PAGA period. The information exchanged reflected approximately 152 allegedly aggrieved employees associated with LTTS and approximately 32 allegedly aggrieved employees associated with Alcon. The records further reflected thousands of pay periods worked during the relevant period.

14. The Parties also analyzed sample timekeeping data regarding meal period timing, allegedly missed or short meal periods, and potential derivative claims. Plaintiff's counsel prepared a damages and exposure analysis based upon the available records and alleged Labor Code violations.

15. The Parties therefore possessed sufficient information to evaluate the strengths and weaknesses of the claims and defenses and to engage in informed settlement negotiations.

16. Plaintiff's counsel additionally analyzed representative timekeeping data reflecting allegedly late, short, and missed meal periods during the relevant period. Plaintiff's counsel reviewed data concerning shifts exceeding five hours, shifts exceeding six hours, shifts exceeding ten hours, and shifts exceeding twelve hours, as well as allegedly noncompliant meal periods and premium payments reflected in Defendants' records.

17. Plaintiff's counsel also evaluated the strengths and weaknesses of Plaintiff's derivative claims for wage statement penalties, waiting time penalties, and reimbursement claims. Plaintiff's analysis considered potential defenses concerning individualized issues, employee choice, timekeeping accuracy, and the availability of representative proof.

18. The investigation and analysis conducted by Plaintiff and her counsel provided a meaningful basis upon which to evaluate the fairness and adequacy of the proposed settlement.

19. During mediation, the Parties engaged in extensive arm's-length negotiations regarding the strengths and weaknesses of the claims and defenses, the risks associated with continued litigation, and the uncertainties surrounding representative proof and recoverable PAGA penalties. Although the Parties did not immediately finalize all settlement terms at mediation, negotiations continued thereafter through multiple rounds of discussions and revisions to the long-form settlement agreement.

20. The Parties engaged in an extensive informal exchange of data about the allegedly

Aggrieved Employees. Defendant informally produced data pertaining to time and pay records for the Aggrieved Employees as well as the applicable employment policies in effect during the PAGA Period. Defendant produced Plaintiff's personnel file, payroll, and timekeeping records. From the data and other documents obtained from Defendants pertaining to the Aggrieved Employees and Defendants' policies, Plaintiff's counsel was able to analyze the data provided, and Plaintiff was then able to thoroughly assess the merits of each claim.

21. On or around June 2, 2025, pursuant to the mediator's proposal, the Parties executed a Memorandum of Understanding, agreeing to settle the Action and resolve any and all claims relating to any and all facts and claims asserted in the Action, and the PAGA letter submitted by Plaintiff to the LWDA, or that could have been asserted in the Action based on the facts alleged, including but not limited to any and all claims for PAGA penalties for violations of the California Labor Code. Each of the Parties, represented by its respective counsel, recognized the risk of an adverse result in the Action. A true and correct copy of the Memorandum of Understanding is attached hereto as **Exhibit 3**.

22. On or around June 21, 2026, the Parties executed the PAGA Settlement Agreement (the "Settlement").

23. Counsel believe the proposed Settlement is fair, reasonable, and adequate in light of the complexities of the case, the uncertainties of further litigation, and that it represents a fair and reasonable recovery for the State of California and the aggrieved employees. The Parties have not engaged in any collusion or improper negotiations. The Parties do not have any agreements regarding the proposed Settlement that are not reflected in the Settlement.

Summary of the Settlement Terms

24. <u>Key provisions of the proposed Settlement include the following</u>:

(a) "Aggrieved Employees" is defined as all persons employed by LTTS in California as a non-exempt employee during the PAGA Period, or a person employed by Alcon in California as a non-exempt employee and that worked at its Belmont, California facility during the PAGA period. (Ex. 1, ¶ 1.4). "PAGA Period" means the period from March 28, 2022, to the date of approval of the Settlement. (*Id.*, ¶ 1.19).

(b) Defendant agrees to pay the Gross Settlement Amount ("GSA") of **$437,500.00**, which includes Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, the Administrator's Expenses Payment, and the Representative Service Award. (*Id.*, ¶ 3.2.) The remaining sum is the Net Settlement Amount ("NSA") and will be paid to Aggrieved Employees as Individual PAGA Payments. (*Id.*, ¶ 1.15.)

(c) PAGA Allocation: Of the NSA, the LWDA will receive 75% and Aggrieved Employees will receive 25%[2]. (*Id.,* ¶ 3.2.4.)

(d) No later than twenty-one (21) days after the Effective Date, Defendant shall deposit the GSA with the Settlement Administrator. (*Id.*, ¶ 4.3.)

(e) Plaintiff will be paid up to **$5,000.00** as her service award for her efforts and time in prosecuting this action resulting in the proposed Settlement. (*Id.*, ¶ 3.2.1). If this request is reduced by the Court, any amount not approved by the Court will be included in the Net Settlement Amount (*Id.*)

(f) Plaintiff's Counsel will not seek an amount greater than 1/3 of the GSA (**$145,832.00**) for attorneys' fees. (*Id.*, ¶ 3.2.2.)

(g) Plaintiff's Counsel will not seek an amount greater than what was actually expended for which there is documentation for reimbursement of litigation costs up to a maximum of $20,000 with any amount below that maximum being added to the Net Settlement Amount. (*Id.*) Plaintiff's Counsel seeks **$14,477.67** in actually-expended litigation costs. (Ex. 4.)

(h) Notice to Aggrieved Employees and administration of the Settlement will be accomplished through a third-party settlement administrator, Simpluris ("Phoenix"), with an estimated administration cost up to $20,000, but currently estimated at **$3,593.00**. (Ex. 1, ¶ 3.2.3.) To the extent that Settlement Administration falls below that maximum amount, it will be included in the Net Settlement Amount. (*Id.*)

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[2] Pursuant to Labor Code section 2699(i), awards of PAGA penalties are split with 25% going to the aggrieved employees and 75% going to the LWDA.

(i) In exchange for the above settlement consideration, Defendant shall be entitled to a limited release from all Aggrieved Employees and a general release from Plaintiff. (*Id.*, ¶¶ 1.25, 1.26, 5.1-5.2.)

The Settlement Meets All the Criteria for Approval

25. Plaintiff and her counsel have diligently investigated the claim in this matter. Plaintiff and Counsel concluded, after taking into account the disputed factual and legal issues involved in this Action, the substantial risks attending further prosecution, including risks related to the outcome of possible summary judgment efforts, and the substantial benefits to be received pursuant to the compromise and settlement of the Action as set forth in the Settlement, that settlement on the terms agreed to are in the best interest of Plaintiff and the Aggrieved Employees and are fair and reasonable. Plaintiff's counsel brought to bear a great deal of experience with wage and hour actions in negotiating the settlement of this case.

26. Resolution at this time will forestall the need for additional expensive and time-consuming litigation that could very well result in an outcome less satisfactory than that proposed under this settlement. But, before any other consideration, Plaintiff and her counsel have agreed to this settlement because it is objectively reasonable. The potential for resolution benefits the Aggrieved Employees and the State of California, since they do not have to wait additional years for a similar recovery. The efficiency of this litigation benefits the Court, the parties and their counsel. A settled resolution now is the most realistic method for addressing the claims raised in this matter.

27. The Parties have engaged in the necessary investigation in this case that made it possible for us to exercise informed judgment in those aspects of the settlement process in which we were involved. Defendants produced its policies and payroll and time punch data. The information produced was sufficient to permit Plaintiff's counsel to adequately evaluate the settlement. Plaintiff had more than enough information upon which to evaluate a fair and reasonable settlement amount.

28. Here, the expense, complexity and likely duration of future litigation was to some extent an unknown. However, what is certain is that to adequately establish the foundational violations that would support a substantial penalty award, tremendous time and expense would be invested.

29. The Settlement provides a significant monetary benefit that falls well within "the range

of an acceptable settlement" under the circumstances, which is the standard on which the instant Settlement must be judged. As held by the Ninth Circuit, a settlement may be fair and reasonable even where it only provides a fraction of what could have been obtained at trial.

30. The Settlement is the product of arm's-length negotiations between the Parties occurring throughout the litigation. In light of the uncertainties of protracted litigation and the state of the law regarding the legal positions of the Parties, the settlement amount reflects the best feasible recovery. The settlement amount is, of course, a compromise figure. By necessity it took into account risks related to liability, damages, and all the defenses asserted by the Defendants. Given the strong case that Defendants could bring to bear, this is not an inconsequential settlement.

Estimated Maximum Potential Recovery

31. At the time of mediation, Defendant provided certain data points that included a sampling of payroll and time records for the aggrieved employees during the relevant PAGA period.

The following chart provides the estimated potential recovery that Plaintiff believes she could reasonably achieve for all aggrieved employees *if she were to prevail on all her causes of action*:

Plaintiff's Estimated Maximum Potential Recovery		
Assumptions During PAGA Period (based on time/payroll data provided by Defendant) Number of Aggrieved Employees employed by Alcon at the Belmont location and LTTS: 184 Number of Former Aggrieved Employees of Defendants: 140 Total Pay Periods worked: 5,911 *Note: All numbers and calculations based on data sampling provided by Defendants and analyzed by an expert retained by Plaintiff prior to mediation.*		
Claim (Labor Codes)	**Estimated Potential Civil Penalties**	**Calculations for Estimated Potential Recovery**
Off-the-Clock Work		
• Overtime (510, 558)	$295,550	5,911 pay periods x $50/pay period
• Minimum Wage (1194, 1197, 1197.1, 1199)	$591,100	5,911 pay periods x $100/pay period
Meal Period Premiums (204, 512, 226.7, 1198)	$591,100	5,911 pay periods x $100/pay period
Rest Period Premiums (204, 226.7)	$591,100	5,911 pay periods x $100/pay period

Waiting Time Penalties (201, 202, 203)	$14,000	140 separated employees x $100 per 1st (and only) violation
Wage Statement Penalties (226)	$46,000	184 employees x $250 for initial citation
TOTAL	**$2,128,850**	

Risks of Continued Litigation and Discounts in Settlement

32. Despite a total potential recovery of $2.128 million in PAGA penalties, Plaintiff recognizes the challenge she faces in establishing liability on the underlying wage and hour claims. Plaintiff estimates that her likelihood of proving her underlying claims are low and thus her likelihood of recovering $2.128 million or anything close to that amount in civil penalties is very unlikely. This is compounded with the fact that to continue litigation will drive up the costs for both sides possibly to amounts in excess of the potential recovery in relation to the number of Aggrieved Employees. In that respect, the GSA represents an excellent recovery of the potential civil penalties.

Furthermore, Plaintiff must prevail at a trial on the merits. In addition to having to prove that Plaintiff and the Aggrieved Employees were not paid for all hours worked, Plaintiff must establish willfulness with respect to their waiting time penalties claim under Labor Code Section 203 as well as a knowing and intentional violation under Labor Code Section 226 for wage statement penalties.

With respect to the claims asserted on behalf of the aggrieved employees in this case, there are significant risks that support the reduced compromise amount. These risks include, but are not limited to the following:

(i) The risk that Plaintiff would be unable to establish liability for allegedly unpaid straight time and overtime wages. *See Duran v. U.S. Bank Nat'l Ass'n*, 59 Cal.4th 1, 39 & fn. 33 (2014) ("*Duran*"), citing *Dilts v. Penske Logistics, LLC* 2014 WL 205039 (S.D. Cal. 2014) (dismissing certified off-the-clock claims based on proof at trial). Defendant contends, e.g., that straight time was paid and that overtime was properly paid or not due or owing to the Aggrieved Employees as alleged by Plaintiff.

(ii) The risk that Plaintiff would not be able to prove liability for alleged failure to provide compliant meal periods and rest breaks; or that to establish liability for the failure to provide compliant meal periods and rest breaks would require an individualized inquiry that would perhaps lead to inconsistent testimony.

(iii) The risk that Plaintiff would not recover waiting time and wage statement penalties pursuant to Labor Code sections 203 and 226. Section 203 requires that a plaintiff show the employer committed a "willful" violation of the law in withholding wages. "A good faith dispute that any wages are due will preclude imposition of waiting time penalties under Section 203." 8 Cal. Code Regs. § 13520. Similarly, penalties pursuant to section 226 require a "knowing and intentional" violation. Defendant contends that it would present several good faith defenses that would preclude a finding of willfulness under section 203. *See Choate v. Celite Corp*. (2013) 215 Cal. App.4th 1460 (reversing award of section 203 penalties based on good faith defense where underlying wage claim presented issue of first impression). Any such good faith dispute could preclude penalties.

(iv) The risk that any civil penalties awarded under PAGA could be reduced by the Court in its discretion, which would materially impact the recovery by the aggrieved employees. *See* Labor Code section 2699(e)(1).

(v) The risk that lengthy appellate litigation could ensue, with associated litigation risk and costs, further enhances the value of a confirmed settlement as opposed to unpredictable litigation.

(vi) Pursuant to Section 2699's allowance for courts to award less than the maximum statutory penalty, Plaintiffs face the risk that an award at trial be substantially reduced from Plaintiffs' estimated recovery. Although the PAGA penalties recoverable amounts to $2,128,850, that amount is not likely to be realized in this case. Most significantly, the ultimate decision as to the amount of penalties is always up to the discretion of the Court. Labor Code § 2699(e)(2) states: "In any action by an aggrieved employee seeking recovery of a civil penalty available under subdivision (a) or (f), a court may award a lesser amount than the maximum civil penalty amount specified by this part if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory." Subdivision (a) states, "Notwithstanding any other provision of law, any provision of this code that provides for a civil penalty to be assessed and collected by the Labor and Workforce Development Agency or any of its departments, divisions, commissions, boards, agencies, or employees, for a violation of this code, may, as an alternative, be recovered through a civil action brought by an aggrieved employee on behalf of himself or herself and other current or former employees pursuant to the procedures specified in Section 2699.3." Subdivision (f) specifies the penalties in instances where the underlying statute does not specify any civil penalty. In other words, where the facts and circumstances of the particular case demonstrate that an unreduced award would be "unjust, arbitrary and oppressive, or confiscatory," the court (or arbitrator) may reduce the award so as to ameliorate any such finding.

In *Carrington v. Starbucks*, 30 Cal.App.5th 504, 529 (2018), the Court of Appeal affirmed the trial court's significant reduction of PAGA meal break penalties from the $50 maximum penalty per initial violation to only $5 per initial violation. As the Court of Appeal in *Carrington* observed, although the trial court ultimately disagreed with the Defendant's arguments regarding its liability, it considered the circumstances of the Defendant when imposing penalties, namely that imposing the maximum penalty would be unjust, arbitrary, and oppressive based on the Defendant's "good faith attempts" to comply with meal break obligations and because the court found the violations were minimal. *See also Thurman v. Bayshore Transit, Management, Inc*. 203 Cal.App.4th 1112, 1136 (2012) (affirming trial court's 30 percent reduction of maximum penalty.). Although the Adjusted Potential Civil Penalties amounts to $2,128,850, proceeding to trial creates the risk that Plaintiffs meet the same outcome at the *Carrington* plaintiffs, resulting in a recovery that is a mere 10% of the estimate.

(vii) The risk that Defendant would be unable to pay a higher amount than the GSA if so awarded.

(vii) Moreover, Plaintiff faced the risk of a potentially prolonged and expensive trial.

(ix) Plaintiff faced the risk of being held liable for Defendant's attorneys' fees and costs if this case had been unsuccessful.

Each of these factors bore heavily on the negotiations leading to the Settlement. In view of these risks, the Settlement reflects a fair, adequate, and reasonable compromise amount for these claims and warrants preliminary approval. Indeed, while the risks listed herein are far from exhaustive, they show that the Settlement is fair, adequate, and reasonable in view of them.

In these respects, Defendant strongly denies any liability. Continued litigation of this lawsuit presented Plaintiff and Defendant with substantial legal risks that were (and continue to be) very difficult to assess.

In light of the uncertainties of protracted litigation, the Settlement amount reflects a fair and reasonable recovery for the State of California and the Aggrieved Employees. The Settlement amount is, of course, a compromise figure. By necessity, it took into account risks related to liability, trial manageability, discretionary penalties, and all the defenses asserted by Defendant as to all such matters.

Fairness of Distribution

33. The proposed method of distribution is fair and reasonable because each Aggrieved Employee's actual potential penalties varies proportionally based on his or her pay periods worked during the PAGA Period. An Aggrieved Employee who worked a greater number of pay periods will have a larger potential claim than one who worked pay periods during the PAGA Period will likewise receive a proportionately greater share of the Net Settlement Amount allocated to the Aggrieved Employees.

Attorneys' Fees

34. The amount of PAGA Counsel's fee request (one-third of the Gross Settlement Amount, estimated to be $145,832.00) is reasonable as a percentage of the settlement fund. I have been awarded attorneys' fees equaling approximately one-third of the fund in several recent wage and hour class actions, including, but not limited to: *O'Brien v. Optima Network Services, Inc.,* San Bernardino County Superior Court, Case No. CIVRS1107056 (one-third of settlement fund); *Noyd v. The Cristcat Group, et al.*, Los Angeles County Superior Court, Case No. BC439558 (one-third of settlement fund); *Perez v. Southwest Dealer Services, Inc.*, Los Angeles County Superior Court, Case No. BC439253 (one-third of settlement fund); *Alvarez v. Gary Grace Enterprises, LP*, Marin County Superior Court, Case No. CIV1002553 (one-third of settlement fund); *Calderon v. Greatcall, Inc.*, San Diego Superior Court, Case No. 37-2010-00093743-CU-OE-CTL (one-third of settlement fund); *Butler v. Lexxiom, Inc.*, San Bernardino County Superior Court, Case No. CIVRS1001579 (one-third of settlement fund); *Huynh v. Carefusion Resources, LLC, et al,* San Diego County Superior Court, Case No. 37-2009-00103277-CU-OE-CTL (one-third of settlement fund); *Stucker v. L'Oreal USA S/D, Inc.*, Los Angeles County Superior Court, Case No. BC456080 (one-third of settlement fund); *Sandoval v. Thrifty Payless, Inc.*, Los Angeles County Superior Court, Case No. BC431249 (one-third of settlement fund); *Tucker v. Maly's West, Inc.*, Los Angeles County Superior Court, Case No. BC483920 (one-third of settlement fund); *Tiwari v.*

Merrill's Packaging, San Mateo Superior Court, Case No. 519070 (one-third of settlement fund); *Montgomery v. Del Monte Corp., et al*, Kings County Case No. 13C0204 (one-third of settlement fund); *Adams v. Medical Staffing Network, et al*, Sacramento County Case No. 34-2012-00137491-CU-OE-GDS (33% of gross settlement fund).

35. Setareh Law Group has done extensive work in connection with this case, including but not limited to: conducting the initial investigation of the case and developing the facts and theories regarding meal and rest break, and unpaid wages claims, conducting informal discovery to obtain the applicable reviewed payroll data, time records, policies, employee information, and other records produced by Defendants, conducting a review of the record and preparing a damages analysis in preparation for mediation, engaging in contentious arms-length negotiation, and working with Defendant to prepare the Settlement Agreement, related forms, and PAGA settlement approval stipulation.

36. Setareh Law Group prosecuted this matter on a contingent basis meaning that if the case were unsuccessful the firm would have received no compensation or reimbursement of costs. The time spent on the litigation took a considerable amount of time and effort that could have been spent on other fee-generating work.

37. I have reviewed the work performed on the case and the billing entered by the attorneys working on this case at my firm. The table below includes a summary of all the hours worked. My firm's lodestar is currently $85,525.00, resulting in a multiplier of approximately 1.71.

38. Looking at the work of attorneys for Plaintiff in this matter (***and excluding paralegals***), the lodestar all firm attorneys involved in this matter is estimated to be as follows:[3]

Attorney	Bar Year	Hourly Rate	Hours	Total Fees
Shaun Setareh	1999	$ 1,150.00	18.0	$ 20,700.00
Jose Patino	2010	$ 775.00	21.0	$ 16,275.00
Iona Levin	2013	$ 650.00	14.0	$ 9,100.00
Maxim Gorbunov	2021	$ 550.00	4.0	$ 2,200.00
Tyson Gibb	2021	$ 550.00	22.0	$ 12,100.00

[3] Jose Patino, Maxim Gorbunov, Tyson Gibb, Julianna M Gesiotto, and Brian Louis are no longer with our firm. The amounts included in the lodestar are estimates based on a thorough review of the file and attorneys' time entries.

Julianna M Gesiotto	2022	$ 450.00	23.0	$ 10,350.00
Brian Louis	2023	$ 400.00	16.0	$ 6,400.00
Victoria Mas	2025	$ 350.00	24.0	$ 8,400.00
Total			**142**	**$ 85,525.00**
Fees Sought				$ 145,832.00
Multiplier				1.71

39. Plaintiff's counsel will incur approximately 3 additional hours in preparing for the approval hearing, appearing at the approval hearing, and communicating with the Settlement Administrator.

40. It is only fair that every aggrieved employee who benefits from the settlement pay his or her *pro rata* share of attorney's fees, and Plaintiff's request for fees here means that Plaintiff's Counsel seek an amount of fees less than the amount Plaintiff's Counsel would likely receive if they represented each aggrieved employee individually.

Actual Litigation Costs

41. To date, Class Counsel has incurred actual litigation costs in the amount of **$14,477.67**. A true and correct copy of an itemization of costs prepared by the firm's bookkeeper at my direction is attached hereto as **Exhibit 4**.

Reasonableness of PAGA Representative Enhancement Award

42. Plaintiff's request for a Service Award of $5,000 is fair and reasonable in view of her efforts in this case, the risks she has undertaken, and the results she has achieved. Courts routinely approve incentive awards to compensate named plaintiffs for the services they provide and the risks they incur during class action litigation, often in much higher amounts than that sought here. *See, e.g.*, *Bell v. Farmers Ins. Exchange* (2004) 115 Cal.App.4th 715, 726 (upholding "service payments" to named plaintiffs for their efforts in bringing the case); *Van Vranken v. Atlantic Richfield Co.* (N.D.Cal. 1995) 901 F.Supp. 294 (approving $50,000 enhancement award).

Here, the Settlement provides that Plaintiff may seek an enhancement award of up to $5,000.00. This amount is approximately 1.15% of the GSA.

a. <u>The Substantial Time and Effort Plaintiffs Expended on This Lawsuit Justify the PAGA Representative Enhancement Award</u>

Awarding Plaintiff just over 1% of the GSA is entirely reasonable given Plaintiff's efforts in this case undertaken on behalf of the State of California and the Aggrieved Employees. In this case, Plaintiff has devoted several hours of her time advancing their interests. Plaintiff has done this by, among other things, retaining experienced counsel, providing Plaintiff's Counsel with extensive information about her work history with Defendants and Defendants' policies and practices with respect to the wage and hour claims at issue, forgoing pursuit of her individual claims in favor of a fair resolution, and being actively involved in the settlement process to ensure a fair result for the Aggrieved Employees and the State of California as a whole.

b. Plaintiff's Heavy Fiduciary Responsibilities Justify the Representative Enhancement Award

As a representative, Plaintiff agreed to: (1) consider the interests of the State of California and the Aggrieved Employees as she would consider her own interests and, in some cases, to put the interests of the Aggrieved Employees and the State of California before her own interests; (2) actively participate in the lawsuit, as necessary, by among other things, answering interrogatories, producing documents to Defendant and giving deposition and trial testimony if requested; (3) travel to give such testimony; (4) recognize and accept that any resolution of the lawsuit by dismissal or settlement, is subject to court approval, and must be designed in the best interest of the Aggrieved Employees and the State of California as a whole; (5) follow the progress of the lawsuit and provide all relevant facts to Plaintiff's Counsel; (6) champion many other people with similar claims and injuries because of the importance of the case and that necessity that all Aggrieved Employees and the State of California benefit from the lawsuit; and (7) fight for a resolution in which the individual recoveries to each Aggrieved Employees and the State of California, including Plaintiff, may be relatively small. Plaintiff agreed to shoulder all of these responsibilities in exchange for a proportionate share of funds made available for distribution to the Aggrieved Employees and the LWDA. Plaintiff had no guarantee of an enhancement award. This justifies the enhancement award sought on behalf of Plaintiff.

c. The Risks That Plaintiff Undertook Justify the Enhancement Award

In taking the actions outlined above, Plaintiff exposed herself to significant risks. These include the risk that she could have been ordered to pay Defendants' attorneys' fees and costs if this action had been unsuccessful under Labor Code §§ 218.5 and 218.6, California's fee and cost shifting statutes applicable to wage disputes. On many occasions, California courts have ordered wage and hour plaintiffs and would be class representatives to pay outrageous fee and/or cost awards for unsuccessful claims. A few examples are:

- *Zalewa v. Tempo Research Corp.* (CA 2nd Dist. March 1, 2013) No. B238142, 2013 WL 766535 (employer requested $2,210,360 in attorney's fees to be paid by employee for employee's unsuccessful suit for unpaid bonuses);
- *Cun v. Café Tiramisu LLC* (CA 1st Dist. Nov. 30, 2011) No. A131241, 2011 WL 5979937 (court ordered the employee to pay $36,612.50 in attorney's fees and costs to employer for unsuccessful suit for unpaid wages);
- *Csaszi v. Sharp Healthcare* (CA 4th Dist. Feb. 18, 2003) No. D038558, 2003 WL 352422 (court ordered the employee to pay $20,269 in attorney's fees and costs to the employer for unsuccessful suit for unpaid wages and overtime);
- *Villalobos v. Guertin* (U.S.D.C. Eastern Dist. Dec. 3, 2009) No. CIV. S–07–2778 LKK/GGH, 2009 WL 4718721 (court ordered Plaintiff's counsel to pay $21,180 in attorney's fees and $1,525.80 in costs to defense counsel for unpaid wages);
- *Wymore v. Minto* (CA 1st Dist. Sept. 22, 2010) No. A125476, 2010 WL 3687511 (court awarded employer $6,577.50 in attorney's fees for employee's unsuccessful suit for unpaid salary and commissions);
- *Wagner v. Lim* (CA 4th Dist. March 18, 2005) No. D044086, 2005 WL 635059 (court awarded employer $4,500 in attorneys' fees for unsuccessful suit for wages)

Such cost awards are substantially higher than the share of the gross settlement amount that Plaintiff stands to receive as an aggrieved employee. It is unfair in view of the substantial risk of an adverse fee or cost award of several thousand dollars that Plaintiff receives less as a reward for taking such a risk. Even the lowest of the cost awards listed above would have devastating consequences for Plaintiff in view of her modest earnings.

d. The Public Policy Behind Class and Representative Actions Justifies the Representative Enhancement Awards

The public policy behind class and representative actions that seek an aggregate recovery of otherwise small amounts of money is equally important and has been recognized by the courts. “The policy at the very core of the class action mechanism is to overcome the problem that small recoveries do not provide the incentive for any individual to bring a solo action prosecuting his or her rights. A class action solves this problem by aggregating the relatively paltry potential recoveries into something worth someone's (usually an attorney's) labor.” *Amchem Products, Inc. v. Windsor* (1997) 521 U.S. 591 (quoting *Mace v. Van Ru Credit Corp.* (1997) 109 F.3d 338, 344). “Frequently numerous consumers are exposed to the same dubious practice by the same seller so that proof of the prevalence of the practice as to one consumer would provide proof for all. Individual actions by each of the defrauded consumers are often impracticable because the amount of individual recovery would be insufficient to justify bringing a separate action; thus, an unscrupulous seller retains the benefits of its wrongful conduct.” *Vasquez v. Superior Court* (1971) 4 Cal.3d 800. “A company which wrongfully exacts a dollar from each of millions of customers will reap a handsome profit; the class action is often the only effective way to halt and redress such exploitation.” *Blue Chip Stamps v. Superior Court* (1976) 18 Cal.3d 381. “A current employee who individually sues his or her employer is at greater risk of retaliation. We have recognized that retaining one's employment while bringing formal legal action against one's employer is not a viable option for many employees.” *Gentry v. Superior Court* (2007) 42 Cal.4th 443. If would-be class-action and PAGA-representative plaintiffs are not adequately incentivized to assume the risk of a substantial cost award, it is unlikely that they will bring such lawsuits in the first place.

The average Aggrieved Employee in this case would be unlikely to pursue his or her individual claims against Defendant because such a claim would be too small to justify the cost and the risk. An aggrieved employee will be unlikely to find an attorney who is willing to pursue an individual’s claims because the claim is too small to justify the hundreds of hours of legal work necessary to prove each claim. Only the class and representative action vehicles, which allow for the aggregation of hundreds of risky small dollar value claims, makes such claims advantageous for an attorney to pursue on a contingency basis and there can be no class or PAGA action without a class member or aggrieved employee assuming the great fiduciary responsibilities of class or PAGA representative. This Court should allow the enhancement award requested because to do otherwise would discourage employees (and attorneys) from bringing class and representative actions in the first place.

If would-be class and representative action plaintiffs are not adequately incentivized to advance the public policy behind class and PAGA actions in court in light of the time and risk it will entail, it is unlikely that they will bring such lawsuits in the first place. Once employers realize that such lawsuits are unlikely, they will have no incentive to comply with wage and hour laws.

e. The Risk of Impairment to Plaintiff's Job Prospects Justifies the Enhancement Award

Plaintiff faced the risk that she could face worsened career prospects for suing a former employer for wage and hour violations and serving as the named plaintiff in a PAGA representative action lawsuit. Because she filed a lawsuit in California Superior Court, a public record now exists that Plaintiff sued her employer for Labor Code violations – a fact that would not be lost on prospective employers considering him for a job, especially in the same industry. Common sense dictates that an employer will think twice about hiring someone who sued their last employer. California even has laws to address this risk: Labor Code section 1102.5 prohibits retaliation against employees who speak up about Labor Code violations and Labor Code section 98.6 prohibits discrimination against employees who bring Labor Code violations to the attention of the Labor Commissioner. Thus, the risks to Plaintiff's future employment and prospects show that the enhancement awards sought is fair, adequate, and reasonable, and warrants the approval of the Court.

Settlement Administrator

43. The Parties propose Simpluris as the administrator of this Settlement. Plaintiffs' counsel obtained bids from no less than three established settlement administrators: ILYM Group, Inc., Simpluris, Inc., and Phoenix. Ultimately, Simpluris was selected as it presented the most cost-effective bid. Simpluris is an experienced class action and representative action settlement administrator. Based on my experience, Simpluris' bid of $3,593 is reasonable for a settlement with this number of aggrieved employees.

LWDA Notice

44. On June 26, 2026, Class Counsel uploaded a copy of the Settlement Agreement and the Motion for Preliminary Approval of Class Action Settlement and Certification of Settlement

Classes to the Labor Workforce and Development Agency. My firm received confirmation via an email attached as **Exhibit 5**.

45. Upon the filing and service of the Plaintiff's Motion for Approval of PAGA Settlement, a copy of the Motion will be uploaded to the LWDA by my office.

I declare under the penalty of perjury of the laws of the State of California that the foregoing is true and correct to the best of my knowledge. Executed on this 26th day of June 2026 in Beverly Hills, California.

/s/ Shaun Setareh
Shaun Setareh