

Xinying Valerian (SBN 254890)
Dan Gildor (SBN 223027)
VALERIAN LAW, P.C.
2222 Harold Way
Berkeley, California 94704
Tel: 510.567.4630
xinying@valerian.law
dan@valerian.law

Attorneys for Plaintiff

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SANTA CLARA
UNLIMITED JURISDICTION

SANDRA S. WENZEL, on behalf of
herself and other aggrieved employees,

Plaintiffs,

v.

ZSCALER, INC.; and DOES 1 through 10,
inclusive,

Defendants.

Case No. 23CV416842

ASSIGNED FOR ALL PURPOSES TO
HONORABLE THEODORE C. ZAYNER
DEPARTMENT 19

**DECLARATION OF XINYING VALERIAN
IN SUPPORT OF UNOPPOSED MOTION
TO APPROVE PAGA SETTLEMENT**

Date: January 29, 2025
Time: 1:30 PM
Dept: 19

Complaint Filed: June 2, 2023

I, Xinying Valerian, hereby declare as follows:

1. I am a member in good standing of the bar of the State of California and founder of Valerian Law, P.C., counsel of record representing Plaintiff Sandra Wenzel in this case. I make these statements based on personal knowledge and would so testify if called as a witness.

2. My firm first began our investigation of Plaintiff's claims at Zscaler, Inc. in February 2023.

3. Plaintiff filed a representative PAGA action against Zscaler on June 2, 2023, in the Santa Clara County Superior Court after having previously provided Zscaler and the LWDA notice of her claims related to Zscaler's violation of Labor Code sections 201, 202, 232.5, 1102.5, and 2751. The initial complaint alleged in single cause of action that Zscaler failed to comply with Labor Code section 2751's requirement that whenever an employer enters into a contract of

1 employment with an employee for services to be rendered within California, the contemplated
2 method of payment of the employee involves commissions, the contract shall be in writing and
3 shall set forth the method by which the commissions shall be computed and paid, as well as the
4 requirement that the employer provide the employee a signed copy of the contract.

5 4. Plaintiff then filed a first amended complaint as a matter of right once the other
6 violations in the PAGA notice were exhausted on July 3, 2023. This amended complaint added
7 two causes of action for the other exhausted claims: (1) a claim that Zscaler unlawfully retaliated
8 against Plaintiff and other employees who disclosed the leak of private, proprietary information in
9 public fora (the “Project Vail leak”), in violation of Labor Code sections 232.5 and 1102.5, and
10 (2) a claim that Zscaler violated Labor Code sections 201 and 202 by failing to timely pay
11 separated employees their final wages.

12 5. Zscaler demurred to the first and second causes of action in the first amended
13 complaint on November 1, 2023. Plaintiff thereafter filed a second amended complaint alleging
14 additional facts regarding the claims for retaliation and breaking the second cause of action from
15 the first amended complaint into separate causes of action, one for violation of Labor Code
16 section 1102.5 and one for violation of Labor Code section 232.5.

17 6. Zscaler again demurred on January 8, 2024, this time, to the first cause of action
18 for violation of Labor Code section 2751 in its entirety and to the representative portions of
19 Plaintiff’s second and third causes of action for the alleged violations of Labor Code sections
20 232.5 and 1102.5. The court overruled the demurrer on February 23, 2024, and Zscaler answered
21 the second amended complaint on March 5, 2024, denying that it committed any Labor Code
22 violations.

23 7. With the pleadings settled, the parties began to explore informal resolution of the
24 claims in the case. The parties first reached an agreement to settle the fourth cause of action after
25 Zscaler informally produced information from which the scope of its liability could be
26 determined. The parties thereafter reached an agreement to settle the remaining claims after
27 Zscaler informally produced further information that enabled Plaintiff to evaluate the scope of
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1 Zscaler's liability. The parties eventually reduced the terms of the agreement to the settlement
2 agreement attached hereto as Exhibit 1.

3 8. Settling the case took substantial effort. Negotiations spanned more than six
4 months and were fully supported by the informal exchange of information. The parties were
5 aware that the claims would be limited and could be quickly overtaken by expenses. Accordingly,
6 the parties worked together to exchange information about the facts and the merits and reached
7 resolution without the need for a costly and potentially ineffective mediator. This information
8 included declarations, for instance, attesting to Zscaler correcting the issue with the late final
9 wage payments. The parties also exchanged lengthy emails detailing the strengths and weaknesses
10 of each claim. Plaintiff's counsel's analysis determined the extent of the violations, the penalties
11 that would arise under different accrual scenarios, and the likely outcomes after the anticipated
12 trial evidence was considered by the court in a bench trial. In fact, Plaintiff was prepared to seek
13 summary adjudication of various issues should the negotiations have failed. Zscaler had likewise
14 indicated that it would file a cross motion for summary adjudication.

15 9. During negotiations, Plaintiff estimated that the best-case scenario had Plaintiffs
16 been able to run the board across all the claims and obtain legal rulings in their favor on every
17 issue—including the accrual of subsequent penalties for each pay period of employment and
18 stacking violations of Labor Code section 2751, subdivision (a) with violations of Labor Code
19 section 2751, subdivision (b)—would be approximately \$482,700. In the end, the settlement
20 represents approximately 11% of the soaking wet civil penalties but also recovers 100% of the
21 statutory unpaid waiting time penalties that ordinarily would not even be recovered in a PAGA-
22 only action. This compares very favorably to other PAGA settlements, especially given the
23 Court's discretion to reduce penalties, and achieves an excellent result for a small group of
24 aggrieved employees.

25 10. My firm has vigorously prosecuted the case throughout the litigation. We
26 successfully staved off Zscaler's attempt to get rid of the case early and forced the issues in the
27 case to be considered on their merits. We also researched the legal issues regarding penalty
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1 accrual and the Court's exercise of discretion extensively and discussed the case law with
2 opposing counsel.

3 11. In the end, I am confident that we had a very good sense of how the case would
4 turn out had it been tried to the Court. Not only would the Late Payment Covered Employees not
5 receive the waiting time penalties that they were owed and that the settlement provides, the Court
6 could have likely substantially reduced the civil penalties even more than the parties discounted
7 during their settlement discussions. Attorneys' fees and costs also would have likely
8 overwhelmed the penalties that would be awarded. The proposed settlement, which provides the
9 waiting time penalties and other civil penalties to a small group of aggrieved employees therefore
10 constitutes an excellent result when compared to what could have been obtained after trial.

11 12. I have searched the LWDA database of PAGA notices and did not find any
12 overlapping PAGA actions or other cases asserting claims like those asserted in this case.
13 Accordingly, I do not expect that the proposed settlement will extinguish claims in any other
14 currently pending cases.

15 **Settlement Implementation**

16 13. According to the information that Zscaler provided during informal discovery,
17 there are 59 Final Pay Covered Employees, and 74 Commission Agreement Covered Employees.

18 14. Defendant has selected Rust Consulting, Inc. to administer the settlement. Rust
19 Consulting is a well-known and respected settlement administrator that provides proven
20 settlement administration services. Accordingly, I concur with Defendant's selection, especially
21 given that Defendant will separately pay the administrator's expenses.

22 **Individual Settlement**

23 15. The parties' informal information exchange demonstrated that Plaintiff was the
24 only Zscaler employee who was terminated after the Project Vail leak because of that leak. Based
25 on this information, the parties agreed that the second and third causes of action be dismissed
26 without prejudice. Plaintiff negotiated a separate settlement regarding her individual claims after
27 the key terms of the PAGA settlement had already been negotiated.

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1 collective action initiated in pre-suit mediation in 2015 and approved as class settlement in 2017);
2 *Schaffer v. Massage Green Int’l Franchise Corp.*, No. BC571914 (Cal. Super. Ct., Los Angeles)
3 (minimum wage class and PAGA representative action; final approval of class settlement granted
4 in 2017); *Tian, et al. v. Ma Laboratories, Inc.*, No. 1-11-cv-195373 (Cal. Super. Ct., Santa Clara)
5 (unpaid overtime wages for a class of hourly workers; certified as a class action in 2014 and final
6 approval granted in 2015); and *Ha, et al. v. Google Inc., et al.*, No. 1:16-cv-290847 (Cal. Super.
7 Ct., Santa Clara) (unpaid overtime wages on behalf of Google contract recruiters; final approval
8 of class settlement granted).

9 19. I have led several wage and hour class actions filed in 2021 or later in California
10 state courts, and have been appointed class counsel in contested certification proceedings. In my
11 wage and hour class and representative cases, I have represented low-wage and manual labor
12 workers, including immigrants with limited English proficiency, as well as workers at various
13 levels of so-called white-collar jobs.

14 20. I am active in the legal community, and I am frequently invited to present on
15 employment law and litigation by bar organizations and continuing education providers, such as
16 the California Employment Lawyers’ Association, Bridgeport Continuing Education, and local
17 bar associations. Since 2017 I have presented on PAGA litigation and employment class actions
18 in multiple venues and conferences. I have been teaching audiences of both defense lawyers and
19 plaintiffs’ lawyers for Bridgeport continuing education on wage and hour litigation and PAGA
20 litigation for numerous years. In 2016 and 2017, I was designated a “Northern California Rising
21 Star” by Super Lawyers Magazine. In each year since 2022, I received recognition as a Northern
22 California Super Lawyer.

23 21. Through November 30, 2024, I have billed 29.4 hours on this case to date after
24 application of billing judgment. I worked on nearly all aspects of this case from the outset. My
25 work included developing theories and overseeing the initial investigation and subsequent
26 developments in the case. My customary billing rate has been \$900 per hour in 2023 and 2024.
27 All told, I recommend approval of this proposed settlement.
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1 22. Dan L. Gildor: Mr. Gildor is Senior Counsel at Valerian Law. In 2002 he
2 graduated from the University of California at Berkeley School of Law (then-Boalt Hall), Order
3 of the Coif. After law school, Mr. Gildor clerked for the Honorable Barbara J. Rothstein in the
4 United States District Court Judge for the Western District of Washington. Mr. Gildor has a
5 master's degree from Stanford University and a Bachelor of Science degree from the
6 Massachusetts Institute of Technology.

7 23. Mr. Gildor has more than twenty years of experience as a litigator at both trial and
8 appellate levels. Mr. Gildor specializes in consumer and wage and hour class actions and has been
9 named class counsel in many state and federal actions, including *Sosa v. Dreyer's Grand Ice*
10 *Cream* (Alameda County, No. RG08424366); *Naranjo v. GNC* (Alameda County, No.
11 RG12619626); *Ely v. Davey Tree Surgery Co.* (Alameda County, No. RG08398173); *Bolton v.*
12 *U.S. Nursing* (N.D. Cal., No C12-4466 LB); *Mejia v. Prologix Distribution Services* (West) (N.D.
13 Cal, No. 12-CV-4840 YGR); *Minns v. Advanced Clinical Employment Staffing* (N.D. Cal., No.
14 13-CV-03249-SI), *Arens v. Popcorn, Indiana* (N.D. Cal. (N.D. Cal., No. 14-CV-1323-SC),
15 *Edenborough v. ADT* (N.D. Cal., No. 16-2233 JST), and *Pennington v. Apple, Inc.* (N.D. Cal.,
16 No. C12-2375 PSG). He has participated in various cases that resulted in published opinions
17 including *Burbank v. State Water Resources Control Board* (2005) 35 Cal.4th 613 and *Building*
18 *Industry Assn. of San Diego County v. State Water Resources Control Bd.* (2004) 124 Cal.App.4th
19 866. He has also published pieces in the Ecology Law Quarterly and Plaintiff Magazine.

20 24. Mr. Gildor's prior affiliations include approximately nine years at Chavez &
21 Gertler LLP, a well-renowned class action law firm where he was a partner, and several years in
22 the Office of the Director – Legal Unit in the Department of Industrial Relations. Earlier in his
23 legal career, Mr. Gildor was a staff attorney at several public interest environmental organizations
24 such as the Natural Resources Defense Council, the Save Our Springs Alliance, and the
25 Environmental Law Foundation. Mr. Gildor's legal experience includes clerking for the United
26 States Department of Justice, Earthjustice, and the law firms of Pillsbury Winthrop and Shute,
27 Mihaly and Weinberger LLP.

25. Mr. Gildor has billed 81.8 hours to this case after application of billing judgment through November 30, 2024. Mr. Gildor ran the case on a day-to-day basis. He drafted the amended complaints, opposed Zscaler's demurrers, handled court appearances, developed penalty models based on the informal discovery that Zscaler produced and negotiated the proposed settlement agreement. He also drafted the motion for settlement approval and the supporting documents. His customary hourly rate has been \$900 per hour in 2023 and 2024.

26. Over the course of the year and a half that this action has been pending, other legal staff in my firm have performed legal work on this case. Former law clerk Melissa Molloy billed 42.4 hours at her rate of \$350 per hour, primarily on legal research and drafting opposition to demurrers, and several legal assistants, paralegals and law clerks billed over 60.4 hours at rates ranging from \$250 to \$325 per hour.

Valerian Law's Rates

27. Valerian Law sets its rates for attorneys and staff based on prevailing market rates in the San Francisco Bay Area for attorneys with comparable skill, experience, and qualifications, handling similar matters. Our firm monitors private law firm rates in the Bay Area and major California legal markets. We set our rates to be comparable to rates charged by lawyers and legal support staff with comparable law practices, experience, skill, and credentials.

28. Our current rates range from \$900 for attorneys with over 15 years of experience and \$275-\$325 for support staff.

29. Valerian Law’s hourly rates as stated above are the usual and customary hourly rates charged for services. Clients paying hourly have been charged and have paid the firm’s customary rates, including our 2022, 2023 and 2024 rates.

30. I am familiar with the hourly rates generally charged by litigators in the San Francisco Bay Area and throughout California. More specifically, I am familiar with the hourly rates charged and the billing and work practices of employment lawyers with skills, qualifications, and experience similar to those of Plaintiff's counsel in this action. I gained familiarity with market rate ranges by tracking developments in the legal market and discussing attorneys' fees, billing, and work practices from both the plaintiffs' and defense bar through my

1 various legal community activities; by reviewing legal newspapers and surveys pertaining to
2 market rates; by reviewing and calculating market rates by reference to the Laffey Matrix
3 (<http://www.laffeymatrix.com/see.html>), by reviewing rates charged by firms that my firm has
4 associated with or whom we have opposed; by setting billing rates for my own firm; and based on
5 my years as a plaintiffs' side employment lawyer.

6 31. The Adjusted Laffey Matrix is one of several sources that courts have consulted in
7 determining objectively a reasonable market rate for a particular geographic market. The rates of
8 Claimant's Counsel are lower than the Laffey rates adjusted for our region, as shown below.

9 32. The adjustment to the Laffey Matrix is determined as follows: We use the locality
10 pay adjustment method applied by the Northern District of California in *In re HPL Technologies,*
11 *Inc. Securities Litigation* (N.D. Cal. 2005) 366 F.Supp.2d 912 and *Theme Promotions v. News*
12 *Am. Mktg. FSI, Inc.* (N.D. Cal. June 14, 2010) 731 F.Supp.2d 937, 948. We use federal courts'
13 locality pay tables available at [https://www.uscourts.gov/careers/compensation/](https://www.uscourts.gov/careers/compensation/judiciary-salary-plan-pay-rates)
14 [judiciary-salary-plan-pay-rates](https://www.uscourts.gov/careers/compensation/judiciary-salary-plan-pay-rates) to calculate the adjustment to apply to the Laffey Matrix rates,
15 which are for Washington, D.C. The 2024 differential between the Washington-Baltimore-
16 Arlington locality pay (+33.26%) and the San Jose-San Francisco-Oakland locality pay tables
17 (+45.41%), is 12.15%, meaning there should be a 12.15% increase for our region compared to the
18 Laffey Matrix rates. In 2023, that adjustment was 11.66%.

19 33. Pursuant to this court-sanctioned method, Adjusted Laffey Matrix rates for the San
20 Jose-San Francisco-Oakland market are as follows:

21 Adjusted Laffey Matrix Rates

Year	Years Out of Law School		
	Paralegals/ Law Clerks	11–19 years	20 + years
6/1/23 - 5/31/24 Adjusted	\$251	\$985	\$1,185
6/1/22 - 5/31/23 Adjusted	\$268	\$927	\$1,113

1 34. Our usual rates have been awarded in past actions. *See, e.g., Pham v. Wood Tech,*
2 *Inc.*, Case No. 22 CV011080 (Cal. Super. Ct., Alameda; Jan. 24, 2023) (adopting Valerian Law’s
3 customary rates of \$850-\$875 for attorneys with over 15 years of experience and \$250-\$300 for
4 support staff in awarding discovery sanctions and class counsel fees after settlement); *Casteel v.*
5 *Alaska Airlines, Inc.*, Case No. RG20052826 (Cal. Super. Ct., Alameda; March 11, 2020;
6 approving Valerian Law’s customary hourly rates including \$850 for Xinying Valerian, \$775 for
7 Dominic Valerian, \$425 for associate and \$250 for legal assistants for work performed 2018 to
8 2020; *Fletscher v. Overland Solutions, Inc.*, Case No. RG17852058 (Cal. Super. Ct., Alameda
9 Apr. 15, 2019) (awarding fees of one-third of common fund with a lodestar cross-check based on
10 an hourly rate of \$850 for Ms. Valerian’s time); *Pan v. Qualcomm Inc.*, No. 16-cv-01885-JLS-
11 DHB, 2017 U.S. Dist. LEXIS 120150 (S.D. Cal. July 31, 2017) (awarding fees of one-third of
12 common fund with a lodestar cross-check based on an hourly rate of \$750 for Ms. Valerian’s
13 time).

14 **Valerian Law’s Timekeeping Practices**

15 35. It is my firm’s policy to record the time spent on all matters throughout each day,
16 as contemporaneously as possible, in increments of one tenth of an hour. Our firm has always
17 used software that enables contemporaneous time-tracking through a timeclock. We conduct
18 monthly audits of all timekeepers’ billings to ensure compliance with firm policy. We maintain
19 our timekeeping data in an electronic format in the ordinary course of business.

20 36. In preparing for the instant fee motion, I directed thorough reviews of these
21 billable time records by Mr. Gildor before finalizing them for this motion. The guidelines for
22 review ensured that each time entry was compensable under the standards applicable to the instant
23 motion.

24 **Valerian Law’s Lodestar Fees in this Case**

25 37. My firm’s lodestar billing adjusted lodestar—***including a 10% across the board***
26 ***cut***—through November 30, 2024, that does not include the fees incurred in the ex parte
27 application for advancing the hearing date on this motion from May 2025 to January 2025, for
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1 finalizing this motion, or the fees that will be incurred overseeing settlement administration—
2 exceeds \$118,000.

3 38. I believe that all the time my staff and I spent on this case was necessary. Staffing
4 was lean and dictated by staffing constraints, case needs, and the case schedule. Additional staff
5 necessarily had to pitch in to ensure coverage for all depositions, briefing, and other trial
6 preparation work. Legal assistants performed both standard paralegal duties and traditional junior
7 associate work, such as reviewing document productions and assisting with depositions and
8 hearings.

9 39. The requested fee represents 83% of counsel's already reduced lodestar through
10 November 30, 2024. When our hours already expended in December 2024 and anticipated to be
11 incurred for approval proceedings and settlement implementation are included, I expect the fee to
12 represent less than 80% of lodestar.

13 **Costs Advanced by Counsel**

14 40. Over the course of this action, my firm has advanced Plaintiff over \$1,886 in costs.
15 These costs consist of expenditures reasonably necessary to develop and prosecute this case.
16 Attached hereto as Exhibit 2 is a true and correct list of the costs in this case.

17 41. The accrued expenses claimed here are reflected in my firm's books and records as
18 maintained in the ordinary course of business. Based on my experience, the cost bill here is
19 ordinary when compared with the costs of litigation in cases that settle relatively close to trial.
20 These out-of-pocket costs reflect a careful and frugal approach to litigation expenditures and were
21 reasonably necessary for the prosecution of this action.

22 **Provision of Settlement to LWDA**

23 42. It is standard practice at my law firm to have staff upload a copy of the settlement
24 agreement in this case along with the motion for approval and accompanying papers to the
25 LWDA's online filing portal after filing the papers with the Court. I have no reason to believe that
26 this policy would not be followed in this or any case. Nonetheless, it is my standard practice to
27 follow up after filing to ensure that the appropriate documents are uploaded to the LWDA portal.
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1 I declare under penalty of perjury under the laws of the State of California that the
2 foregoing is true and correct.

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4 Executed on December 30, 2024, in Berkeley, California.

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Xinying Valerian
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Exhibit 1

PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AGREEMENT

This Private Attorneys General Act Settlement Agreement (“Agreement”) is made by and between plaintiff Sandra S. Wenzel, on behalf of herself and the Labor Workforce and Development Agency, and defendant Zscaler, Inc. (“Zscaler”).

1. DEFINITIONS.

- 1.1. “Action” means the Plaintiff’s PAGA lawsuit against Defendant entitled *Wenzel v. Zscaler, Inc.* No. 23CV416842, that was filed on June 2, 2023, and subsequently amended on July 3, 2023, and December 4, 2023, that is pending in the Santa Clara County Superior Court.
- 1.2. “Administrator” means the neutral entity that will administer the Settlement, whose expenses will be separately paid by Zscaler.
- 1.3. “Approval Order and Final Judgment” and “Judgment” mean the Court Order Granting Approval of PAGA Settlement and Entering Final Judgment in substantively the same form evidenced by the proposed order and judgment attached to this Agreement as Exhibit A.
- 1.4. “Court” means the Superior Court of California, County of Santa Clara.
- 1.5. “Covered Employee Data” means identifying information about Covered Employees in Defendant’s possession including name, last-known mailing address, Social Security number, the Individual Waiting Time Penalty Payment (if applicable), and the Individual PAGA Payment.
- 1.6. “Covered Employees” means all employees of Defendant in California who are members of the following groups:
 - 1.6.1 “Final Pay Covered Employees” means all employees of Defendant in California who separated their employment during the PAGA Period and who were not paid their final wages upon their date of separation, or in the case of an employee who quit without prior notice, was not paid final wages within 72 hours of his or her resignation, other than employees who already received waiting time penalties.
 - 1.6.2 “Commission Agreement Covered Employees” means all employees of Defendant in California who received commission or incentive plan agreements during the PAGA Period.
- 1.7. “Defendant” means Defendant Zscaler, Inc.
- 1.8. “Defense Counsel” means Zachary Hutton of Sheppard Mullin Richter & Hampton LLP.

- 1.9. “Effective Date” means the date by when the Court enters the Approval Order and Final Judgment.
- 1.10. “Gross Settlement Amount” means \$273,347.17, which is the total amount Defendant agrees to pay under the Settlement. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, Individual Waiting Time Penalty Payments, the PAGA Representative Payment, the PAGA Counsel Fees Payment, and the PAGA Counsel Litigation Expenses Payment.
- 1.11. “Individual PAGA Payment” means the Covered Employee’s pro rata share of 25% of the PAGA Penalties calculated as provided in this Agreement.
- 1.12. “Individual Waiting Time Penalty Payment” means the statutory waiting time penalties that Defendant has agreed to pay to the Final Pay Covered Employees, as provided in this Agreement.
- 1.13. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699(i).
- 1.14. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699 (i).
- 1.15. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: the LWDA PAGA Payment, the PAGA Representative Payment, the PAGA Counsel Fees Payment, and the PAGA Counsel Litigation Expenses Payment. The remainder is to be paid to Covered Employees as Individual PAGA Payments and Individual Waiting Time Penalty Payments.
- 1.16. “Operative Complaint” means Plaintiff’s Second Amended Complaint, filed on December 4, 2023.
- 1.17. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.18. “PAGA Counsel” means Xinying Valerian and Dan Gildor of Valerien Law, P.C.
- 1.19. “PAGA Counsel Fees Payment” and “PAGA Counsel Litigation Expenses Payment” mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.20. “PAGA Notice” means Plaintiff’s letter to Defendant and the LWDA dated April 26, 2023, providing notice of Plaintiff’s claims against Defendant pursuant to Labor Code section 2699.3 (a).
- 1.21. “PAGA Period” means the period from April 26, 2022, through the date of this Agreement.

- 1.22. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Covered Employees (\$13,475.00) and the 75% to LWDA (\$40,425.00) in settlement of PAGA claims.
- 1.23. “PAGA Representative Payment” means the special payment made to Plaintiff to compensate her for initiating and pursuing the Action and undertaking the risk of liability for attorneys’ fees and expenses in the event she was unsuccessful in the prosecution of the Action.
- 1.24. “Plaintiff” means the plaintiff, Sandra S. Wenzel.
- 1.25. “Released PAGA Claims” means the claims being released by the Plaintiff and PAGA Counsel and as described in Paragraph 5.3 below.
- 1.26. “Released Parties” means: Zscaler and any present and former parents, subsidiaries and affiliated companies or entities, and their respective officers, directors, employees, partners, shareholders and agents, and any other successors, assigns and legal representatives and its related persons and entities.
- 1.27. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

2. RECITALS

- 2.1. Plaintiff filed her complaint in this Action on June 2, 2023, alleging a single cause of action under PAGA for violation of Labor Code section 2751.
- 2.2. Plaintiff thereafter filed a first amended complaint as of right pursuant to Labor Code section 2699.3 (a)(2)(C) on July 3, 2023, alleging additional causes of action under PAGA. Specifically, Plaintiff’s second cause of action alleged violation of Labor Code sections 1102.5 and 232.5 for allegedly retaliating against employees for engaging in purported protected activities related to Project Vail. And Plaintiff’s third cause of action alleged violation of Labor Code sections 201-203 for failing to timely pay separated employees their final wages within the time frames specified in Labor Code section 201-202, and thereafter failing to pay the separated employees the waiting time penalties due as a result of the untimely payment of final wages.
- 2.3. Upon stipulation of the parties, Plaintiff filed her Second Amended Complaint on December 4, 2023, in which the third cause of action in the First Amended Complaint was renumbered as the fourth cause of action.
- 2.4. The Parties have identified through informal discovery 51 individuals who are Final Pay Covered Employees and 73 individuals who are Commission Agreement Covered Employees.
- 2.5. Zscaler has provided Plaintiff with a declaration attesting that there are no Zscaler employees allegedly aggrieved under Labor Code sections 201-203 after

September 25, 2023, and also provided confirmatory discovery that no employee other than Plaintiff was terminated in connection with engaging in alleged protected activity related to Project Vail.

- 2.6. The parties have exchanged settlement offers through their attorneys and have agreed to settle the Action, on the terms set forth below.

3. MONETARY TERMS.

- 3.1. Gross Settlement Amount. Defendant promises to pay \$273,347.17 as the Gross Settlement Amount. In addition to the Gross Settlement Amount, Defendant will pay the Administrator's fees and expenses. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Covered Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

- 3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount:

- 3.2.1 To Final Pay Covered Employees: Final Pay Covered Employees will receive both Individual Waiting Time Penalty Payments and Individual PAGA payments.

3.2.1.1 Individual Waiting Time Penalty Payments: The Administrator will pay \$119,447.17 as statutory waiting time penalties to the Final Pay Covered Employees. This amount will be allocated in accordance with the spreadsheet that Zscaler provided Plaintiff on January 8, 2024. This amount constitutes 100% of Zscaler's liability for statutory waiting time penalties owed the Final Pay Covered Employees, such that the settlement both moots and operates as an accord and satisfaction barring any future claim by a Final Pay Covered Employee for statutory waiting time penalties through the date of this Agreement.

3.2.1.2 Individual PAGA Payments: The Administrator will pay \$2,225 in Individual PAGA Payments to Final Pay Covered Employees. This amount will be allocated to Final Pay Covered Employees in proportion to the number of pay periods that transpired before each employee received his/her final wages.

- 3.2.2 To Commission Agreement Covered Employees: The Administrator will pay \$11,250 in Individual PAGA Payments to Commission Agreement Covered Employees in equal shares.

- 3.2.3 To PAGA Counsel: A PAGA Counsel Fees Payment up to \$98,250 and PAGA Counsel Litigation Expenses Payment up to \$1,750.00. Defendant will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. Plaintiff and/or PAGA Counsel

will file an application or motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to PAGA Counsel or any other Plaintiff's Counsel arising from any claim to any portion any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator shall report the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant from any dispute or controversy regarding these Payments.

3.2.4 To the LWDA: The administrator will pay a total of \$40,425 to the LWDA for its 75% share of the PAGA Penalties.

4. SETTLEMENT FUNDING AND PAYMENTS.

- 4.1. Funding of Gross Settlement Amount and Provision of Covered Employee Data. Defendant shall (i) fully fund the Gross Settlement Amount by transmitting the funds to the Administrator, (ii) provide Covered Employee Data to the Administrator, and (iii) pay the Administrator's costs and expenses within 30 days after the Effective Date. The Administrator must maintain the Covered Employee Data in confidence, use the Covered Employee Data only for purposes of this Settlement and for no other purpose and restrict access to the Covered Employee Data to Administrator employees who need access to it to effect and perform under this Agreement.
- 4.2. Payments from the Gross Settlement Amount. Within 14 days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, Individual Waiting Time Penalty Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA Representative Payment, and the PAGA Counsel Expenses Payment.
- 4.2.1 The Administrator will issue checks for the Individual PAGA Payments and Individual Waiting Time Penalty Payments and send them to the Covered Employees via First Class U.S. Mail, postage paid. The face of each check shall prominently state the date (90 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database. The Administrator shall enclose the checks along with a cover letter in the form of Exhibit B.

- 4.2.2 The Administrator shall promptly send a replacement check to any Covered Employee whose original check was lost or misplaced, requested by the Covered Employee prior to the void date.
- 4.2.3 For any Covered Employee whose Individual PAGA Payment and/or Individual Waiting Time Penalty 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 Covered Employee
- 4.2.4 The Administrator will report the Individual PAGA Payments and Individual Waiting Time Penalty Payments on IRS 1099 Forms.
- 4.2.5 The payment of Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to the Covered Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

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

- 5.1. Release by Final Pay Covered Employees: As of the date the Settlement is Effective and becomes fully funded, the Final Pay Covered Employees fully release and discharge Defendant and the Released Parties from any and all individual and representative claims for relief under PAGA alleging violations of Labor Code sections 201, 202, and 203 that arise out of or reasonably relate to the allegations in the Operative Complaint and PAGA Notice, of whatever kind or nature, whether known or unknown, and any resulting claim for attorneys' fees and costs under PAGA.
- 5.2. Release by Commission Agreement Covered Employees: As of the date the Settlement is Effective and becomes fully funded, the Commission Agreement Covered Employees fully release and discharge Defendant and the Released Parties from any and all individual and representative claims for relief under PAGA alleging violations of Labor Code section 2751 that arise out of or reasonably relate to the allegations in the Operative Complaint and PAGA Notice, of whatever kind or nature, whether known or unknown, and any resulting claim for attorneys' fees and costs under PAGA.
- 5.3. Release by PAGA Counsel: PAGA Counsel release on behalf of their present and former attorneys, employees, agents, successors and assigns the Released Parties from all claims for PAGA Fees incurred in connection with the Operative Complaint and the PAGA Period facts stated in the Operative Complaint and the PAGA Notice.

6. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT.

- 6.1. Plaintiff will prepare and file an application or motion for approval of this Settlement. The motion for approval of the Settlement also will seek an order dismissing without prejudice the second and third causes of action seeking civil penalties for alleged violations of Labor Code sections 1102.5 and 232.5, which is a material term of this Settlement. Plaintiff shall submit to Defendant a draft of the motion two (2) business days in advance of filing. If the Parties disagree on any aspect of the proposed application or motion for approval of this Settlement and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting and conferring in good faith, to resolve the disagreement. If the Court does not grant the motion for approval of this Settlement or conditions its approval on any change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties to attempt to satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

- 7.1. Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of providing reports to state and federal tax authorities.
- 7.2. 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.
- 7.3. 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.

8. CONTINUING JURISDICTION OF THE COURT.

- 8.1. 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.
- 8.2. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, the Parties, their respective counsel 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 another party 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.

9. ADDITIONAL PROVISIONS.

- 9.1. No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If, for any reason the Court does not approve this Settlement, Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).
- 9.2. 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, including the Parties' prior agreement settling Plaintiff's PAGA claims under Labor Code sections 201-203.
- 9.3. Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 9.4. 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.
- 9.5. 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.

- 9.6. No Tax Advice. Neither Plaintiff, PAGA Counsel, Defendant, nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 9.7. 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.
- 9.8. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 9.9. 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.
- 9.10. 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.
- 9.11. Confidentiality. To the extent permitted by law, all agreements made, and orders entered during the Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 9.12. Use and Return of Covered Employee Data. Information provided to PAGA Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the PAGA Data provided to PAGA Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the Administrator discharges its obligation to pay out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Covered Employee Data received from Defendant unless, prior to the Administrator's payment of all Settlement Funds, Defendant makes a written request to PAGA Counsel for the return, rather than the destructions, of Covered Employee Data.
- 9.13. 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.
- 9.14. 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.

- 1.1 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:

If to Plaintiff and/or class members, to their attorneys at the following address:

Xinying Valerian (xinying@valerian.law)
Dan Gildor (dan@valerian.law)
Valerian Law, P.C.
2222 Harold Way
Berkeley, California 94704

If to Zscaler, to their attorney at the following address:

Zachary Hutton (zhutton@sheppardmullin.com)
Sheppard Mullin Richter & Hamilton LLP
Four Embarcadero Center, 17th Floor
San Francisco, CA 94111-4109

- 9.15. 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.
- 9.16. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

Dated: 11 / 25 / 2024, 2024



Sandra S. Wenzel
Plaintiff

Dated: 11/21/2024

DocuSigned by:
Christopher Potts

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Zscaler, Inc.

Defendant

By: VP, Corporate Controller

Approved as to form:

11 / 22 / 2024

Dated: ____, 2024

VALERIAN LAW, P.C.



Dan L. Gildor
Counsel for Plaintiff

Dated: 11/22/2024

SHEPPARD MULLIN RICHTER & HAMPTON LLP



Zachary Hutton.
Counsel for Defendant Zscaler, Inc.

[EXHIBIT A: PROPOSED APPROVAL ORDER

EXHIBIT A

(Counsel listed on next page)

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SANTA CLARA
UNLIMITED JURISDICTION

SANDRA S. WENZEL, on behalf of
herself and other aggrieved employees,

Plaintiffs,

v.

ZSCALER, INC.; and DOES 1 through
10, inclusive,

Defendants.

Case No. 23CV416842

**[PROPOSED] ORDER APPROVING
SETTLEMENT AGREEMENT AND
ENTERING FINAL JUDGMENT**

Date: [REDACTED], 2024

Time: [REDACTED] a.m./p.m.

Judge: Hon. Theodore C. Zayner
Dept.: 19

Complaint Filed: June 2, 2022
FAC Filed: July 6, 2023
SAC Filed: December 5, 2023

EXHIBIT A

1 VALERIAN LAW, P.C.
Xinying Valerian (SBN 254890)
2 Dan Gildor (SBN 223027)
1530 Solano Ave.
3 Albany, CA 94707
Tel: 510.567.4630
4 xinying@valerian.law
dan@valerian.law

5
6 *Attorneys for Plaintiff and the aggrieved employees*

7 SHEPPARD, MULLIN, RICHTER & HAMPTON LLP
Zachary P. Hutton (SBN 234737)
8 Four Embarcadero Center, 17 FL
San Francisco, CA 94111
9 Tel: (415) 434-9100
zhutton@sheppardmullin.com

10
11 *Attorneys for Defendant Zscaler, Inc.*

EXHIBIT A

On [REDACTED], 2024, a hearing was held on the motion of Plaintiff Sandra S. Wenzel (“Plaintiff”) and Defendant Zscaler, Inc. (“Zscaler”) (collectively, the “Parties”) for approval of a settlement agreement pursuant to the Labor Code Private Attorneys General Act of 2004 (“PAGA”), Cal. Lab. Code § 2698 *et seq.* Dan Gildor of Valerian Law, P.C. appeared for Plaintiff, and Zachary P. Hutton of Sheppard, Mullin, Richter & Hampton LLP appeared for Zscaler. The Court having considered all papers filed and proceedings herein and otherwise being fully informed, and having made this Judgment which constitutes a final adjudication of this matter on the merits, and good cause appearing,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. All terms used for purposes of this Order and Judgment, not otherwise defined, shall have the same meaning as given in the Settlement Agreement (the “Settlement”) executed between the Parties on or around [REDACTED], 2024.

2. The Labor Workforce and Development Agency (“LWDA”) has been given notice of the Settlement. Pursuant to sections 2699(1)(2) and (1)(4) of the California Labor Code, on the date the Parties filed with the Court the motion seeking approval of the Settlement, Plaintiff submitted to the LWDA a notice of the Settlement enclosing a copy of the Settlement. The Court finds and determines that Plaintiff’s notice of the Settlement complied with the statutory requirements of PAGA.

3. The Court confirms approval of the Settlement as to the following group of individuals, collectively referred to as the “Covered Employees”:

(i) Final Pay Covered Employees: all employees of Defendant in California who separated their employment during the PAGA Period and who were not paid their final wages upon their date of separation, or in the case of an employee who quit without prior notice, was not paid final wages within 72 hours of his or her resignation, other than employees who already received waiting time penalties.

(ii) Commission Agreement Covered Employees: all employees of Defendant in California who received commission or incentive plan agreements during the PAGA Period.

EXHIBIT A

1 4. The Court approves Plaintiff's request to dismiss the Second and Third Causes of
2 Action in the Second Amended Complaint for alleged violations of Labor Code sections 1102.5
3 and 232.5. Those claims are hereby dismissed without prejudice.

4 5. This Court has jurisdiction over the subject matter of this litigation, over all Covered
5 Employees, and over those persons and entities undertaking affirmative obligations under the
6 Settlement.

7 6. The Court finds that the Settlement is, in all respects, fair, reasonable, and adequate.
8 Accordingly, the Court hereby finally and unconditionally approves the Settlement.

9 7. The Court finds that each Covered Employee in accordance with the Settlement,
10 releases the following PAGA claims against Zscaler and the other Released Parties, as defined by
11 the Settlement Agreement:

12 (a) Release by Final Pay Covered Employees: As of the date the
13 Settlement is Effective and becomes fully funded, the Final Pay Covered Employees fully release
14 and discharge Defendant and the Released Parties from any and all individual and representative
15 claims for relief under PAGA for violations of Labor Code sections 201, 202, and 203 that arise
16 out of or reasonably relate to the allegations in the Operative Complaint and PAGA Notice, of
17 whatever kind or nature, whether known or unknown, and any resulting claim for attorneys' fees
18 and costs under PAGA.

19 (b) Release by Commission Agreement Covered Employees: As of the
20 date the Settlement is Effective and becomes fully funded, the Commission Agreement Covered
21 Employees fully release and discharge Defendant and the Released Parties from any and all
22 individual and representative claims for relief under PAGA alleging violations of Labor Code
23 section 2751 that arise out of or reasonably relate to the allegations in the Operative Complaint
24 and PAGA Notice, of whatever kind or nature, whether known or unknown, and any resulting
25 claim for attorneys' fees and costs under PAGA.

26 8. The Court finds that the Total Settlement Amount, Net Settlement Amount, and the
27 methodology used to calculate and pay the Individual PAGA Payments and Individual Waiting
28 Time Penalty Payments, in accordance with the Settlement, are fair and reasonable.

EXHIBIT A

1 9. The Court authorizes the Settlement Administrator to distribute the Gross
2 Settlement Amount, in accordance with the terms of the Settlement.

3 10. The Court awards to PAGA Counsel in this Action \$ [REDACTED] of the Gross
4 Settlement Amount for their attorneys' fees and an additional \$ [REDACTED] in costs, to be paid from
5 the Gross Settlement Amount, in accordance with the terms of the Settlement.

6 11. The Court approves the allocation and payment of \$ [REDACTED] (the "PAGA
7 Penalties") as for the compromise of claims brought under PAGA, to be paid in accordance with
8 the terms of the Settlement. Under the terms of the Settlement, 75% of the PAGA Penalties will
9 be paid to the LWDA ("LWDA PAGA Payment"), and the remaining 25% of the PAGA Penalties
10 shall be distributed to the Settlement Group Members in accordance with the terms of the
11 Settlement.

12 12. Checks for the Settlement Shares sent to Settlement Group Members shall be valid
13 for 90 days after issuance. Funds remaining from any checks for Settlement Shares uncashed after
14 90 days will be disbursed to the California State Controllers' Office, Unclaimed Property Fund, in
15 the name of the Settlement Group Member.

16 13. The Court retains exclusive and continuing jurisdiction over this Action for purposes
17 of supervising, administering, implementing, interpreting, and enforcing this Order and Judgment,
18 as well as the Settlement.

19 14. The Settlement and this resulting Order and Judgment represent a compromise of
20 disputed allegations. Nothing in this Order and Judgment or the Settlement shall be construed as
21 an admission or concession by any party.

22 15. Plaintiff is directed to submit a copy of this order to the LWDA within 10 days of
23 the date of this Order.

24 16. Within 120 days of the date of this Order, the Parties are directed to file a joint status
25 report regarding the status of the distribution of settlement proceeds. Upon satisfaction that the
26 appropriate payments have been made, the Court will close this case.

EXHIBIT A

IT IS SO ORDERED AND ADJUDGED.

Dated: _____

Hon. Theodore C. Zayner
Judge of the Superior Court

[EXHIBIT B: NOTICE OF SETTLEMENT]



Superior Court of California in and for Santa Clara County
Wenzel v. Zscaler, Inc.
Case No. 23CV416842

Notice of PAGA Settlement

Authorized by the Superior Court of California in and for Santa Clara County

Why did I get this notice?

A settlement has been reached in a lawsuit entitled *Wenzel v. Zscaler, Inc.*, that affects individuals like yourself who were employed by Zscaler, Inc. between April 26, 2022, and [date of settlement].

The lawsuit was brought pursuant to the California Private Attorneys General Act of 2004 ("PAGA") that allows an employee—in this case Sandra Wenzel—to stand in the shoes of the State of California and recover civil penalties for Zscaler's alleged Labor Code violations. Zscaler denies the allegations in the lawsuit and maintains that it has complied with all applicable laws

Zscaler has identified that you are among the affected employees. Enclosed is your share of the civil and statutory penalties recovered through the settlement of the lawsuit.

What are my choices?

Cash the check	Get paid your share of the civil and statutory penalties for Zscaler's Labor Code violations. You will be precluded from bringing any claims for these penalties for the same alleged violations set forth below for the time period above
Do Nothing	Your share of the civil and statutory penalties will be sent to the California Controller's Unclaimed Property Fund. You will be precluded from bringing any claims for these penalties for the same alleged violations set forth below for the time period above.

What were the claims in the lawsuit that were settled?

The lawsuit alleges that Zscaler failed to pay employees that separated from Zscaler their final wages within the timeframes set out in Labor Code sections 201 and 202. The lawsuit also alleges that Zscaler violated Labor Code section 2751 by failing to timely provide workers paid in part by commission a written contract signed by Zscaler.

What will happen if I don't cash the check?

You will be precluded from bringing any legal claims for civil and statutory penalties for the same alleged violations for the same period covered by the settlement even if you do not cash the check. Your share of the civil penalties will be sent to the California Controller's Unclaimed Property Fund

Exhibit 2

Case Cost Summary

Expense Category	Amount
Filing and Motion Fees	\$1,871.40
Admin (U.S. Certified Mail)	\$15.00
Grand Total	\$1,886.40