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Attorneys for Plaintiff ADOLFO GUADARRAMA DIAZ,
individually and on behalf of others similarly situated

10 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
11 **FOR THE COUNTY OF LOS ANGELES**
12 **(SPRING STREET COURTHOUSE)**

13 ADOLFO GUADARRAMA DIAZ,
14 individually and on behalf of others similarly
15 situated,

16 Plaintiff,

17 vs.

18 REPUBLIC NATIONAL SECURITY,
19 THOMAS W. KEMP, ADELA KEMP, and
DOES 1 through 50,

20 Defendants.

) CASE NO.: 23STCV03317

) CLASS ACTION

) Assigned For All Purposes To:

) Judge: Hon. Stuart M. Rice

) Dept.: 1

) **DECLARATION OF JUSTIAN JUSUF IN**
) **SUPPORT OF PLAINTIFF'S MOTION**
) **FOR PRELIMINARY APPROVAL OF**
) **CLASS ACTION AND PAGA**
) **SETTLEMENT; EXHIBITS 1-5**

) Preliminary Approval Hearing:

) Date: October 15, 2024

) Time: 10:30 a.m.

) Dept.: 1

) Complaint Filed: February 15, 2023

1 I, Justian Jusuf, hereby declare:

2 1. I am an attorney duly licensed to practice in the State of California, and am counsel
3 of record for Plaintiff Adolfo Guadarrama Diaz (“Plaintiff”). I have personal knowledge of, or am
4 informed and believe as indicated, the following, and if called and sworn as a witness, I could and
5 would competently testify thereto.

6 2. This declaration is submitted in support of Plaintiff’s motion for preliminary
7 approval of class action and PAGA settlement between Plaintiff and Defendants Republic
8 National Security, Thomas W. Kemp, and Adela Kemp (“Defendants”) (“Plaintiff” and
9 “Defendants” are referred to collectively as the “Parties”) upon the terms and conditions set forth
10 in the Settlement Agreement, a true and correct copy of which is attached hereto as **Exhibit 1**.

11 3. **Exhibit 2** attached hereto is a true and correct copy of the written notice of PAGA
12 claims which I submitted on behalf of Plaintiff to the Labor and Workforce Development Agency
13 (“LWDA”) on February 15, 2023 regarding claims for civil penalties under the Labor Code
14 Private Attorneys General Act (“PAGA”).

15 4. The Parties have agreed to hire Phoenix Settlement Administrators (“PSA”) to
16 administer this class and PAGA settlement, and PSA has agreed to administer the settlement for a
17 capped fees/costs amount at \$4,500.00. **Exhibit 3** attached hereto is a true and correct copy of the
18 quote from PSA for administering this settlement.

19 **Background and Experience**

20 5. I have been practicing law for over 25 years, and my practice has primarily been
21 focused on representing California workers in state and federal courts. I am experienced in wage
22 and hour class action litigation. Class action cases in which I have served as lead or co-lead
23 counsel for the plaintiffs include the following: *Faris v. Bal Seal Engineering*, Orange County
24 Superior Court, No. 30-2008-00180022; *Perez v. Standard Concrete Products*, Orange County
25 Superior Court, No. 30-2008-00211820; *Gomez v. Spenuzza*, Riverside County Superior Court,
26 No. RIC 524075; *Villa v. Corona College Heights Orange And Lemon Association*, Riverside
27 Superior Court, No. RIC 519235; *Nami v. Pizza Hut*, Los Angeles County Superior Court, No.
28 BC391848; *Perez v. La Carreta Supermarkets*, Orange County Superior Court, No. 30-2010-

1 381418; *Cervantes v. PB Fasteners*, Los Angeles County Superior Court, No. BC401621;
2 *Gonzalez v. Millard Mall Services*, United States District Court for Southern District of California,
3 No. 09-CV-2076; *Mora v. Quest Diagnostics*, United States District Court for Central District of
4 California, No. 10-CV-2658; *Herrera v. Mountain Meadow Mushroom Farms, Inc.*, San Diego
5 County Superior Court, No. 37-2009-00092416; *Portillo v. Kellermeyer Building Services*,
6 Alameda County Superior Court, No. RG11558695; *Gracias v. Gruma Corporation*, Los Angeles
7 County Superior Court, No. BC513727; *Sanchez v. Ralphs Grocery Company*, Riverside County
8 Superior Court, No. CIVDS1407871; *Berry v. Magic Memories*, Los Angeles Superior Court, No.
9 BC626006; *Soto v. Kingsburg Apple Packers*, Fresno County Superior Court, No. 16CECG03136;
10 *Velasquez v. Environmental Landscape Solutions*, Sacramento Superior Court, No. 34-2018-
11 00235385; and *Escamilla v. Royal Landscape*, Los Angeles Superior Court, No. BC662564.

12 **The Diaz v. Republic National Security Litigation**

13 6. On February 15, 2023, on behalf of Plaintiff, I filed a class action complaint against
14 Defendants, alleging causes of action for failure to pay overtime at legally required rates of pay,
15 failure to provide meal periods, failure to provide rest periods, failure to indemnify employees for
16 work related expenses, failure to provide accurate wage statements, and violation of California
17 Business and Professions Code § 17200. On April 24, 2023, Plaintiff filed the operative First
18 Amended Complaint (“FAC”), adding causes of action for civil penalties under PAGA against
19 Defendants.

20 7. Shortly after the commencement of the Action, counsel for the respective parties
21 engaged in numerous and extensive discussions regarding the factual and legal issues involved in
22 the Action, their respective views on the strengths and weaknesses of the claims and defenses.

23 8. At the Initial Status Conference held on June 1, 2023, counsel for the respective
24 Parties informed the Court that the Parties were interested in early mediation and to engage in
25 informal exchange of information in lieu of discovery prior to the mediation. I appeared on behalf
26 of Plaintiff, and Mr. Anthony Serritella appeared on behalf of Defendants. After discussions with
27 counsel, the Court continued the Status Conference, and ordered the stay on the case to remain in
28 effect. In the ensuing months, the Parties engaged in informal exchange of information.

1 The Mediation and Mediator's Proposal

2 9. On February 15, 2024, the Parties and their counsel participated in a full-day
3 mediation with Hon. Thomas Willhite, Jr. (Ret.), a well-regarded jurist and mediator in this area of
4 law. Prior to the mediation, Defendants provided information and documents, including the
5 number of security guards employed by Defendants, time records, and other documents. At the
6 mediation, the Parties and their counsel engaged in extensive discussions regarding their
7 respective views on the claims and potential defenses, and arm's length negotiations for a
8 settlement, facilitated by the Mediator.

9 10. Throughout mediation and in discussions between counsel before the mediation,
10 Defendants and its counsel represented that Defendants had limited financial resources, and that
11 they would not be able to withstand substantial judgment.

12 11. The Parties were unable to reach a settlement at the mediation, but Justice Willhite
13 provided a "Mediator's Proposal" at the conclusion of the mediation for the Parties to consider.
14 Subsequently, both sides timely accepted the terms of the Mediator's Proposal. In the ensuing
15 weeks, counsel for the Parties worked diligently until all terms set forth in the Settlement
16 Agreement (Exhibit 1) were finalized.

17 12. I conducted extensive investigation and research pertaining to the factual and legal
18 issues involved in this action before filing the complaint. I met with Mr. Diaz and spoke with
19 them by phone and in person on numerous occasions, both before and after the filing of the
20 complaint.

21 The Terms of the Settlement Are Fair and Reasonable

22 13. Under the Settlement, in exchange for the releases provided in the Settlement
23 Agreement and set forth in the Notice of Class and PAGA Settlement, Defendants will pay a sum
24 of \$115,000 in Gross Settlement Amount to establish a non-reversionary Settlement Fund to pay
25 for claims of the Class Members who do not opt out of the settlement, civil penalties under PAGA,
26 Class Representative Service Payment to Plaintiff, the Settlement Administration fees and costs,
27 and reasonable attorneys' fees and costs reimbursement to Class Counsel.

1 14. In my opinion, this is a fair and reasonable settlement, in light of the disputed
2 factual and legal issues, as further discussed below, the inherent risks of further lengthy and costly
3 litigation without any assurance of a better outcome for the Class, the collection risks, and the
4 substantial benefits to the Class under the Settlement.

5 15. Overtime Claim and Waiting Time Penalty-Wage Claim. Plaintiff alleges that he
6 and other security guards regularly worked more than eight hours a day and Defendants failed to
7 pay them overtime hours worked at no less than one and one-half times their regular rates of pay,
8 in violation of Labor Code § 510. Plaintiff further alleges Plaintiff and other employees are
9 entitled to waiting time penalty-wages due under Labor Code § 203 as a result of Defendants'
10 failure to pay overtime wages.

11 16. Defendants dispute Plaintiff's allegations, and contend that most security guards
12 did not work more than eight hours per day. Defendants further contend that even if security
13 guards worked overtime, Defendants had colorable argument that the failure to pay overtime was
14 due to good faith believe that security guards were entitled to overtime only for hours worked in
15 excess of 12 in a workday, based on Defendants' experience in the industry, as to preclude
16 imposition of waiting time penalty-wages under Labor Code § 203.

17 17. Assuming Plaintiff prevails on the merits and on the class certification issues, the
18 estimated maximum class damages for the overtime claim is approximately \$244,600, calculated
19 based on six full-time equivalent employees working four overtime hours per day without the
20 premium overtime pay (were paid at their regular hourly rates), at the average pay rate of \$14 per
21 hours, for a four-year recovery period.

22 18. The estimated maximum class damages for the waiting time penalty-wage claim is
23 approximately \$99,900, calculated based on an estimate of 17 Class Members (out of 23) are no
24 longer employed by Defendants, and are therefore have claims for waiting time penalty-wage,
25 with each receiving daily pay at the average pay rate of \$14 per hour for 30 days.

26 19. Meal Period Claim and Rest Period Claim. Plaintiff alleges that Defendant
27 regularly failed to provide timely meal periods and rest periods, and failed to pay the premium
28 wage due under Labor Code § 226.7. Defendants dispute Plaintiff's allegations, and contend that

1 Plaintiff and other security guard employees were free to take, and did take, meal periods and rest
2 periods anytime they wished to, since they worked without any supervision.

3 20. Assuming Plaintiff prevails on the merits and on the class certification issues, the
4 estimated maximum class damages for the meal period claim is approximately \$122,300,
5 calculated based on six full-time equivalent employees working more than six hours per day
6 without any meal periods (100% rate of violation), at the average pay rate of \$14 per hours, for a
7 four-year recovery period. The estimated maximum class damages for the rest period claim is
8 another approximately \$122,300.

9 21. Work-Related Expense Reimbursement Claim. Plaintiff alleges that Defendants
10 required him and other employees to install strobe lights on their personal vehicles that they used
11 for work, and failed to reimburse them for the costs of buying and installing them. Plaintiff
12 further alleges that Defendant failed to reimburse Plaintiff and other employees for the mileage
13 they incurred driving their vehicles making patrols. Moreover, Plaintiff alleges that his personal
14 vehicle was stolen when he was on a shift, and Defendant failed to reimburse him for the loss.

15 22. Defendants deny Plaintiff's allegations, and contend that they did not require
16 Plaintiff or other employees to install strobe lights on their vehicles, and that Defendants
17 reimbursed the employees for mileage. Defendants further contend that Plaintiff's stolen vehicle
18 was recovered by the police, and Defendants paid for the storage and towing fees for Plaintiff to
19 retrieve his vehicle.

20 23. Plaintiff estimates he spent approximately \$100 for purchasing and installing a
21 strobe light on his car. Assuming Plaintiff prevails on the merits and on the class certification
22 issues, the estimated total class damages for the work-related expense reimbursement claim for the
23 23 Class Members is approximately \$2,300.

24 24. Wage Statement Violation Claim. Plaintiff alleges that Defendants failed to
25 provide him and other employees with any wage statements required by California law. In
26 preparation for the mediation, Defendants provided a listing of the number of payments made by
27 Defendants to the Class Members. Based on the information provided, the maximum class
28 damages for the wage statement violation claim is approximately \$32,300, calculated at \$50 for

1 the initial violation and \$100 for each subsequent violation, not to exceed a total of \$4,000 per
2 employee, as provided in Labor Code § 226(e).

3 25. PAGA Claims. Based on information provided by Defendants in preparation for
4 mediation, Aggrieved Employees (i.e., those Class Members who were employed by Defendants
5 during the one-year statute of limitations for PAGA claims) worked a total of 328 pay periods. At
6 \$100 per violation per employee per pay period, the maximum PAGA penalty for each of the
7 alleged violations is approximately \$32,800, for the alleged overtime claim, meal period claim,
8 rest period claim, work expense reimbursement claim, and wage statement violation claim. Thus,
9 the theoretical maximum civil penalties under PAGA is approximately \$164,000.

10 26. Under the Settlement, Defendants will pay a sum of \$115,000.00 in Gross
11 Settlement Amount to establish a non-reversionary Settlement Fund, to pay Class Members'
12 claims, PAGA penalties, a Service Payment to Class Representative, the costs of settlement
13 administration, and reasonable attorney fees and costs reimbursement to Class Counsel.

14 27. The \$115,000 Gross Settlement Amount represents approximately 18.46% of the
15 maximum class damages of \$623,700 (\$244,600 in overtime claim + \$99,900 in waiting time
16 penalty-wage claim + \$122,300 in meal period claim + \$122,300 in rest period claim + \$2,300 in
17 work-related expense claim + \$32,300 in wage statement claim). With the maximum PAGA
18 penalties included, the \$115,000 Gross Settlement Amount represents approximately 14.60% of
19 the theoretical maximum recovery of \$787,700 (\$623,700 in maximum class damages + \$164,000
20 in maximum PAGA civil penalties).

21 28. In my opinion, this is a good result, in light of the disputed factual and legal issues
22 involved, the inherent risks of litigation, both on class certification issues and on the merits, the
23 collection risks, and the risks of prolonged further litigation without any assurance of a better
24 result for the Class.

25 Requested Attorney Fees and Costs

26 29. To date, I have spent no less than 94.90 hours in this case, reasonably valued at
27 \$61,685, at \$650 per hour, purely on a contingency fee basis. As normal and customary in class
28 actions, I expect to spend many more hours in the future, after preliminary approval, and even

1 after final approval, on tasks relating to monitoring the settlement administration, answering
2 questions from the Class Members, and performing other tasks related to the settlement. A
3 contemporaneously kept time records detailing the time spent and worked performed in this case is
4 attached as **Exhibit 4**. I am familiar with the billing rates of attorneys with comparable experience
5 and skill in the Southern California market. I believe the hourly rate used here is fair and
6 reasonable, in light of the specialized area of the law, the class nature of the litigation, and the
7 prevailing rates in Southern California charged by other attorneys in this area of law.

8 30. Under a fee sharing agreement between my office and the Majarian Law Group,
9 which is part of the attorney services agreement signed by Plaintiff, the first \$50,000 fee recovered
10 will be shared 25% to Mr. Majarian's office and 75% to my office, and any amounts above that
11 will be shared 40% to Mr. Majarian's office and 60% to my office. Mr. Diaz consented to the fee
12 sharing agreement in writing.

13 31. The work I have performed in this case included investigating the claims, as well as
14 potential defenses, reviewing and researching the factual and legal issues involved, preparing the
15 complaint, discussing factual and legal issues at length with defense counsel, requesting and
16 reviewing information and documents in preparation for mediation, meeting and conferring with
17 defense counsel, evaluating the range of class damages, preparing mediation brief, engaging in
18 extensive discussions with the defense counsel and the mediator regarding issues pertaining to the
19 claims and class certification, preparing moving papers for preliminary approval, and performing
20 other work related to the litigation and settlement of this action.

21 32. To date, my office has incurred a total of no less than \$9,659.95 in this action.
22 **Exhibit 5** attached hereto is a detailed cost sheet for the foregoing amounts. These expenses were
23 necessary and reasonable to properly prosecute this action. I anticipate incurring additional costs
24 for additional filing fees and other expenses relating to the settlement proceedings and monitoring
25 the settlement administration.

26 I declare under penalty of perjury under the laws of the State of California that the

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1 foregoing is true and correct.

2 Executed on June 5, 2024 at Huntington Beach, California.

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4 _____
5 JUSTIAN JUSUF
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Exhibit 1

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff Adolfo Guadarrama Diaz (“Plaintiff”) and defendants Republic National Security (“RNS”), Thomas W. Kemp, and Adela Kemp (“Defendants”). The Agreement refers to Plaintiff and Defendants collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1 “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against Defendants captioned *Adolfo Guadarrama Diaz, individually and on behalf of others similarly situated, vs. Republic National Security, Thomas W. Kemp, Adela Kemp, and Does 1-50*, Case No. 23STCV03317, initiated on February 15, 2023 and pending in Superior Court of the State of California, County of Los Angeles.
- 1.2 “Administrator” means Phoenix Settlement Administrators, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3 “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4 “Aggrieved Employee” means any and all persons employed by RNS in California and classified as a non-exempt employees during the PAGA Period.
- 1.5 “Class” means any and all persons employed by RNS in California and classified as a non-exempt employees during during the Class Period.
- 1.6 “Class Counsel” means Justian Jusuf of Law Office of Justian Jusuf, APC, and Sahag Majarian II or Majarian Law Group, APC.
- 1.7 “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.8 “Class Data” means Class Member identifying information in Defendants’ possession including the Class Member’s name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.
- 1.9 “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).
- 1.10 “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of

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

- 1.11 “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English, with a Spanish translation, in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.
- 1.12 “Class Period” means the period from February 15, 2019 to February 15, 2024.
- 1.13 “Class Representative” means the named Plaintiff in the operative complaint in the Action seeking Court approval to serve as a Class Representative.
- 1.14 “Class Representative Service Payment” means the payment to the Class Representative for initiating the Action and providing services in support of the Action.
- 1.15 “Court” means the Superior Court of California, County of Los Angeles.
- 1.16 Intentionally Omitted
- 1.17 “Defense Counsel” means Sheldon Rosenfield and Anthony Serritella of Law Offices of Sheldon Rosenfield.
- 1.18 “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.
- 1.19 “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.20 “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.21 “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.
- 1.22 “Gross Settlement Amount” means \$115,000.00 (One Hundred Fifteen Thousand Dollars and Zero Cents) which is the total amount Defendants agrees to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payment and the Administrator’s Expenses.

- 1.23 “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.
- 1.24 “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.
- 1.25 “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.26 “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subdivision (i).
- 1.27 “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subdivision (i).
- 1.28 “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.
- 1.29 “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.30 “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendants for at least one day during the PAGA Period.
- 1.31 “PAGA Period” means the period from February 15, 2022 to February 15, 2024.
- 1.32 “PAGA” means the Private Attorneys General Act (Lab. Code, § 2698 et seq.).
- 1.33 “PAGA Notice” means Plaintiff’s February 15, 2023 letter to Defendants and the LWDA providing notice pursuant to Labor Code section 2699.3, subdivision (a).
- 1.34 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees and the 75% to LWDA in settlement of PAGA claims.
- 1.35 “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.36 “Plaintiff” means Adolfo Guadarrama Diaz, the named plaintiff in the Action.
- 1.37 “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.

- 1.38 “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.39 “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.
- 1.40 “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.
- 1.41 “Released Parties” means Thomas W. Kemp, Adela Kemp, Republic National Security and each of its former and present directors, officers, shareholders, owners, attorneys, insurers, predecessors, successors, and assigns.
- 1.42 “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.
- 1.43 “Response Deadline” means 60 (Sixty) days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email or mail Requests for Exclusion from the Settlement, or (b) fax, email or mail his, her, or their Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.
- 1.44 “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.45 “Workweek” means any week during which a Class Member worked for RNS for at least one day, during the Class Period.

2. RECITALS.

- 2.1 On February 15, 2023, Plaintiff commenced this Action by filing a Complaint alleging causes of action against Defendants for failure to pay overtime at legally required rates of pay, failure to provide meal periods, failure to provide rest periods, failure to indemnify employees for work related expenses, failure to provide accurate wage statements, and violation of California Business and Professions Code § 17200. On April 24, 2023, Plaintiff filed the First Amended Complaint adding causes of action for civil penalties under PAGA against Defendants. The First Amended Complaint is the operative complaint in the Action (the “Operative Complaint”). Each of the Defendants denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint and denies any and all liability for the causes of action alleged.
- 2.2 Pursuant to Labor Code section 2699.3, subdivision (a), Plaintiff gave timely written notice to Defendants and the LWDA by sending the PAGA Notice.
- 2.3 On February 15, 2024, the Parties participated in an all-day mediation presided over by the Hon. Thomas L. Willhite (Ret.) which led to this Agreement to settle the Action.

2.4 Prior to mediation and negotiating the Settlement, Plaintiff obtained, through informal discovery, class size information, pay records, and other related information. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

2.5 The Court has not granted class certification.

2.6 The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendants, jointly and severally, promise to pay \$115,000.00 (One Hundred Fifteen Thousand Dollars and Zero Cents) and no more as the Gross Settlement Amount. Defendants have no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendants.

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

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

3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more \$38,333.33 (Thirty-Eight Thousand Three Hundred Thirty-Three Dollars and Thirty-Three Cents), which is one-third (33.33%) of the Gross Settlement Amount, and a Class Counsel Litigation Expenses Payment of not more than \$14,000.00 (Fourteen Thousand Dollars and Zero Cents). Defendants will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel

Fees Payment and Class Litigation Expenses Payment no later than 16 (Sixteen) court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3 To the Administrator: An Administrator Expenses Payment not to exceed \$4,500.00 (Four Thousand Five Hundred Dollars and Zero Cents) 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 \$4,500.00 (Four Thousand Five Hundred Dollars and Zero Cents), the Administrator will retain the remainder in the Net Settlement Amount.

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

3.2.4.1 Tax Allocation of Individual Class Payments. 50% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The 50% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for [e.g., interest and penalties] (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

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

3.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$20,000.00 (Twenty Thousand Dollars and Zero Cents) to be paid from the Gross Settlement Amount, with 75% (\$15,000.00) allocated to the LWDA PAGA Payment and 25% (\$5,000.00) allocated to the Individual PAGA Payments.

3.2.5.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$5,000.00) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

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

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendants estimate there are 23 Class Members who collectively worked a total of 261 Workweeks, and 19 Aggrieved Employees who worked a total 106 of PAGA Pay Periods.

4.2 Class Data. Not later than 15 (Fifteen) calendar days after the Court grants Preliminary Approval of the Settlement, Defendants will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendants have a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendants must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.3 Funding of Gross Settlement Amount. Defendants shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than 14 (Fourteen) calendar days after the Effective Date.

4.4 Payments from the Gross Settlement Amount. Within 14 (Fourteen) calendar days after Defendants fund the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

4.4.1 The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S.

Mail, postage prepaid. The face of each check shall prominently state the date (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. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.4.2 The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without United States Postal Service ("USPS") forwarding address. Within 7 (Seven) calendar days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.

4.4.3 For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of Code of Civil Procedure section 384, subdivision (b).

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

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

- 5.1 Plaintiff's Release. Plaintiff and his, her, or their respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors and assigns generally, release and discharge Released Parties from all claims, transactions or occurrences [that occurred during the Class Period], including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint, Plaintiff's PAGA Notice, [or ascertained during the Action and released under 5.2, below]. ("Plaintiff's Release.") Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or

to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

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

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

5.2 Release by Participating Class Members Who Are Not Aggrieved Employees: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint. Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation or claims based on facts occurring outside the Class Period.

5.3 Release by Non-Participating Class Members Who Are Aggrieved Employees: All Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint.

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

6.1 Defendants' Declaration in Support of Preliminary Approval. Within 15 (Fifteen) calendar days of the full execution of this Agreement, Defendants will prepare and deliver to Class Counsel a signed Declaration from Defendants and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator. In their Declarations, Defense Counsel and Defendants shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

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

6.3 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 30 (Thirty) calendar days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

6.4 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

7.1 Selection of Administrator. The Parties have jointly selected Phoenix Settlement Administrators ("PSA") to serve as the Administrator and verified that, as a condition of

appointment, PSA agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

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

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

7.4 Notice to Class Members.

7.4.1 No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, PAGA Members, Workweeks and Pay Periods in the Class Data.

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

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

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

7.4.5 If the Administrator, Defendants or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in

person or by telephone, and in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 (fourteen) days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

7.5 Requests for Exclusion (Opt-Outs).

7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 60 (Sixty) calendar days after the Administrator mails the Class Notice (plus an additional 14 (Fourteen) calendar days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her/their representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

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

7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 5.2 and 5.3 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

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

7.6 Challenges to Calculation of Workweeks. Each Class Member shall have 60 (sixty) calendar days after the Administrator mails the Class Notice (plus an additional 14 (fourteen) calendar days for Class Members whose Class Notice is re-mailed) to

challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination the challenges.

7.7 Objections to Settlement.

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

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

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

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

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

7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 5 (five) business days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense

Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include provide the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

7.8.4 Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or Pay Periods. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.

7.8.5 Administrator’s Declaration. Not later than 14 (fourteen) calendar days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator’s declaration(s) in Court.

7.8.6 Final Report by Settlement Administrator. Within 10 (ten) calendar days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 15 (fifteen) calendar days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator’s declaration in Court.

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8. CLASS SIZE ESTIMATES.

Based on their records, Defendants estimates that, as of the date of this Settlement Agreement, (1) there are 23 Class Members and 261 Total Workweeks during the Class period and (2) there were 19 Aggrieved Employees who worked 106 Pay Periods during the PAGA Period.

9. INTENTIONALLY OMITTED

10. MOTION FOR FINAL APPROVAL. Not later than 16 (Sixteen) court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subdivision (l), a Proposed Final Approval Order and a proposed Judgment (collectively “Motion for Final Approval”). Plaintiff shall provide drafts of these documents to Defense Counsel not later than 7 (seven) calendar days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

10.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than 5 (five) court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

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

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

10.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment set forth in this Settlement, the Parties, their respective counsel and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions

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

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

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

12. ADDITIONAL PROVISIONS.

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

12.2 Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendants and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate

and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency or other entity except: (1) to the Parties' attorneys, accountants or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendants and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

- 12.3 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 12.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants or inducements made to or by any Party.
- 12.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendants, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 12.6 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

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

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

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

To Plaintiff: Justian Jusuf, Esq.
Law Office of Justian Jusuf, APC
17011 Beach Boulevard, Suite 900
Huntington Beach, CA 92647
Phone: (714) 274-9815

And

Sahag Majarian II, Esq.
Majarian Law Group, APC
18250 Ventura Boulevard
Tarzana, CA 91356
Phone: (818) 609-0807

To Defendants: Sheldon Rosenfield, Esq.
Anthony Serritella, Esq.
Law Offices of Sheldon Rosenfield
16530 Ventura Boulevard, Suite 208
Encino, CA 91436
Phone: (818) 981-4100

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

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

AGREED,

Date: 05-07-24

PLAINTIFF: Adolfo Guadarrama Diaz

Adolfo Guadarrama Diaz
Adolfo Guadarrama Diaz

Date:

DEFENDANT: Republic National Security

By: THOMAS W. KEMP
Its OWNER and authorized
representative

Date:

DEFENDANT: Thomas W. Kemp

Thomas W. Kemp
Thomas W. Kemp

Date:

DEFENDANT: Adela Kemp

Adela Kemp
Adela Kemp

APPROVED AS TO FORM:

Date: 5-9-2024

LAW OFFICES OF SHELDON ROSENFELD

Sheldon Rosenfield
Sheldon Rosenfield
Anthony Serritella

Attorneys for Defendants Republic National
Security, Thomas W. Kemp, and Adela Kemp

Date: May 7, 2024

LAW OFFICE OF JUSTIAN JUSUF, APC
MAJARIAN LAW GROUP, APC

Justian Jusuf
Justian Jusuf
Sahag Majarian II
Attorneys for Plaintiff Adolfo Guadarrama
Diaz, individually and on behalf of others
similarly situated

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

Diaz v. Republic National Security, et al.
Los Angeles County Superior Court, Case No. 23STCV03317

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

You may be eligible to receive money from an employee class action lawsuit (“Action”) against Republic National Security, Thomas W. Kemp, and Adela Kemp (“RNS” or “Defendants”) for alleged wage and hour violations. The Action was filed by a former RNS employee Adolfo Guadarrama Diaz (“Plaintiff”) and seeks payment of (1) overtime wages, (2) meal period premium wages, (3) rest period premium wages, (4) work-related expense reimbursement, (5) waiting time penalty-wages, and (6) statutory damages for wage statement violation for a class of non-exempt employees of RNS in California (“Class Members”) during the Class Period from February 15, 2019 to February 15, 2024, and (7) civil penalties under the Labor Code Private Attorneys General Act (“PAGA”) for all non-exempt employees who worked for RNS during the PAGA Period from February 2022 to February 15, 2024 (“Aggrieved Employees”).

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

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

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

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

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

- (1) **Do Nothing.** You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against RNS.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against RNS, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

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

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement

If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against RNS that are covered by this Settlement (Released Claims).

You Can Opt-out of the Class Settlement but not the PAGA Settlement

If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment.

The Opt-out Deadline is

Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice.

You cannot opt-out of the PAGA portion of the proposed Settlement. Defendants must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).

Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement

All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.

Written Objections Must be Submitted by

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

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former RNS employee. The Action accuses Defendants of violating California labor laws by failing to pay overtime wages at legally required rates of pay, failing to provide meal periods and failing to pay premium wages in lieu thereof, failing to provide rest periods and failing to pay premium wages in lieu thereof, failing to reimburse employees for work-related expenses, and failing to provide accurate wage statements. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Lab. Code, § 2698, et seq.) ("PAGA"). Plaintiff is represented by attorneys in the Action: Justian Jusuf of Law Office of Justian Jusuf, APC and Sahag Majarian II of Majarian Law Group, APC.

Defendants strongly deny violating any laws or failing to pay any wages and contends it complied with all applicable laws.

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

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

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

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

1. Defendants Will Pay \$115,000 (One Hundred Fifteen Thousand Dollars) as the Gross Settlement Amount (Gross Settlement). Defendants have agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel's attorneys' fees and expenses, the Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, Defendants will fund the Gross Settlement not more than 14 (Fourteen) days after the Judgment entered by the Court become final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.
2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - A. Up to \$38,333 (Thirty-Eight Thousand Three Hundred Thirty-Three Dollars), which is 33.33 % of the Gross Settlement, to Class Counsel for attorneys' fees and up to \$14,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - B. Up to \$5,000 (Five Thousand Dollars) as a Class Representative Award for filing the Action, working with Class Counsel and representing the Class. A Class Representative Award will be the only monies Plaintiff will receive other than Plaintiff's Individual Class Payment and any Individual PAGA Payment.
 - C. Up to \$4,500 (Four Thousand Five Hundred Dollars) to the Administrator for services administering the Settlement.
 - D. Up to \$20,000 (Twenty Thousand Dollars) for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

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

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making Individual Class Payments to Participating Class Members based on their Class Period Workweek.
4. Taxes Owed on Payments to Class Members. Plaintiff and Defendants are asking the Court to approve an allocation of 50 % of each Individual Class Payment to taxable

wages (“Wage Portion”) and 50 % to interest, etc. (“Non-Wage Portion”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. The employer payroll taxes will be paid out of the Net Settlement Fund. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiff and Defendants have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don’t cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller’s Unclaimed Property Fund in your name. You should consult the rules of the Fund for instructions on how to retrieve your money.
6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than _____, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the _____ Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her/their representative setting forth a Class Member’s name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Defendants.

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

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and Defendants have agreed that, in either case, the Settlement will be void: Defendants will not pay any money and Class Members will not release any claims against Defendants.

8. Administrator. The Court has appointed a neutral company, Phoenix Settlement Administrators (the “Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator’s contact information is contained in Section 9 of this Notice.
9. Participating Class Members’ Release. After the Judgment is final and Defendants have fully funded the Gross Settlement, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue or be part of any other lawsuit against Defendants or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

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

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint, including any and all claims involving any alleged (a) failure to pay overtime wages at legally required rates of pay, (b) failure to provide meal periods and failure to pay premium wages in lieu thereof, (c) failure to provide rest periods and failure to pay premium wages in lieu thereof, (d) failure to reimburse work-related expenses, and (e) failure to provide accurate wage statements. Except as set forth in Section 5.3 of the Settlement Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period.

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

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

All Participating and Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former

and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties, from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint and the PAGA Notice, including any and all claims involving any alleged (a) failure to pay overtime wages at legally required rates of pay, (b) failure to provide meal periods and failure to pay premium wages in lieu thereof, (c) failure to provide rest periods and failure to pay premium wages in lieu thereof, (d) failure to reimburse work-related expenses, and (e) failure to provide accurate wage statements.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$5,000 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.
3. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendants' records, are stated in the first page of this Notice. You have until _____ to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

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

5. HOW WILL I GET PAID?

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

2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

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

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

Submit a written and signed letter with your name, present address, telephone number and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as Diaz v. Republic National Security, Los Angeles Superior Court, Case No. 23STCV03317, and include your identifying information (full name, address, telephone number, approximate dates of employment and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by _____, or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and Defendants are asking the Court to approve. At least _____ days before the _____ Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representative Service Award. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website _____ or the Court's website <https://www.lacourt.org/paos/v2Public/Login>.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is _____.** Be sure to tell the Administrator what you object to, why you object and any facts that support your objection. Make sure you identify the Action Diaz v. Republic National Security, Los Angeles Superior Court, Case No. 23STCV03317, and include your name, current address, telephone number and approximate dates of employment for RNS and sign the objection. Section 9 of this Notice has the Administrator's contact information.

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

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on _____ at _____ in Department 1 of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect (<https://www.lacourt.org/lacc/>). Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Court's website (<https://www.lacourt.org/casesummary/ui/index.aspx?casetype=civil>) beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendants and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to Phoenix Settlement Administrator's website at _____. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (<http://www.lacourt.org/casesummary/ui/index.aspx>) [confirm] and entering the Case Number for the Action, Case No. 23STCV03317. You can also make an appointment to personally review court documents in the Clerk's Office at the Stanley Mosk Courthouse by calling (213) 830-0800.

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

Class Counsel:

Name of Attorney: Justian Jusuf

Email Address: jjusuf@jusuf-law.com

Name of Firm: Law Office of Justian Jusuf, APC

Mailing Address: 17011 Beach Blvd., Suite 900, Huntington Beach, CA 92647

Telephone: (714) 274-9815

Name of Attorney: Sahag Majarian II

Email Address: sahagii@aol.com

Name of Firm: Majarian Law Group, APC

Mailing Address: 18250 Ventura Blvd., Tarzana, CA 91356

Telephone: (818) 609-0807

Settlement Administrator:

Name of Company: Phoenix Settlement Administrators

Email Address: _____

Mailing Address: _____

Telephone: _____

Fax Number: _____

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void you should consult the Unclaimed Property Fund (https://www.sco.ca.gov/upd_about_unclaimed_property.html) for instructions on how to retrieve the funds.

11. WHAT IF I CHANGE MY ADDRESS?

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

Exhibit 2

LAW OFFICE OF JUSTIAN JUSUF
A PROFESSIONAL CORPORATION
17011 Beach Blvd., Suite 900 • Huntington Beach, California 92647
Phone (714) 274-9815 • Fax (714) 362-3148

February 15, 2023

California Labor & Workforce Development Agency (Via Electronic Filing):
<https://www.dir.ca.gov/Private-Attorneys-General-Act/Private-Attorneys-General-Act.html>

Re: *Adolfo Guadarrama Diaz v. Republic National Security, Thomas W. Kemp, Adela Kemp, et al.*

To Whom It May Concern:

This office represents Adolfo Guadarrama Diaz (“Plaintiff”), a former employee of Republic National Security, Thomas W. Kemp, and Adela Kemp (“Defendants”).

This letter is sent pursuant to Labor Code § 2699.3, for purposes of bringing a civil action by Plaintiff, on behalf of himself and all other current and former employees of the Defendants (and potentially other defendants the identities of which are currently unknown to Plaintiff), against the Defendants, to seek civil penalties arising from various Labor Code violations discussed herein, pursuant to the Labor Code Private Attorneys General Act (“PAGA”), codified at Labor Code § 2698, *et seq.*

Defendants are in the business of providing security guard services to schools and commercial facilities in Southern California. Defendants have employed approximately 100 persons as non-exempt employees as security guards and in other positions (“Aggrieved Employees”). Plaintiff is one of the Aggrieved Employees. Defendants paid Plaintiff and other Aggrieved Employees on an hourly basis.

FAILURE TO PAY OVERTIME WAGES

Labor Code § 510(a) provides in relevant part that hours worked “in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee.” It further provides that “[a]ny work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee. In addition, any work in excess of eight hours on any seventh day of a workweek shall be compensated at the rate of no less than twice the regular rate of pay of an employee.”

Plaintiff and other Aggrieved Employees regularly worked more than eight hours a day, sometimes seven days a week, and Defendants failed to pay them overtime hours worked at the

overtime rates of pay required by Labor Code § 510(a).

FAILURE TO PROVIDE MEAL PERIODS

Labor Code § 512(a) provides as follows:

An employer shall not employ an employee for a work period of more than five hours per day without providing the employee with a meal period of not less than 30 minutes, except that if the total work period per day of the employee is no more than six hours, the meal period may be waived by mutual consent of both the employer and employee. An employer shall not employ an employee for a work period of more than 10 hours per day without providing the employee with a second meal period of not less than 30 minutes, except that if the total hours worked is no more than 12 hours, the second meal period may be waived by mutual consent of the employer and the employee only if the first meal period was not waived.

Section 11 of Wage Order 4 provides, in relevant parts:

(A) No employer shall employ any person for a work period of more than five (5) hours without a meal period of not less than 30 minutes, except that when a work period of not more than six (6) hours will complete the day's work the meal period may be waived by mutual consent of the employer and the employee. Unless the employee is relieved of all duty during a 30 minute meal period, the meal period shall be considered an "on duty" meal period and counted as time worked. An "on duty" meal period shall be permitted only when the nature of the work prevents an employee from being relieved of all duty and when by written agreement between the parties an on-the job paid meal period is agreed to. The written agreement shall state that the employee may, in writing, revoke the agreement at any time.

(B) If an employer fails to provide an employee a meal period in accordance with the applicable provisions of this order, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the meal period is not provided.

Labor Code § 226.7(c) provides, in relevant part: "If an employer fails to provide an employee a meal or rest ... period in accordance with a state law, including, but not limited to, an applicable statute or applicable regulation, standard, or order of the Industrial Welfare Commission ..., the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest ... period is not provided."

Defendants failed to provide Plaintiff and other Aggrieved employees meal periods in accordance with California law. Plaintiff and other Aggrieved Employees regularly worked shifts that lasted more than six hours without any off-duty meal periods. Defendants failed to provide Plaintiff and other Aggrieved Employees any meal periods in accordance with Labor

Code § 512 and/or Section 11 of Wage Order 4, and failed to pay them the premium wages due under Labor Code § 226.7(c).

FAILURE TO PROVIDE REST PERIODS

Section 12 of Wage Order 4 provides, in relevant part: “Every employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period.” California law requires employees to be relieved of all duties during rest periods. *Augustus v. ABM Security Services, Inc.* (2017) 2 Cal.5th 257.

Labor Code § 226.7(c) provides: “If an employer fails to provide an employee a meal or rest or recovery period in accordance with a state law, including, but not limited to, an applicable statute or applicable regulation, standard, or order of the Industrial Welfare Commission, the Occupational Safety and Health Standards Board, or the Division of Occupational Safety and Health, the employer shall pay the employee one additional hour of pay at the employee’s regular rate of compensation for each workday that the meal or rest or recovery period is not provided.”

Plaintiff and other Aggrieved Employees worked shifts that lasted more than three and one-half hours without any off-duty rest periods. Defendants failed to provide Plaintiff and other Aggrieved Employees any rest periods in accordance with Section 12 of Wage Order 4, and failed to pay them the premium wages due under Labor Code § 226.7(c).

FAILURE TO PROVIDE WAGE STATEMENTS

Labor Code § 226(a) provides in relevant part:

An employer, semimonthly or at the time of each payment of wages, shall furnish to his or her employee, either as a detachable part of the check, draft, or voucher paying the employee’s wages, or separately if wages are paid by personal check or cash, an accurate itemized statement in writing showing (1) gross wages earned, (2) total hours worked by the employee ..., (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer ..., and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee”

In violation of Labor Code § 226(a), Defendants failed to provide any wage statements to Plaintiff and other Aggrieved Employees.

RECORD KEEPING VIOLATIONS

Section 7(A) of Wage Order 4 provides, in relevant part:

Every employer shall keep accurate information with respect to each employee including the following:

- (1) Full name, home address, occupation and social security number.
- (2) Birth date, if under 18 years, and designation as a minor.
- (3) Time records showing when the employee begins and ends each work period. Meal periods, split shift intervals and total daily hours worked shall also be recorded. Meal periods during which operations cease and authorized rest periods need not be recorded.
- (4) Total wages paid each payroll period, including value of board, lodging, or other compensation actually furnished to the employee.
- (5) Total hours worked in the payroll period and applicable rates of pay. This information shall be made readily available to the employee upon reasonable request.
- (6) When a piece rate or incentive plan is in operation, piece rates or an explanation of the incentive plan formula shall be provided to employees. An accurate production record shall be maintained by the employer.

In violation of Section 7(A) of Wage Order 4, Defendants have failed to keep the records specified in the Wage Order (and listed above).

PAGA CLAIMS

Plaintiff intends to bring a civil action for civil penalties pursuant to the PAGA regarding the foregoing Labor Code violations.

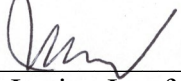
Pursuant to Labor Code § 2699.3(a)(2)(A), please advise within 60 calendar days of this notice whether the LWDA intends to investigate the violations alleged above. We understand that if we do not receive a response within 65 calendar days of this notice that the LWDA intends to investigate these allegations, Plaintiff may commence a civil action or amend an existing complaint, if a civil action has been commenced prior to the expiration of the 65-day period, complaint to add a cause of action for civil penalties under PAGA.

Plaintiff also intends to seek civil penalties against all those persons who may be liable under Labor Code § 558.1(a), which provides: “Any employer or other person acting on behalf of an employer, who violates, or causes to be violated, any provision regulating minimum wages or hours and days of work in any order of the Industrial Welfare Commission, or violates, or causes to be violated, Sections 203, 226, 226.7, 1193.6, 1194, or 2802, may be held liable as the employer for such violation.” Under Labor Code § 558.1(b), “For purposes of this section, the term “other person acting on behalf of an employer” is limited to a natural person who is an

owner, director, officer, or managing agent of the employer, and the term “managing agent” has the same meaning as in subdivision (b) of Section 3294 of the Civil Code.”

Very truly yours,

LAW OFFICE OF JUSTIAN JUSUF, APC

By: _____
Justian Jusuf

COPY:

VIA CERTIFIED MAIL:

REPUBLIC NATIONAL SECURITY
585 Cliff Drive
Pasadena, CA 91107

THOMAS W. KEMP
585 Cliff Drive
Pasadena, CA 91107

ADELA KEMP
585 Cliff Drive
Pasadena, CA 91107

7019 2280 0001 3360 3302

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
 Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

Pasadena, CA 91107

Certified Mail Fee	\$4.15	0452 03
Extra Services & Fees (check box, add fee as appropriate)		
☐ Return Receipt (hardcopy)	\$0.00	
☐ Return Receipt (electronic)	\$0.00	
☐ Certified Mail Restricted Delivery	\$0.00	
☐ Adult Signature Required	\$0.00	
☐ Adult Signature Restricted Delivery	\$0.00	
Postage	\$0.87	
Total Postage and Fees	\$8.37	
Sent To	REPUBLIC NATIONAL SECURITY	
Street and Apt. No., or PO Box No.	585 CLIFF DRIVE	
City, State, ZIP+4®	PASADENA, CA 91107	

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions



IDA JEAN HAXTON
 9151 ATLANTA AVE
 HUNTINGTON BEACH, CA 92615-9998
 (800)275-8777

02/15/2023 12:27 PM

Product	Qty	Unit Price	Price
---------	-----	------------	-------

First-Class Mail® Letter	1		\$0.87
--------------------------	---	--	--------

Pasadena, CA 91107
 Weight: 0 lb 1.20 oz
 Estimated Delivery Date
 Fri 02/17/2023

Certified Mail®		\$4.15
-----------------	--	--------

Tracking #: 70192280000133603302

Return Receipt		\$3.35
----------------	--	--------

Tracking #: 9590 9402 5761 0003 9312 61

Total		\$8.37
-------	--	--------

First-Class Mail® Letter	1	\$0.63
--------------------------	---	--------

Pasadena, CA 91107
 Weight: 0 lb 1.00 oz
 Estimated Delivery Date
 Fri 02/17/2023

Certified Mail®		\$4.15
-----------------	--	--------

Tracking #: 70192280000133603319

Return Receipt		\$3.35
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Tracking #: 9590 9402 5761 0003 9312 54

Total		\$8.13
-------	--	--------

First-Class Mail® Letter	1	\$0.87
--------------------------	---	--------

Pasadena, CA 91107
 Weight: 0 lb 1.20 oz
 Estimated Delivery Date
 Fri 02/17/2023

Certified Mail®		\$4.15
-----------------	--	--------

Tracking #: 70192280000133603326

Return Receipt		\$3.35
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Tracking #: 9590 9402 5761 0003 9312 47

Total		\$8.37
-------	--	--------

Grand Total:		\$24.87
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Credit Card Remit		\$24.87
-------------------	--	---------

Card Name: MasterCard
 Account #: XXXXXXXXXXXXX9614
 Approval #: 00406G
 Transaction #: 137
 AID: A0000000041010
 AL: MASTERCARD
 PIN: Not Required

Chip

7019 2280 0001 3360 3319

U.S. Postal Service™
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For delivery information, visit our website at www.usps.com®.

Pasadena, CA 91107

Certified Mail Fee	\$4.15	0452 03
Extra Services & Fees (check box, add fee as appropriate)		
☐ Return Receipt (hardcopy)	\$0.00	
☐ Return Receipt (electronic)	\$0.00	
☐ Certified Mail Restricted Delivery	\$0.00	
☐ Adult Signature Required	\$0.00	
☐ Adult Signature Restricted Delivery	\$0.00	
Postage	\$0.63	
Total Postage and Fees	\$8.13	
Sent To	THOMAS W. KEMPACH	
Street and Apt. No., or PO Box No.	585 CLIFF DRIVE	
City, State, ZIP+4®	PASADENA, CA 91107	

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

7019 2280 0001 3360 3326

U.S. Postal Service™
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For delivery information, visit our website at www.usps.com®.

Pasadena, CA 91107

Certified Mail Fee	\$4.15	0452 03
Extra Services & Fees (check box, add fee as appropriate)		
☐ Return Receipt (hardcopy)	\$0.00	
☐ Return Receipt (electronic)	\$0.00	
☐ Certified Mail Restricted Delivery	\$0.00	
☐ Adult Signature Required	\$0.00	
☐ Adult Signature Restricted Delivery	\$0.00	
Postage	\$0.87	
Total Postage and Fees	\$8.37	
Sent To	ADELA KEMPO	
Street and Apt. No., or PO Box No.	585 CLIFF DRIVE	
City, State, ZIP+4®	PASADENA, CA 91107	

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

REPUBLIC NATIONAL
SECURITY
585 Cliff Drive
Pasadena, CA 91107



9590 9402 5761 0003 9312 61

2. Article Number (Transfer from service label)

7019 2280 0001 3360 3302

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

2/17/23

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

☐ Adult Signature☐ Adult Signature Restricted Delivery☒ Certified Mail®☐ Certified Mail Restricted Delivery☐ Collect on Delivery☐ Collect on Delivery Restricted Delivery☐ Mail Restricted Delivery☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☐ Return Receipt for Merchandise☒ Signature Confirmation™☐ Signature Confirmation Restricted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic F

ot

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

THOMAS W. KEMP
585 Cliff Drive
Pasadena, CA 91107



9590 9402 5761 0003 9312 54

2. Article Number (Transfer from service label)

7019 2280 0001 3360 3319

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

2/17/23

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

☐ Adult Signature☐ Adult Signature Restricted Delivery☒ Certified Mail®☐ Certified Mail Restricted Delivery☐ Collect on Delivery☐ Collect on Delivery Restricted Delivery☐ Mail Restricted Delivery☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☐ Return Receipt for Merchandise☒ Signature Confirmation™☐ Signature Confirmation Restricted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

ADELA KEMP
585 Cliff Drive
Pasadena, CA 91107



9590 9402 5761 0003 9312 47

2. Article Number (Transfer from service label)

7019 2280 0001 3360 3326

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

2/17/23

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

☐ Adult Signature☐ Adult Signature Restricted Delivery☒ Certified Mail®☐ Certified Mail Restricted Delivery☐ Collect on Delivery☐ Collect on Delivery Restricted Delivery☐ Mail Restricted Delivery☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☐ Return Receipt for Merchandise☒ Signature Confirmation™☐ Signature Confirmation Restricted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt

Exhibit 3



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

February 16, 2024

CASE ASSUMPTIONS

Class Members	14
Opt Out Rate	1%
Opt Outs Received	1
Total Class Claimants	13
Subtotal Admin Only	\$4,755.10

Flat Fee Total \$4,500.00

For 14 Class Members

Pricing Good for Scope of Estimate Only

All Aspects of Escheating to the State of CA Included

Language Translation, Printing & Mailing Included

Case: Diaz v. Republic National Security, Opt-Out & PAGA Administration

Phoenix Contact: Michael E. Moore

Contact Number: 949.331.0131

Email: mike@phoenixclassaction.com

Requesting Attorney: Justian Jusuf

Firm: Law Office of Justian Jusuf, APC

Contact Number: (714) 274-9815

Email: jjusuf@jusuf-law.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 **14** 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	\$2.00	2		\$3.92
NCOA (USPS)	\$2.80	1		\$2.80
Total				\$306.72

* Up to 120 days after disbursement

Data Merger & Scrub / Notice Packet, Opt-Out Form & Postage / Language Translation / Website

Project Action	Rate	Hours/Units	Line Item	Estimate
Notice Packet Formatting	\$100.00	2		\$200.00
Language Translation	\$1,000.00	1		\$1,000.00
Data Merge & Duplication Scrub	\$0.10	14		\$1.40
Notice Packet & Opt-Out Form	\$1.50	14		\$21.00
Estimated Postage (up to 2 oz.)*	\$0.87	14		\$12.18
Static Website	\$200.00	1		\$200.00
Total				\$1,434.58

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



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Skip Tracing & Remailing Notice Packets / Tracking & Programming Undeliverables

Project Action:	Rate	Hours/Units	Line Item	Estimate
Case Associate	\$55.00	1		\$55.00
Skip Tracing Undeliverables	\$1.00	1		\$1.00
Remail Notice Packets	\$1.45	1		\$1.45
Estimated Postage	\$0.87	1		\$0.87
Programming Undeliverables	\$50.00	1		\$50.00
			Total	\$108.32

Database Programming / Processing Opt-Outs, Deficiencies or Disputes

Project Action:	Rate	Hours/Units	Line Item	Estimate
Programming Database	\$150.00	1		\$150.00
Non Opt-Out Processing	\$20.00	1		\$20.00
Case Associate	\$55.00	2		\$110.00
Deficiency & Dispute Letters	\$10.00	1		\$10.00
Case Manager	\$85.00	1		\$85.00
			Total	\$375.00

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	1		\$95.00
QSF Bank Account & EIN	\$135.00	1		\$135.00
Check Run Setup & Printing	\$135.00	1		\$135.00
Mail Class Checks *	\$0.90	13		\$11.70
Estimated Postage	\$0.64	13		\$8.32
			Total	\$655.02

* Checks are printed on 8.5 x 11 in. sheets with W2/1099 Tax Filing & Instructions for downloading tax forms from PHX secure portal



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	1		\$115.00
Remail Checks (Postage Included)	\$2.00	3		\$5.46
Case Associate	\$55.00	1		\$55.00
Reconcile Uncashed Checks	\$85.00	2		\$170.00
Conclusion Reports	\$115.00	1		\$115.00
Case Manager Conclusion	\$85.00	1		\$85.00
Final Reporting & Declarations	\$115.00	2		\$230.00
IRS & QSF Annual Tax Reporting * (1 State Tax Reporting & Escheating to the State of CA Included)	\$1,100.00	1		\$1,100.00
Check to Cy-Pres	\$150.00	1		Included
Total				\$1,875.46

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

Estimate Total: \$4,755.10



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

TERMS AND CONDITIONS

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

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

Claims: PSA's general policy is to not accept claims via facsimile. However, in the event that facsimile filing of claims must be accepted, PSA will not be held responsible for any issues and/or errors arising out of said filing. Furthermore, PSA will require disclaimer language regarding facsimile transmissions. PSA will not be responsible for any acts or omissions caused by the USPS. PSA shall not make payments to any claimants without verified, valid Social Security Numbers. All responses and class member information are held in strict confidentiality. Additional class members are \$10.00 per opt-out.

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 4

Repubic National Security

Date	Time	Description
1/16/2023	1.5	Meeting with potential client
1/16/2023	3.0	Drive to/from Tarzana for meeting with potential client
2/8/2023	2.5	Draft complaint
2/9/2023	1.0	Prepare case initiating documents
2/9/2023	2.2	Continue drafting complaint
2/9/2023	2.5	Draft PAGA Notice Letter
2/15/2023	1.0	Review and finalize PAGA Claim Notice Letter
2/15/2023	1.5	Review and finalize case initiating documents
2/22/2023	0.5	Review Minute Order and Initial Status Conference Order
2/22/2023	0.5	Review pending issues and evaluate case strategy
2/24/2023	1.0	Letter to client
2/27/2023	0.2	Discuss with Erika re her phone call with client
2/27/2023	0.3	Call client
2/27/2023	0.8	Notes to file re phone call with client and evalute issues
		Review Republic National Security's Special Rogs (Set 1), and
4/4/2023	0.8	draft Plaintiff's Responses
		Review Republic National Security's RFPs (Set 1), and draft
4/4/2023	0.8	Plaintiff's Responses
		Review Republic National Security's Form Rogs - Employment
4/4/2023	1.5	Law (Set 1), and draft Plaintiff's Responses
		Review Republic National Security's Form Rogs - General (Set
4/4/2023	1.5	1), and draft Plaintiff's Responses
4/4/2023	2.5	Review documents from client
		Review and finalize discovery responses, and review
4/17/2023	1.0	documents for production
		Prepare proof of service of FAC, and draft email to counsel for
4/24/2023	0.5	defendants
4/24/2023	2.0	Draft First Amended Complaint
4/25/2023	3.0	Draft initial status conference statement
4/26/2023	0.5	Draft email to defense counsel re joint statement, etc
4/26/2023	0.8	Review and edit draft joint statement
4/26/2023	1.0	Draft proposed stip and protective order
5/9/2023	0.3	Draft email to defense counsel re joint statement
5/11/2023	0.2	Email defense counsel re protective order
		Review and reply to emails from defense counsel re joint
5/11/2023	0.4	statement, etc.
5/11/2023	0.5	Review defendants' portions to joint statement, and finalize
5/30/2023	0.5	Review pending issues
6/1/2023	0.5	Initial Status Conference
6/1/2023	1.0	Draft email to defense counsel
6/1/2023	2.5	Drive to/from courthouse
		Draft requests for information and documents for potential
6/12/2023	2.0	early mediation, and draft email to counsel for defendants
6/28/2023	0.3	Review and reply to email from defense counsel
		Draft email to defense counsel following up on info requests
7/13/2023	0.3	for mediation etc
		Draft email to defense counsel re information requests and
7/27/2023	0.3	mediation
8/16/2023	0.2	Draft email to defense counsel
8/16/2023	0.3	Review file and pending issues
8/30/2023	0.2	Conference call with defense counsel
8/30/2023	0.3	Draft email to defense counsel re call

Repubic National Security

Date	Time	Description
		Review data from defense counsel, and draft email discussing
9/6/2023	3.0	same and requests for information and docs
9/19/2023	0.6	Conference call with defense counsel re info for mediation
10/2/2023	0.1	Call defense counsel re info exchange for mediation
10/5/2023	0.5	Conference call with counsel for defendant
10/12/2023	0.1	Call and leave voicemail for counsel for defendants
10/24/2023	0.2	Review pending issues
10/26/2023	0.3	Conference call with client
10/26/2023	0.5	Conference call with defense counsel
11/3/2023	0.1	Called and left voice mail for defense counsel
11/17/2023	0.1	Conference call with defense counsel
1/9/2024	1.0	Draft Joint Report
1/9/2024	1.0	Review documents from defendants
1/9/2024	0.8	Conference call with defense counsel
		Review documents from defense counsel and evaluate case
1/30/2024	0.5	strategy
1/30/2024	0.5	Call counsel for defendants
2/9/2024	5.8	Draft Plaintiff's mediation brief
2/12/2024	2.0	Continue drafting mediation brief
2/12/2024	1.5	Review issues and evaluate case strategy
2/14/2024	0.3	Conference call with mediator
2/15/2024	5.2	Mediation
2/15/2024	1.8	Draft settlement agreement
2/23/2024	0.3	Conference call with client
3/4/2024	2.5	Draft long-form settlement agreement and proposed notice
3/4/2024	0.5	Draft email to counsel for defendant re settlement
		Review and reply to emails from defense counsel re
3/4/2024	0.3	settlement
3/7/2024	0.1	Call and leave voicemail for defense counsel
3/11/2024	0.8	Draft joint report
3/11/2024	0.2	Draft email to defense counsel
3/11/2024	0.2	Conference call with defense counsel
3/11/2024	0.3	Review and finalize joint report for filing
3/22/2024	0.2	Conference call with defense counsel
4/4/2024	0.3	Email defense counsel re settlement agreement
4/12/2024	1.5	Review and edit settlement agreement
4/12/2024	0.5	Draft email to defense counsel re settlement
5/7/2024	4.0	Drive to/from Tarzana for client meeting
5/7/2024	1.0	Client meeting
5/7/2024	0.3	Draft email to defense counsel re settlement
5/8/2024	0.8	Draft joint report
5/8/2024	0.2	Draft email to defense counsel re joint report
5/28/2024	6.0	Draft motion for prelim approval
6/4/2024	4.5	Continue drafting moving papers for prelim approval
6/4/2024	0.3	Draft email to defense counsel
Total	94.9	
Rate	\$ 650.00	
Amount	\$ 61,685.00	

Exhibit 5

Law Office of Justian Jusuf
Republic National Security - Trans Detail By Account
All Transactions

Type	Date	Num	Name	Memo	Class	Amount
Case Expenses						
Attorney Service						
Bill	03/15/2023	46162	DDS Legal Support	Republic National Sec	Republic Nation:	218.10
Total Attorney Service						218.10
Filing/Court Fees						
Credit Card Charge	02/15/2023	210208	California Dept of Ind	PAGA filing fee	Republic Nation:	75.00
Credit Card Charge	02/16/2023	4 invoices	Case Anywhere LLC	RNS - Inv 7126780, 7	Republic Nation:	1,568.35
Credit Card Charge	04/24/2023	7465091	Case Anywhere LLC	Republic National Sec	Republic Nation:	15.20
Credit Card Charge	04/25/2023	7468529	Case Anywhere LLC	Republic National Sec	Republic Nation:	15.20
Credit Card Charge	05/11/2023	7560583	Case Anywhere LLC	Republic	Republic Nation:	15.20
Bill	09/02/2023	299135	Case Anywhere LLC	system access fee 6/2	Republic Nation:	133.65
Bill	12/06/2023	309018	Case Anywhere LLC	system access fee 9/1	Republic Nation:	135.00
Credit Card Charge	01/11/2024	8884372	Case Anywhere LLC	Republic	Republic Nation:	11.33
Credit Card Charge	01/12/2024	8895019	Case Anywhere LLC	Republic	Republic Nation:	15.66
Credit Card Charge	01/12/2024	8889973	Case Anywhere LLC	Republic	Republic Nation:	11.33
Bill	03/04/2024	318743	Case Anywhere LLC	system access fee & c	Republic Nation:	141.00
Credit Card Charge	03/12/2024	9242326	Case Anywhere LLC	Republic	Republic Nation:	15.66
Total Filing/Court Fees						2,152.58
Mediation						
Bill	10/27/2023	23-4615-TLW	ADR Services, Inc.	review of briefs, contin	Republic Nation:	4,000.00
Total Mediation						4,000.00
Postage & Delivery						
Credit Card Charge	02/15/2023		USPS	Republic National Sec	Republic Nation:	24.87
General Journal	12/31/2023	stamps.com	Stamps.com	Postage usage 01/01/	Republic Nation:	20.15
Total Postage & Delivery						45.02
Translation						
Check	04/11/2024	I-33829	Continental	Republic National Sec	Republic Nation:	3,244.25
Total Translation						3,244.25
Total Case Expenses						9,659.95
TOTAL						9,659.95