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Attorneys for Plaintiffs and the Class

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF TUOLUMNE

ANDREA OTANEZ VERDUGO
individually and on behalf of all others
similarly situated,

Plaintiff,

v.

CAPSTONE LOGISTICS, LLC, a
Delaware limited liability company with its
principal place of business in Georgia, and
DOES 1 to 100, inclusive,

Defendant.

Case No.: CV66120

**DECLARATION OF LARRY W. LEE IN
SUPPORT OF PLAINTIFFS' MOTION FOR
FINAL APPROVAL OF CLASS AND
REPRESENTATIVE ACTION SETTLEMENT**

Date: July 31, 2026

Time: 8:30 a.m.

Dept.: 5

1 I, Larry W. Lee, declare as follows:

2 1. I am an attorney at law, duly licensed to practice before all Courts in the State of
3 California, and am with the law firm Diversity Law Group, counsel of record for Plaintiffs Sheri
4 King and Ivan Escobar (“Plaintiffs”). I have personal knowledge of the facts set forth below and
5 if called to testify I could and would do so competently.

6 2. From the inception of the case, Class Counsel has zealously represented the
7 interests of the Class. I have no conflicts with the Class and will adequately represent the Class.

8 **PROCEDURAL HISTORY OF THE *ESCOBAR* ACTION**

9 3. On October 30, 2020, Ivan Escobar filed a notice with the LWDA asserting claims
10 against Capstone Logistics, LLC (“Capstone”) for alleged violations of Labor Code section 226(a).

11 4. On November 9, 2020, Mr. Escobar filed a putative class and PAGA representative
12 action in San Joaquin Superior Court against Capstone, entitled *Escobar, et al. v. Capstone*
13 *Logistics, LLC, et al.*, Case No. STK-CV-UOE-2020-0009429 (the “*Escobar* Action”), seeking
14 damages and civil penalties for the alleged provision of inaccurate wage statements.

15 5. On December 17, 2020, Capstone removed the *Escobar* Action to the United States
16 District Court for the Eastern District of California. Capstone then moved to compel arbitration.
17 In response to the motion, Mr. Escobar dismissed the class action claims, leaving only the
18 representative PAGA claim.

19 6. On March 9, 2021, the *Escobar* Action was remanded to San Joaquin Superior
20 Court.

21 7. Capstone demurred to the First Amended Complaint on the grounds that the
22 *Escobar* Action should be stayed under the doctrine of exclusive concurrent jurisdiction in light
23 of the earlier filed matter of *Devine, et al. v. Capstone Logistics, LLC, et al.*, Case No.
24 20STCV39030 (the “*Devine* Action”). Following briefing on the demurrer, Mr. Escobar and
25 Capstone stipulated to the filing of a Second Amended Complaint. On May 2, 2022, the court
26 sustained Capstone’s demurrer in part, staying the *Escobar* action.

27 8. On May 18, 2021, Mr. Escobar filed a Supplemental PAGA Notice for additional
28 alleged violations of Labor Code section 226(a).

1 **FAIRNESS OF THE SETTLEMENT**

2 9. Based on my involvement in this litigation, my review of the evidence and
3 settlement data, the procedural history of the related actions, and my experience litigating wage
4 and hour class and PAGA matters, I am of the opinion that the Class Action and PAGA
5 Settlement Agreement (“Agreement” or “Settlement Agreement”) is fair, reasonable, and
6 adequate and serves the best interests of the Class. This opinion is informed not only by the risks
7 and uncertainties inherent in continued litigation, but also by the history of this case, including
8 the prior proposed settlement, the intervention efforts that followed, the additional negotiations
9 involving multiple plaintiffs and counsel, and the eventual resolution reached after mediation
10 before Judge Hogue. The Settlement now before the Court provides a substantially improved,
11 non-reversionary monetary recovery for the Class and aggrieved employees, while avoiding the
12 significant expense, delay, certification risks, manageability issues, and merits risks that would
13 accompany continued litigation through class certification, trial, and potential appeal

14 10. Settlement negotiations were conducted at all times at arm’s length, in an
15 adversarial manner, and were entirely free of collusion. The Parties reached the Settlement with
16 the assistance of a neutral mediator, the Honorable Amy D. Hogue (Ret.).

17 11. Prior to the mediation, the Parties engaged in informal discovery. Capstone
18 provided Class Counsel with information regarding the number of putative class members,
19 workweeks, and pay periods at issue, as well as hourly rates of pay and details concerning
20 Capstone’s payroll policies and practices.

21 12. I have no financial interest in, or relationship with, the designated *cy pres*
22 recipient, Public Citizen Foundation.

23 **LITIGATION COSTS**

24 13. At the time the Parties negotiated the Settlement Agreement, I did not have a final
25 tally of the litigation costs incurred to date. As such, the Parties included a maximum amount
26 that could be attributed to costs under the settlement. To date, Diversity Law Group has incurred
27 costs in the amount of \$12,088.48 litigation related expenses. Attached hereto as **Exhibit A** is a
28 true and correct copy of the cost report.

1 14. I was retained pursuant to a contingency fee agreement under which Class
2 Counsel agreed to advance all litigation costs and recover no fees unless a monetary recovery
3 was obtained. For example, my office incurred costs to file the *Escobar* Complaint and the
4 Complaint in Intervention on behalf of Sheri King, effect service of process, and pay other
5 litigation-related expenses. Had Plaintiffs not prevailed, Class Counsel would have devoted
6 substantial time, resources, and funds to the case without any compensation. Moreover, had
7 Plaintiffs failed to succeed, Capstone could have sought an award of its attorney's fees and costs
8 incurred in defending the action.

9 **ATTORNEY EXPERIENCE**

10 15. I am one of the primary attorneys on this matter. My qualifications are as follows:
11 I received my J.D. from Arizona State University College of Law in 2003. During law school, I
12 was a summer associate at the law firm of Brobeck, Phleger & Harrison. I graduated *cum laude*
13 from Arizona State University College of Law in the top 10% of my class. While I was in law
14 school, I was the Associate Managing Editor of the Arizona State University College of Law,
15 Law Journal. Upon graduation, I practiced law as an associate at the Los Angeles County offices
16 of Ogletree Deakins Nash Smoak & Stewart, P.C., a national employment defense law firm that
17 represents a significant number of Fortune 500 companies.

18 16. My firm's primary focus is employment law. I have handled a number of wage
19 and hour matters including class actions and multiple-plaintiff actions. I have a practice that
20 encompasses cases throughout the State of California, including but not limited to the Los
21 Angeles Superior Courts, the Orange County Superior Courts, the San Francisco County
22 Superior Courts, the San Diego County Superior Courts, and the United States District Courts for
23 the Central, Eastern, Northern, and Southern Districts of California.

24 17. I have been named as class counsel in a number of class actions that have been
25 granted final approval by the Superior Courts of Los Angeles County, Orange County, San
26 Francisco County, Alameda County, Contra Costa County, Monterey County, San Bernardino
27 County, Santa Clara County, Sonoma County, and other counties, as well as the United States
28 District Court for the Central, Eastern, and Northern Districts of California, including but not

1 limited to the following class actions: *Chan Lanier v. Citigroup, Inc. et al.*, San Francisco
2 Superior Court Case No. CGC-05-445143; *Naqvi v. Acoustic Home Loans et al.*, Orange County
3 Superior Court Case No. 05CC00263; *Ortega v. AIG*, Central District of California Case No. CV
4 06-0196-RSWL (PJWx); *Universal Protection Overtime Cases*, Orange County Superior Court,
5 Judicial Council Coordination Proceeding No. 4480; *Hernandez v. CVS Corp. et al.*, Judicial
6 Council Coordination Proceeding No. 4539; *Padilla v. Safeway*, San Benito County Superior
7 Court Case No. CU-16-00182; *Valles v. Community Hospital of the Monterey Peninsula*,
8 Monterey County Superior Court Case No. 17CV003452; *DirecTv Wage and Hour Cases*, Santa
9 Clara Superior Court Judicial Council Coordination Proceeding No. 4850; *Perez v. Standard*
10 *Drywall, Inc.*, Alameda County Superior Court Case No. RG15761142; and *Davis v. Nugget*
11 *Market, Inc.*, Yolo County Superior Court Case No. CV-18-558.

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

14 Executed on this 25th day of June 2026, at Los Angeles, California.

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16 
17 Larry W. Lee
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EXHIBIT A



Invoice

Diversity Law Group

515 South Figueroa Street, Suite 1250, Los Angeles, California, 90071

lwlee@diversitylaw.com

Invoice #: 10504

Invoice Date: 06/23/2026

Terms: Upon Receipt

Due Date: 06/23/2026

PO #:

Invoice Total: \$12,088.48

Payment Applied: \$0.00

Total Due: \$12,088.48

Summary - Escobar, Ivan v. Capstone Logistics LLC (5015.001)

Type	Description	Amount (\$)
Expenses		12088.48

Subtotal: \$12,088.48

Discount: \$0.00

Subtotal
after
Discount:

Taxable
Subtotal: \$12,088.48

Tax: \$0.00

Total: \$12,088.48

Details - Escobar, Ivan v. Capstone Logistics LLC (5015.001)

Expenses

Date	Category	Expense Code	Description	Amount (\$)
10/30/2020		Court fees	LWDALWDA	75.00
10/31/2020		Postage	PostagePostage	6.90
11/09/2020		Attorney Service	Attorney Service -	1727.29



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			ComplaintAttorney Service - Complaint	
11/17/2020		Attorney Service	Attorney Service - Complaint Service	67.99
12/02/2020		Attorney Service	Attorney Service - POS of Summons	46.00
03/30/2021		Attorney Service	Attorney Service - Notice of Remand	149.79
03/31/2021		Photocopies	PhotocopiesPhotocopies	6.50
03/31/2021		Postage	PostagePostage	2.80
04/19/2021		Attorney Service	Attorney Service - Notice of CMC	145.79
04/20/2021		Attorney Service	Attorney Service - Notice of Reassignment	143.29
04/30/2021		Photocopies	PhotocopiesPhotocopies	5.00
04/30/2021		Postage	PostagePostage	2.04
05/31/2021		Photocopies	PhotocopiesPhotocopies	0.50
05/31/2021		Postage	PostagePostage	6.96
06/28/2021		Attorney Service	Attorney Service - CMSAttorney Service - CMS	146.29
07/07/2021		Delivery services/messenger	Federal ExpressFederal Express	43.60
07/07/2021		Delivery services/messenger	Federal ExpressFederal Express	33.55
07/07/2021		Attorney Service	Attorney Service - Opposition & RJN	196.79
09/14/2021		Attorney Service	Attorney Service - Joint StipAttorney Service - Joint Stip	171.29
09/15/2021		Attorney Service	Attorney Service -	141.29



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			Amended POS	
09/15/2021		Attorney Service	Attorney Service - CMSAttorney Service - CMS	143.29
09/21/2021		Attorney Service	Attorney Service - Notice of Entry	150.79
11/22/2021		Attorney Service	Attorney Service - OppoAttorney Service - Oppo	284.04
01/06/2022		Attorney Service	Attorney Service - CMSAttorney Service - CMS	154.04
03/29/2022		Attorney Service	Attorney Service -Attorney Service -	157.54
05/25/2022		Meals	MealMeal	50.43
07/29/2022		Court fees	ACE E Filing - Notice of Association	14.02
12/31/2024	Photocopies		Photocopies	30.50
12/31/2024	Postage and delivery		Postage	8.64
02/14/2025	Court Fees		Courtcall	72.00
05/30/2025	Attorney Service		ACE - Complaint	747.25
07/14/2025	E111 Meals		Meal	21.77
08/07/2025	E121 Arbitrators/mediators		Signature Resolution Mediation	3800.00
10/29/2025	Court Fees		ACE - Oppo (Tuolumne Superior Court)	563.13
10/29/2025	Attorney Service		ACE - Oppo (Duane Morris LLP)	473.86
10/29/2025	Attorney Service		ACE - Oppo (The Kick Law Firm)	378.05
10/29/2025	Attorney Service		ACE - Oppo (Duane	473.86



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			Morris/Spear Tower)	
10/29/2025	Attorney Service		ACE - Oppo (Blackstone Law)	378.05
10/29/2025	Attorney Service		ACE - Oppo (Duane Morris/LA)	378.05
10/29/2025	Attorney Service		ACE - Oppo (Potter Handy)	473.86
10/29/2025	Attorney Service		ACE - Oppo (Tulare County Superior Court)	216.65
Subtotal:				\$12,088.48
Total:				\$12,088.48