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8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **FOR THE COUNTY OF LOS ANGELES**

11 ARAM ROSAS and DAVID BARRIENTOS,
as aggrieved employees pursuant to the Private
12 Attorneys General Act ("PAGA"), on behalf of
the State of California and other aggrieved
13 employees,

14 Plaintiffs,

15 vs.

16 LONG BEACH LINCOLN MERCURY, INC.,
a Delaware corporation; PACIFIC FORD, INC.,
17 a Delaware corporation; and DOES 1 through
10, inclusive,

18 Defendants.
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Case No. 23STCV08854

Assigned to the Hon. Lia Martin

RESERVATION NO. 284611162542

**NOTICE OF MOTION AND MOTION FOR
COURT APPROVAL OF THE PARTIES'
PAGA SETTLEMENT; MEMORANDUM OF
POINTS AND AUTHORITIES IN SUPPORT**

Date: December 24, 2024

Time: 9:00 a.m.

Place: Department 3

Complaint Filed: April 21, 2023

Trial Date: None Set

1 **TO THE HONORABLE COURT, ALL PARTIES, AND THEIR ATTORNEYS OF RECORD:**

2 **PLEASE TAKE NOTICE** that on December 24, 2024 at 9:00 a.m., or as soon thereafter as
3 counsel may be heard, in Department 3 of the above-captioned court, located at 111 North Hill Street,
4 Los Angeles, California 90012, the Honorable Lia Martin presiding, Plaintiffs Aram Rosas and David
5 Barrientos will, and hereby do, move this Court for entry of an order and judgment approving the
6 Parties' PAGA settlement pursuant to Labor Code section 2699(s)(2).

7 This Motion is based upon: (1) this Notice of Motion and Motion; (2) the Memorandum of
8 Points and Authorities in Support of Motion for Court approval of the PAGA Settlement; (3) the
9 Declaration of Raul Perez, which attaches the Joint Stipulation of Representative PAGA Action
10 Settlement and Release of Claims; (4) the Declaration of Aram Rosas; (5) the Declaration of David
11 Barrientos; (6) the [Proposed] Order and Judgment Approving the PAGA Settlement Agreement; (7) the
12 records, pleadings, and papers filed in this action; and (8) upon such other documentary and oral
13 evidence or argument as may be presented to the Court at or prior to the hearing of this Motion.

14
15 Dated: November 26, 2024

Respectfully submitted,

16 By: _____

17 Raul Perez
18 Robert J. Drexler, Jr.
Jonathan Lee
CAPSTONE LAW APC

19 Attorney for Plaintiffs Aram Rosas and David
20 Barrientos
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1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 Pursuant to the Labor Code Private Attorneys General Act of 2004 (Lab. Code. §§ 2698, *et seq.*,
4 “PAGA”), Plaintiffs Aram Rosas and David Barrientos (“Plaintiffs”) seek Court approval of the
5 settlement of their claim for PAGA civil penalties with Defendant Long Beach Lincoln Mercury Inc. dba
6 Caruso Ford/Lincoln & RJCCMLB LLC dba Caruso Mazda (“Defendant”) (collectively with Plaintiffs,
7 the “Parties”).

8 The PAGA provides that “[t]he superior court shall review and approve any settlement of any
9 civil action filed pursuant to this part.” Lab. Code § 2699(s)(2). In *Moniz v. Adecco USA, Inc.*, 72 Cal.
10 App. 5th 56 (2021), the Court of Appeal explained that similar to class action settlements, the trial court
11 should satisfy itself that the settlement is “fair, adequate, and reasonable” in view of PAGA’s “purposes
12 and policies.” The statute does not, however, require the two-step process utilized in class actions. *See*
13 *Salazar v. Sysco Central Cal.*, No. 15-01758-DAD, 2017 WL 1135801, *2 (E.D. Cal. Feb. 2, 2017)
14 (rejecting the application of class action settlement rules and procedures for PAGA settlement approval).
15 Nothing in the PAGA changes the strong judicial preference in support of approving settlements.

16 The principal terms of the Joint Stipulation of Representative PAGA Action Settlement and
17 Release of Claims (“PAGA Settlement Agreement”)¹ are as follows:

- 18 (1) A non-reversionary Maximum Settlement Amount of \$300,000, which includes
19 payments to the California Labor and Workforce Development Agency (“LWDA”) and
20 Aggrieved Employees for their respective shares of the Net Settlement Amount,
21 Plaintiffs’ attorneys’ fees and litigation costs, Plaintiffs’ Representative Plaintiff
22 Payments, and settlement administration costs.
- 23 (2) A Net Settlement Amount of approximately \$148,000, which will be paid to Aggrieved
24 Employees and the LWDA in full satisfaction of all PAGA Released Claims (“Net
25 Settlement Amount”).

26
27 ¹ Unless indicated otherwise, all capitalized terms used herein have the same meaning as those
28 defined by the PAGA Settlement Agreement, which is attached as Exhibit 1 to the Declaration of Raul
Perez filed in conjunction with this motion.

- (a) Seventy-five percent of the Net Settlement Amount, or approximately \$111,000, will be paid to the LWDA pursuant to Labor Code section 2699(i).²
- (b) Twenty-five percent of the Net Settlement Amount, or approximately \$37,000, will be paid to Aggrieved Employees.
- (c) Aggrieved Employees are all persons who, during the period from September 12, 2021 through November 28, 2023, have previously been or currently are employed in California by Defendant, as a non-exempt employee (“Aggrieved Employees”). There are approximately 300 Aggrieved Employees.
- (3) Representative Plaintiff Payments of \$10,000 to Plaintiffs as consideration for their service on behalf of the State of California and Aggrieved Employees, and for general releases of all claims they may have against Defendant arising out of their employment.
- (4) Reasonable attorneys’ fees and costs under Labor Code section 2699(k)(1) for PAGA Counsel’s successful prosecution and resolution of this action. Plaintiffs request \$100,000 in attorneys’ fees and \$27,000 in costs for their counsel, Capstone Law APC (“PAGA Counsel”).
- (5) Settlement Administration Costs of approximately \$5,000 to Phoenix Settlement Administrators (“Phoenix”).

The civil penalties secured by the settlement represent a fair compromise of Plaintiffs’ PAGA claim in view of the risks of continued litigation and the hotly contested issues of law and fact relating to PAGA claims. The Settlement accomplishes PAGA’s objectives by imposing sufficient civil penalties “to punish and deter” Defendant from committing any of the Labor Code violations alleged, while also ensuring that the penalties are not “unjust, arbitrary and oppressive, or confiscatory.” Cal. Lab. Code § 2699(e)(2); *Iskanian v. CLS Transp. Los Angeles, LLC*, 59 Cal. 4th 348, 384 (2014).

For these reasons, Plaintiffs respectfully request that the Court approve the Settlement and enter the proposed Order Approving the PAGA Settlement Agreement and the proposed Judgment.

² The PAGA statute was recently amended on July 1, 2024. Certain citations to the PAGA’s provisions in this Motion relate to the pre-amendment version of the statute, which applies to this action based on the pre-amendment filing date of the initial complaint and related administrative exhaustion letter.

II. FACTS AND PROCEDURE

A. Brief Overview of the Litigation and Settlement Negotiations

Plaintiffs filed this PAGA action against Defendant on April 21, 2023. (Declaration of Raul Perez [“Perez Decl.”] ¶ 2.) Plaintiffs’ operative First Amended Complaint seeks PAGA civil penalties for Defendant’s alleged violations of California Labor Code³ sections: (a) 510 and 1198 (unpaid overtime); (b) 1182.12, 1194, 1197, 1197.1, and 1198 (unpaid minimum wages); (c) 226.7, 512(a), 516, and 1198 (failure to provide meal periods); (d) 226.7, 516, and 1198 (failure to authorize and permit rest periods); (e) 226(a), 1174(d), and 1198 (non-compliant wage statements and failure to maintain accurate payroll records); (f) 204 (failure to timely pay wages during employment); (g) 201 and 202 (failure to timely pay final wages upon termination); (h) 246 (unpaid sick leave); (i) 2802 (unreimbursed business expenses); (j) 2810.5(a)(1)(a)-(c) (failure to provide notice of material terms of employment); and (k) 6401 and 6403 (failure to provide safety devices and safeguards. (*Id.*)

Following the exchange of informal discovery, including the production of Defendant’s California labor policies and procedures materials, and Aggrieved Employees’ time and wage records, the Parties participated in a mediation with Lynn Frank, Esq., on September 28, 2023. (*Id.* at ¶ 3.) At all times, the Parties’ negotiations were adversarial and non-collusive. (*Id.*)

Ms. Frank helped to manage the Parties’ expectations and provided a useful, neutral analysis of the issues and risks to both sides. (*Id.* at ¶ 4.) With Ms. Frank’s guidance, the Parties were eventually able to negotiate a complete settlement of Plaintiffs’ claims. (*Id.*) The terms of the settlement are now set forth in complete and final form in the Joint Stipulation of Representative PAGA Action Settlement and Release of Claims. (*Id.*, Ex. 1.)

B. The Parties Negotiated a Fair and Reasonable Settlement of Plaintiffs’ Claims

1. Terms of the Settlement and Distribution of PAGA Penalties

The Settlement Agreement provides that Defendant will pay a total of \$300,000 to settle this Action. (Settlement Agreement ¶ 11.) From this amount, payments will be made: (a) to the LWDA and Aggrieved Employees; (b) to Plaintiffs as compensation for their service on behalf of the State, and for a

³ Unless indicated otherwise, further statutory references are to the California Labor Code.

1 general release of claims arising out of their employment with Defendant; (c) to PAGA Counsel for their
2 attorneys' fees and litigation costs; and (d) and to the Settlement Administrator (Phoenix) for settlement
3 administration costs. (*Id.* at ¶ 49.)

4 The resulting balance will be distributed to the LWDA and Aggrieved Employees: the LWDA
5 will receive approximately \$111,000, and Aggrieved Employees will receive approximately \$37,000.
6 (*Id.*) The Aggrieved Employees encompassed by the proposed Settlement are all persons who, during
7 the period from September 12, 2021 through November 28, 2023, have previously been or currently are
8 employed in California by Defendant, as a non-exempt employee. (*Id.* at ¶¶ 2, 18.) There are
9 approximately 300 Aggrieved Employees.

10 **2. Allocations to the LWDA and Aggrieved Employees**

11 Payments to Aggrieved Employees will be made from the Net Settlement Amount following the
12 deduction of the payment to the LWDA. The individual allocations will be calculated on a pro-rata basis
13 using the number of Pay Periods worked by each Aggrieved Employee during the Representative
14 Period. Defendant will provide the total number of Pay Periods worked by each Aggrieved Employee
15 and the total number of Pay Periods worked by all Aggrieved Employees during the Representative
16 Period. (Settlement Agreement ¶ 46.)

17 The Settlement Administrator will calculate each Aggrieved Employee's payment using the
18 proportional number of Pay Periods during which each Aggrieved Employee worked during the
19 Representative Period. (*Id.*) Thus, the Settlement Administrator will perform the following calculation to
20 calculate individual payments: Settlement Payment = (25% of Net Settlement Amount) × (Pay Periods
21 worked by individual Aggrieved Employee during the Representative Period ÷ total Pay Periods worked
22 by all Aggrieved Employees during the Representative Period). (*Id.*)

23 This is a fair and equitable means of allocating the penalties. Aggrieved Employees who worked
24 for a longer duration during the Representative Period will receive proportionally larger payments than
25 those employees who worked for shorter durations.

26 **3. The Settled PAGA Claims**

27 As of the date of the Judgment, each Aggrieved Employee, will release the Released Parties and
28 the State of California from all PAGA Released Claims during the Representative Period:

1 All causes of action and claims for civil penalties under the California Labor
2 Code Private Attorneys General Act of 2004 that were alleged in the operative
3 complaint in the Action or reasonably could have been alleged based on the facts
4 contained in the operative complaint in the Action or LWDA letters, including
5 claims for civil penalties based on the following: (i) failure to pay all regular rate
6 wages, minimum wages, and overtime wages due; (ii) failure to provide
7 compliant meal periods; (iii) failure to provide compliant rest breaks; (iv) failure
8 to timely pay wages during employment; (v) failure to provide complete,
9 accurate wage statements; (vi) failure to pay wages timely at time of termination
or resignation; (vii) failure to maintain records in accordance with Labor Code
Section 1174; (viii) failure to reimburse necessary expenditures; (ix) failure to
provide notice of material terms of employment under Labor Code Section
2810.5; (x) unpaid sick leave; and/or (xi) claims, causes of action or legal
theories of relief seeking civil penalties under the California Labor Code Private
Attorneys General Act of 2004 plead in the operative complaint and underlying
LWDA Exhaustion Letters filed by both Barrientos and Rosas.

10 (Settlement Agreement ¶ 53.)

11 Additionally, Plaintiffs have agreed to a broader general release of all claims of any kind against
12 Defendant. (*Id.* at ¶¶ 51-52.)

13 **III. ARGUMENT**

14 **A. The PAGA Penalties Secured by the Settlement Are Genuine and Meaningful, and** 15 **Fulfill PAGA’s Underlying Purpose To Benefit the Public**

16 Under PAGA, an aggrieved employee may bring a civil action personally and on behalf of other
17 current or former employees to recover civil penalties for Labor Code violations. *Iskanian*, 59 Cal. 4th at
18 380. Seventy-five percent of any penalties recovered go to the LWDA, leaving the remaining twenty-
19 five percent for aggrieved employees. *Id.* PAGA is intended “to augment the limited enforcement
20 capability of [LWDA] by empowering employees to enforce the Labor Code as representatives of the
21 Agency.” *Id.* at 383. A judgment in a PAGA action binds all those, including non-party aggrieved
22 employees, who would be bound by a judgment in an action brought by the government. *Id.* at 381.

23 A superior court must review and approve any PAGA settlement. Cal. Lab. Code § 2699(l)(2).
24 The court’s review “ensur[es] that any negotiated resolution is fair to those affected.” *Williams v.*
25 *Superior Court*, 3 Cal. 5th 531, 549 (2017). The Court’s evaluation of the settlement must “determine
26 whether it is fair, reasonable, and adequate in view of PAGA’s purposes to remediate present labor law
27 violations, deter future ones, and to maximize enforcement of state labor laws.” *Moniz, Inc.*, 72 Cal. App.
28 5th at 77.

1 The Court’s evaluation of the settlement should therefore not focus on “restitution”—the average
2 recovery per aggrieved employee, as in a class action settlement, but rather take into account PAGA’s
3 statutory purpose in deterring Labor Code violations through the imposition of civil penalties, with
4 special attention on whether the relief is “genuine and meaningful.” *Salazar*, 2017 WL 1135801 at *2.

5 **B. PAGA Counsel Conducted a Thorough Investigation of the Factual and Legal**
6 **Issues and Were Thus Able to Objectively Assess the Settlement’s Reasonableness**

7 As set forth in greater detail in PAGA Counsel’s declaration in support of the Motion, based on
8 their analysis of documents and employee data produced by Defendant—including Defendant’s labor
9 policies and procedures manuals, and Aggrieved Employees’ time and pay records—PAGA Counsel
10 were able to realistically assess the value of Plaintiffs’ claims and intelligently engage defense counsel in
11 settlement discussions that culminated in the proposed settlement now before the Court. (Perez Decl. ¶¶
12 5-9.)

13 By engaging in a thorough investigation and evaluation of Plaintiffs’ claims, PAGA Counsel can
14 opine that the Settlement, for the consideration and on the terms set forth in the Settlement Agreement, is
15 fair, reasonable, and adequate, and is in the best interests of the LWDA and Aggrieved Employees in
16 light of all known facts and circumstances, including the risk of significant delay and uncertainty
17 associated with litigation, various defenses asserted by Defendant. (*Id.* at ¶ 10.)

18 **C. The Settlement Is Reasonable Given the Risks of Further Litigation**

19 In assessing whether the amount of civil penalties is genuine and meaningful, the Court may
20 balance the amount in penalties against the risks of further litigation. Here, Plaintiffs obtained a
21 meaningful amount of civil penalties despite facing hurdles had the litigation continued. Based on
22 information and evidence produced by Defendant during discovery, PAGA Counsel determined that
23 Aggrieved Employees worked during a total of approximately 5,000 pay periods during the PAGA
24 statute of limitations period. Statutory penalties would be calculated according to Labor Code 2699(f)(2):
25 If, at the time of the alleged violation, the person employs one or more employees, the civil penalty is
26 one hundred dollars (\$100) for each aggrieved employee per pay period for the initial violation and two
27 hundred dollars (\$200) for each aggrieved employee per pay period for each subsequent violation.

28 However, a number of courts have found that the “subsequent” penalty under PAGA applies

only after a court or the Labor Commissioner determines that the employer has violated the Labor Code. *See Gunther v. Alaska Airlines, Inc.*, 72 Cal. App. 5th 334, 356 (2021) (“the increased \$200 civil penalty for ‘subsequent violation[s]’ does not apply unless [Plaintiff] presents evidence that the Labor Commission or a court notified [Defendant] that it was in violation of the Labor Code.”); *Bernstein v. Virgin Am., Inc.*, 990 F.3d 1157, 1173 (9th Cir. 2021) (reversing judgment as to “heightened civil penalties” because the defendant was not given notice by the Labor Commissioner when the “subsequent” violations occurred).⁴ Under this line of cases, Defendant’s exposure would be approximately \$500,000 = 5,000 violative pay periods × \$100.

It should be noted that PAGA gives the Court wide latitude to reduce the amount of civil penalties “based on the facts and circumstances of a particular case” when “to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory.” Cal. Lab. Code § 2699(e)(2). In reducing PAGA penalties, courts have considered issues including whether the employees suffered actual injury from the violations, whether the defendant was aware of the violations, and the employer’s willingness to fix the violation. *Carrington v. Starbucks Corp.*, 30 Cal. App. 5th 504, 528 (2018) (awarding PAGA penalties of only 0.2% of the maximum); *see also Cotter v. Lyft, Inc.*, 193 F. Supp. 3d 1030, 1037 (N.D. Cal. 2016); *Fleming v. Covidien Inc.*, No. ED CV 10-01487 RGK (OPX), 2011 WL 7563047, at *4 (C.D. Cal. Aug. 12, 2011).

For example, during the penalty phase of trial in *Carrington*, the plaintiff requested PAGA penalties in the amount of approximately \$70 million. The trial court instead awarded only \$150,000—**or 0.21% of the calculated maximum**—and stated that this reduction was warranted because (a) the Court did not believe it was appropriate to impose multiple penalties per pay period in which a violation

⁴ *See also Vieyara-Flores v. Sika Corp.*, No. EDCV19606JVSKKX, 2019 WL 2436998, at *5 (C.D. Cal. June 10, 2019) (“employers are not subject to heightened penalties . . . until a court or commissioner notifies the employer that it is in violation of the Labor Code . . . [Plaintiff] has not offered evidence that the Labor Commission or a court has notified them of PAGA violations [thus] PAGA’s heightened penalty of \$200 for subsequent violations will not be calculated to determine the amount in controversy”); *Chen v. Morgan Stanley Smith Barney, LLC*, No. 8:14-CV-01077 ODW (FFMx), 2014 WL 4961182 (C.D. Cal., October 2, 2014) (“Under the Labor Code, if an employer does not have notice that they are committing a violation, they are not subject to the heightened penalties.”); *Trang v. Turbine Engine Components Technologies Corp.*, No. CV 12–07658 DDP (RZx), 2012 WL 6618854 (C.D. Cal. Dec. 19, 2012) (“courts have held that employers are not subject to heightened penalties for subsequent violations unless and until a court or commissioner notifies the employer that it is in violation of the Labor Code”), citing *Amaral v. Cintas Corp. No. 2*, 163 Cal. App. 4th 1157 (2008).

1 occurred and (b) imposing the maximum penalty would be “unjust, arbitrary, and oppressive” based on
2 Starbucks’s “good faith attempts” to comply with meal period obligations and because the court found
3 the violations were minimal. *Carrington*, 30 Cal. App. 5th at 517-18. The Court of Appeal affirmed the
4 lower court’s reduced award of a \$150,000 penalty under PAGA. *Id.* at 529. If a similar reduction had
5 been applied here, Plaintiff would have recovered only approximately \$1,050 ($\$500,000 \times 0.0021$
6 reduction).

7 Likewise, in *Covidien*, the Court reduced the potential penalties by over 82%, awarding
8 \$500,000 instead of maximum penalties of \$2.8 million. *Covidien*, 2011 WL 7563047 at *4; *see also*
9 *Thurman v. Bayshore Transit Mgmt.*, 203 Cal. App. 4th 1112, 1135-36 (2012) (affirming 30% reduction
10 under specified PAGA claim where the employer produced evidence that it took its obligations
11 seriously); *Elder v. Schwan Food Co.*, No. B223911, 2011 WL 1797254, at *5-*7 (Cal. Ct. App. May
12 12, 2011) (reversing trial court decision denying any civil penalties where violations had been proven,
13 remanding for the trial court to exercise discretion to reduce, but not wholly deny, civil penalties); *Li v. A*
14 *Perfect Day Franchise, Inc.*, No. 5:10-CV-01189-LHK, 2012 WL 2236752, at *17 (N.D. Cal. June 15,
15 2012) (denying PAGA penalties for violation of California Labor Code section 226 as redundant with
16 recovery on a class basis pursuant to California Labor Code section 226, directly); *Aguirre v. Genesis*
17 *Logistics*, No. SACV 12-00687 JVS (ANx), 2013 WL 10936035 at *2-*3 (C.D. Cal. Dec. 30, 2013)
18 (reducing penalty for past PAGA violations from \$1.8 million to \$500,000, after rejecting numerous
19 other PAGA claims).

20 Considering the issues, defenses, and the risks, a \$300,000 settlement for a limited release of
21 PAGA penalties—no individual wage and hour claims will be extinguished by the Settlement—is a fair
22 and just result and furthers PAGA’s objectives, and is not “unjust, arbitrary, and oppressive.”

23 **D. The Court Should Award the Requested Attorneys’ Fees in the Amount of**
24 **Approximately One-Third of the Gross Settlement Fund**

25 For the reasons discussed in detail below, an award of attorneys’ fees in the amount of
26 approximately one-third of the gross settlement fund is fair and reasonable, and in line with what other
27 California courts, both state and federal, have awarded in settlements of similar litigation.

28 The PAGA provides that a plaintiff is entitled to recover reasonable attorneys’ fees, expenses,

1 and costs. Section 2699(k)(1) of the California Labor Code provides that “[a]ny employee who prevails
2 in any action shall be entitled to an award of reasonable attorney’s fees and costs.” In a *qui tam* action,
3 reasonable attorneys’ fees and costs are typically awarded under the common fund doctrine where, as
4 here, the litigation creates a common fund of money in a specific amount for the benefit of others. PAGA
5 “is a type of *qui tam* action.” *See Iskanian*, 59 Cal. 4th at 382. “A *qui tam* action ‘is a type of private
6 attorney general lawsuit’ [citation], in which ‘the *qui tam* plaintiff stands in the shoes of the state or
7 political subdivision [citation].’” *People ex rel. Strathmann v. Acacia Research Corp.*, 210 Cal. App. 4th
8 487, 501 (2012).

9 A PAGA action is a *qui tam* action because the statute allows the employee plaintiff, acting as
10 the proxy of the State’s labor law enforcement agency, to sue his or her employer for Labor Code
11 violations and recover civil penalties that otherwise would have been assessed and collected by the
12 LWDA. *See Iskanian*, 59 Cal. 4th at 382. Indeed, the majority of the civil penalties recovered in a PAGA
13 action are paid to the State, with a smaller portion paid to the aggrieved employees (e.g., 75% paid to the
14 state; 25% paid to the aggrieved employees). *See Cal. Lab. Code § 2699(i)*. Where, as here, a common
15 fund is created in a *qui tam* action by the successful litigation of a plaintiff and her attorneys, the
16 plaintiff’s attorneys are entitled to recover their fees from the common fund:

17 Those benefiting from the recovery of the fund, in this case some depositors and
18 eventually the People of the State of California, must bear their share of the cost of
19 litigation. Fees for taxpayers’ attorneys will be deducted from the judgment, and each
20 claimant’s share reduced proportionately. To the extent the judgment relies upon section
1021.5 for recovery of attorney fees, it must be modified to confine the award of fees to
the common fund theory.

21 *Bank of America v. Cory*, 164 Cal. App. 3d 66, 91 (1985) (authorizing common fund fees in a *qui tam*
22 taxpayer suit against certain banks).

23 Likewise, through the successful efforts of Plaintiffs and their attorneys, a common fund was
24 created in the amount of \$300,000 for the benefit of the employees and the State of California. Thus,
25 these beneficiaries must bear their share of the costs and attorneys’ fees, to be deducted from the gross
26 settlement fund under the common fund theory. *Id.* Such fees are deducted as a percentage of the
27 settlement amount. *See, e.g., Boeing Co. v. Van Gernert*, 444 U.S. 472, 478-482 (1980); *Six (6) Mexican*
28 *Workers v. Arizona Citrus Growers*, 904 F.2d 1301, 1311 (9th Cir. 1990); *Williams v. MGM-Pathe*

1 *Communications Co.*, 129 F.3d 1026, 1027 (9th Cir. 1997); *Staton v. Boeing Co.*, 327 F.3d 938, 967 (9th
2 Cir. 2003).

3 The California Supreme Court recently upheld the use of the common fund theory of recovery
4 for attorneys' fees in *Laffitte v. Robert Half Int'l Inc.*, 1 Cal. 5th 480, 506 (2016). In *Laffitte*, the
5 settlement created a common fund of \$19 million. The Court approved the award of attorneys' fees in
6 the amount of one third of the gross \$19 million settlement (e.g., an award of \$6.33 million) under the
7 common fund theory. *Id.* By awarding counsel a percentage of the total recovery, rather than fees based
8 on hours worked, the common fund method encourages attorneys to efficiently litigate to achieve the
9 best results possible. *See Laffitte*, 1 Cal. 5th at 492-494. Indeed, "the percentage method is generally
10 favored in common fund cases because it allows courts to award fees from the fund in a manner that
11 rewards counsel for success and penalizes it for failure. *Id.* at 493 (quoting *In re Rite Aid Corp. Securities*
12 *Litig.*, 396 F.3d 294, 300 (3d Cir. 2005) (internal quotations omitted).

13 As a California appellate court very recently confirmed, "fee awards in class actions average
14 around one-third of the recovery' regardless of 'whether the percentage method or the lodestar method is
15 used." *Amaro v. Anaheim Arena Mgmt., LLC*, 69 Cal. App. 5th 521, 545 (2021) (quoting *Chavez v.*
16 *Netflix, Inc.*, 162 Cal. App. 4th 43, 66, fn. 11 (2008)).

17 Consistent with that observation, California state and federal courts routinely award attorneys'
18 fees equaling one-third of the common fund. *See, e.g. Laffitte v. Robert Half Internat. Inc.*, 231 Cal. App.
19 4th 860, 871 (2016) ("33 1/3 percent of the common fund is consistent with, and in the range of, awards
20 in other class action lawsuits"); *Chavez*, 162 Cal. App. 4th at 66 n.11 ("Empirical studies show that,
21 regardless whether the percentage method or the lodestar method is used, fee awards in class actions
22 average around one-third of the recovery."); Eisenberg & Miller, *Attorney Fees in Class Action*
23 *Settlements: An Empirical Study*, J. of Empirical Legal Studies, Vol. 1, Issue 1, 27-78, March 2004, at 35
24 (independent studies of class action litigation nationwide conclude that fees representing one-third of the
25 total recovery is consistent with market rates). Notably, the California Supreme Court in *Laffitte v.*
26 *Robert Half Internat. Inc.* affirmed a fee award representing one-third of the fund. *Laffitte*, 231 Cal. App.
27 4th at 506.

28 A fee award in the amount of one-third of the common fund is also reasonable because it best

reflects the market rate for contingency fees. *See Lealao v. Beneficial Cal. Inc.*, 82 Cal. App. 4th 19, 47 (2000) (“attorneys providing the essential enforcement services must be provided incentives roughly comparable to those negotiated in the private bargaining that takes place in the legal marketplace. . . .”). Fees representing one-third of the recovery reflect the rate negotiated in “typical contingency fee agreements [which] provide that class counsel will recover 33% if the case is resolved before trial and 40% if the case is tried.” *Fernandez v. Victoria Secret Stores, LLC*, No. CV 06-04149 MMM SHX, 2008 WL 8150856, at *16 (C.D. Cal. July 21, 2008) (citing an academic study collecting contingency fee agreements and finding that a fee award constituting 34% of the fund is reasonable on that basis). Because the negotiated fee structure mimics the marketplace, it is reasonable and should be approved.

A one-third common fund⁵ attorneys’ fee award is also consistent with what courts have awarded in other representative action cases. The following list shows PAGA actions where attorneys’ fees were awarded on a common fund basis:

- *Cruz v. Wal-Mart Associates, Inc.*, Los Angeles Superior Court, No. 18STCV03128 (May 28, 2021) (approving fee award from PAGA-only settlement of \$5 million against a common fund of \$15 million);
- *Jones v. J.C. Penney Corporation*, Los Angeles Superior Court, Case No. BC451823 (April 20, 2017) (approving fee award from PAGA-only settlement of \$1.375 million against a common fund of \$3.2 million (42%));
- *Garcia v. Macy’s*, San Bernardino County Superior Court, Case No. CIVDS1516007 (Sept. 13, 2017) (33.33% fee awarded on \$12,500,000 settlement of a PAGA only case);
- *Garcia v. Pep Boys*, Orange County Superior Court, Case No. 30-2014-00720574-CU-OE-CJC (July 14, 2016) (33.33% fee awarded on a \$1,030,000 settlement of a PAGA only case);
- *Brewer v. Connell Chevrolet*, Orange County Superior Court, Case No. 30-2016-00852123-CU-OC-CXC (June 15, 2017) (33.33% fee awarded on a PAGA only case);
- *Perez v. Staffmark Investment, LLC*, Riverside County Superior Court, Case No. MCC1401137 (May 23, 2016) (33.33% fee awarded on a \$650,000 settlement of a PAGA only case).

⁵ Court have also approved fees in amounts greater than one-third of the common fund. *See Charles v. JPMorgan Chase Bank*, No. CGC-14-538933 (San Francisco County Superior Court June 18, 2019) (awarding plaintiffs \$2.88 million in attorneys’ fees on PAGA penalties totaling \$2.7 million); *Boseman v. VXi Global Solutions, LLC*, No. BC602442 (Los Angeles County Superior Court Jan. 3, 2019) (awarding plaintiff \$750,000 in attorneys’ fees and costs on general PAGA penalties totaling \$585,000); *Salas v. Hallmark Aviation Services LP*, No. BC586585 (Los Angeles County Superior Court February 17, 2017) (awarding plaintiff \$600,000 in attorneys’ fees on PAGA penalties totaling \$605,000); *Monroe v. Continental Design Co., Inc.*, No. RG16817667 (Alameda County Superior Court June 21, 2017) (awarding plaintiff \$110,000 in fees on PAGA penalties totaling \$90,000); *Ramirez v. Benito Valley Farms, LLC*, No. 16-CV-04708-LHK, 2017 WL 3670794, at *6 (N.D. Cal. Aug. 25, 2017) (awarding attorneys’ fees under the lodestar method with no regard to the proportion of the fees to civil penalties).

1 An award of fees from the gross settlement amount under the common fund doctrine prevents
2 unjust enrichment of those who benefit from the common fund created through the successful efforts of
3 plaintiff's counsel and furthers the important goal of attracting competent counsel to handle
4 representative actions enforcing minimum labor standards. *Laffitte*, 1 Cal. 5th at 503. In affirming the use
5 of the common fund doctrine in California, the California Supreme Court summarized the benefits of the
6 percentage method of recovery stating: "The recognized advantages of the percentage method—
7 including relative ease of calculation, alignment of incentives between counsel and the class, a better
8 approximation of market conditions in a contingency case, and the encouragement it provides counsel to
9 seek an early settlement and avoid unnecessarily prolonging the litigation [citations]—convince us the
10 percentage method is a valuable tool that should not be denied our trial courts." *Id.*

11 For all of these reasons, a common fund fee award in the amount of \$100,000 is fair and
12 reasonable.

13 **E. A Lodestar Cross-Check Confirms that the Requested Attorneys' Fees Are Fair**
14 **and Reasonable**

15 The trial court may use an abbreviated lodestar "cross-check" for common fund awards if the
16 court considers it useful. *Laffitte II*, 1 Cal. 5th at 504-05. However, under *Laffitte II*, this is not meant to
17 displace the percentage analysis, but rather to act as a backstop. Indeed, the Supreme Court expressly
18 instructed that "the lodestar calculation, when used in this manner, does not override the trial court's
19 primary determination of the fee as a percentage of the common fund and thus does not impose an
20 absolute maximum or minimum on the fee award." *Laffitte II*, 1 Cal. 5th at 505. Critically, the Court in
21 *Laffitte II* emphasized that only where the "multiplier calculated by means of a lodestar cross-check is
22 **extraordinarily high or low**" should the court "consider whether the percentage should be adjusted so
23 as to bring the imputed multiplier within a justifiable range." *Id.* (emphasis added). Accordingly, when
24 the cross-check multiplier is within a normal range, the lodestar-cross check does not provide a basis for
25 a court to reduce the fee award. Furthermore, in conducting a lodestar cross-check, the court is not
26 "required to closely scrutinize each claimed attorney-hour." *Laffitte II*, 1 Cal. 5th at 505. An evaluation
27 may be done by reviewing "counsel declarations summarizing overall time spent." *Id.*

28 In conducting a lodestar cross-check, the Court first determines a lodestar value for the fees by

1 multiplying the time reasonably spent by plaintiffs' counsel on the case by a reasonable hourly rate. *In re*
2 *Consumer Privacy Cases*, 175 Cal. App. 4th 545, 556-57 (2009). To determine whether the requested
3 rate is reasonable, courts look to the prevailing rate for similar work in the pertinent geographic region.
4 *PLCM Group v. Drexler*, 22 Cal. 4th 1084, 1096-97 (2000) (using prevailing hourly rate in community
5 for comparable legal services even though party used in-house counsel). Here, PAGA Counsel's hourly
6 rates are comparable to, or less than, those charged by other representative action plaintiffs' counsel and
7 the firms defending PAGA actions, and have been approved by numerous federal and state courts.
8 (Perez Decl. ¶¶ 20-23, Ex. 2.)

9 Likewise, the total attorney hours expended on this action are reasonable and in line with
10 comparable cases. In determining the reasonableness of the hours expended, "the court should defer to
11 the winning lawyer's professional judgment as to how much time he was required to spend on the case;
12 after all, he won, and might not have, had he been more of a slacker." *Kerkeles v. City of San Jose*, 243
13 Cal. App. 4th 88, 104 (2015) (quoting *Moreno v. City of Sacramento*, 534 F.3d 1106, 1112 (9th Cir.
14 2008)). PAGA Counsel billed a total of approximately 260 hours. (Perez Decl. ¶ 20.)

15 Multiplying the total hours billed by PAGA Counsel to the litigation by their reasonable hourly
16 rates yields a lodestar of \$175,835. (Perez Decl. ¶ 20.) When plaintiffs seek an amount in fees that is less
17 than what they actually billed, the requested fee amount is generally considered reasonable. *See, e.g.,*
18 *Chun-Hoon v. McKee Foods Corp.*, 716 F. Supp. 2d 848, 854 (N.D. Cal. 2010) (finding that, if the court
19 is asked to apply a negative multiplier, it "suggests the negotiated fee award is a reasonable and fair
20 valuation of the services rendered to the class by Plaintiff's Counsel.").

21 Plaintiffs' Counsel would otherwise be entitled to a **positive** multiplier based on factors most
22 commonly cited by courts, including: (1) the results obtained; (2) the contingent nature of the fee award;
23 and (3) the skill displayed by counsel. *See Serrano III*, 20 Cal. 3d at 49; *Thayer v. Wells Fargo Bank*, 92
24 Cal. App. 4th 819, 835 (2001) (recognizing "results obtained" as a factor). Additionally, under California
25 law, a 1.5 multiplier would be awarded **for the contingent risk factor alone**, and without the presence of
26 other factors. *See Ctr. for Biological Diversity v. Cty. of San Bernardino*, 185 Cal. App. 4th 866, 900
27 (2010) (affirming a 1.5 risk multiplier in a non-complex statutory case and expressly rejecting the
28 application of other multiplier factors). *See also Amaral v. Cintas Corp. No. 2*, 163 Cal. App. 4th 1157,

1 1174 (2008) (affirming a 1.65 contingent risk multiplier in a wage and hour class action, explaining that
2 “counsel risked never receiving any compensation *at all*” (emphasis in original)); *Pellegrino v. Robert*
3 *Half Int’l*, 182 Cal. App. 4th 278, 292 (2010) (affirming a 1.75 multiplier due, in part, to “Plaintiff’s
4 Counsel not being paid for their work in the event that [defendant] prevailed on [an] affirmative
5 defense.”).

6 The lodestar cross-check thus confirms that Plaintiffs’ fee request is fair and reasonable and
7 should be approved.

8 **F. The Requested Recovery In Litigation Expenses Is Reasonable**

9 PAGA Counsel are entitled to reimbursement of their discretionary litigation costs. Cal. Lab.
10 Code § 2699(k)(1). Out-of-pocket discretionary expenses are compensable if they would normally be
11 billed to a fee-paying client. *See Beasley v. Wells Fargo Bank*, 235 Cal. App. 3d 1407, 1419 (1991),
12 *overruled in part on other grounds in Olson v. Automobile Club of Southern Calif.*, 42 Cal. 4th 1142
13 (2008). Such discretionary costs may be claimed as part of an attorneys’ fees motion when seeking
14 statutory fees under the Labor Code. *See Amaral v. Cintas Corp. No. 2*, 163 Cal. App. 4th 1157, 1218
15 n.27 (2008) (awarding costs that are necessarily incurred).

16 As itemized in the Perez Decl., PAGA Counsel advanced \$45,384.54 in out-of-pocket costs to
17 the State for, among other things, filing fees, courier fees, consultant fees, and mediation fees. (Perez
18 Decl. ¶ 24.) Because these reasonable costs were necessarily incurred during the case’s pendency, the
19 requested costs award of \$27,000 is reasonable and should be awarded. *See also* Cal. Civ. Pro. Code §
20 1033.5(c)(4) (“[i]tems not mentioned in this section and items assessed upon application may be allowed
21 or denied in the court’s discretion.”); *Hsu v. Semiconductor Sys., Inc.*, 126 Cal. App. 4th 1330, 1341
22 (2005) (“[W]hile it is reasonable to interpret a general contractual cost provision by reference to an
23 established statutory definition of costs, we do not discern any legislative intent to prevent sophisticated
24 parties from freely choosing a broader standard authorizing recovery of reasonable litigation charges and
25 expenses.”).

26 **G. The Court Should Approve the Negotiated Service Award Payment**

27 Paragraph 49(a) of the PAGA Settlement Agreement provides that Defendant will pay Plaintiffs
28 the sum of \$10,000, each, for their service on behalf of the LWDA and Aggrieved Employees, and for a

1 general release of all claims arising out of their employment. This release covers not only the settled
2 PAGA claims, but any and all claims arising out of Plaintiffs' employment.

3 The additional settlement payments are justified in light of the reputational risk that Plaintiffs
4 assumed by litigating claims against a former employer. *See Billingham v. Tractor Supply Co.*, 306
5 F.R.D. 245, 267-68 (N.D. Cal. 2015) (finding "personal detriment" upon testimony that future
6 employers can easily learn that a prospective employee served as a plaintiff through the internet); *see*
7 *also Guippone v. BH S&B Holdings LLC*, No. 09 Civ. 1029, 2011 U.S. Dist. LEXIS 126026, at **4, 20
8 (S.D.N.Y. Oct. 28, 2011) ("[T]he fact that a plaintiff has filed a federal lawsuit is searchable on the
9 internet and may become known to prospective employers when evaluating the person . . . Even where
10 there is not a record of actual retaliation, notoriety, or personal difficulties, [representative Plaintiffs]
11 merit recognition for assuming the risk of such for the sake of absent [parties].").

12 Employers commonly screen employee candidates to determine whether they have ever filed
13 suit, and employee candidates who might be branded "litigious" are likely to be screened out of the
14 process. In fact, an entire industry has developed for providing employers with background information
15 on employee candidates. By bringing this action against an employer, Plaintiffs have assumed
16 considerable reputational risk that may impact their ability to find employment in the future. *La Fleur v.*
17 *Medical Management Intern, Inc.*, No. 13-00398-VAP, 2014 WL 2967475, *8 (C.D. Cal. June 25,
18 2014) (awarding \$15,000 to each named plaintiff in part for attesting to their fear that the lawsuit will
19 harm their future job prospects in the industry).

20 Second, the separate settlement payments are reasonable because Plaintiffs "remained fully
21 involved and expended considerable time and energy during the course of the litigation." *See In re Toys*
22 *'R' Us-Del FACTA Litig.*, 295 F.R.D. at 471 (citation omitted). Plaintiffs devoted their time and effort
23 toward assisting their attorneys with the prosecution of the claims, and assisted counsel with finalizing
24 the settlement.

25 The separate payments are also appropriate because Plaintiffs otherwise "will not gain any
26 benefit beyond that [they] would receive as an ordinary [Aggrieved Employee]." *In re Toys "R" Us*
27 *FACTA Litig.*, 295 F.R.D. at 472; *Van Vranken*, 901 F. Supp. at 299 (holding that a substantial award is
28 appropriate where a [representative's] claim made up "only a fraction of the common fund."). Here,

absent the separate payments, Plaintiffs will recover no more than other Aggrieved Employees, despite undergoing personal sacrifice in bringing this suit on behalf of the State of California and Aggrieved Employees.

The Representative Plaintiff Payments are also justified in light of the Civil Code section 1542 waivers and general releases that Plaintiffs are required to provide Defendant as a condition of settlement. Under the Civil Code section 1542 releases, Plaintiffs will release any and all known and unknown claims they may have against Defendant arising out of their employment. These general releases are considerably broader than the separate, narrower release required of Aggrieved Employees. *See, e.g., Billingham v. Tractor Supply Co.*, 306 F.R.D. 245, 267-68 (N.D. Cal. 2015) (awarding the plaintiff \$5,000 for the general release along with \$10,000 enhancement payment for services as a class representative); *La Fleur v. Medical Management Intern, Inc.*, No. 13-00398-VAP, 2014 WL 2967475, *8 (C.D. Cal. June 25, 2014) (finding that the \$15,000 enhancement payment is warranted in part because “the named plaintiffs have released all claims against [defendant], unlike the remainder of the Class”).

Lastly, because PAGA is a “type of qui tam action,” it is appropriate for the Plaintiffs to receive modest additional payments from the settlement as a “bounty” for their special effort in vindicating the State’s interests by enforcing its labor laws. *See Iskanian*, 59 Cal. 4th at 382 (“A PAGA representative action is therefore a type of qui tam action.”); *see also People ex rel. Strathmann v. Acacia Research Corp.*, 210 Cal. App. 4th 487, 500 (2012) (“The person who brings the qui tam action, called the ‘relator,’ stands in the shoes of the People of the State of California, who are deemed to be the real party in interest . . . The relator in a qui tam action under section 1871.7 does not personally recover damages but, if successful, receives [a portion] of the recovery as a bounty.”) (internal citations omitted).

Such a payment incentivizes employees to step forward to enforce the Labor Code. *See MMM Holdings, Inc. v. Reich*, 21 Cal. App. 5th 167, 180 (2018) (“The bounty advances the public purpose and benefit by encouraging private qui tam actions; indeed, this prospect of reward may be the only means of inducing such private parties to come forward with their information.”) (internal quotations omitted). This is especially important in this context, as “the lack of government resources to enforce the Labor Code led to a legislative choice to deputize and incentivize employees uniquely positioned to detect and

1 prosecute such violations through the PAGA.” *Iskanian*, 59 Cal. 4th at 390. Absent the incentive
2 payment, fewer employees would be willing to step forward, and PAGA’s primary purpose—
3 enforcement of the Labor Code—would be substantially undermined.

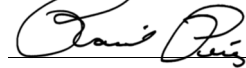
4 **IV. CONCLUSION**

5 The Parties have negotiated a fair and reasonable settlement of Plaintiffs’ PAGA claims. Having
6 appropriately presented the materials and information necessary for approval, the Parties request that the
7 Court approve the PAGA Settlement Agreement.

8
9 Dated: November 26, 2024

Respectfully submitted,

10 By:



Raul Perez

Robert J. Drexler, Jr.

Jonathan Lee

CAPSTONE LAW APC

11
12
13 Attorney for Plaintiffs Aram Rosas and David
14 Barrientos



Make a Reservation

ARAM ROSAS, et al. vs LONG BEACH LINCOLN MERCURY, INC., et al.

Case Number: 23STCV08854 Case Type: Civil Unlimited Category: Other Employment Complaint Case
Date Filed: 2023 04 21 Location: Stanley Mosk Courthouse Department 3

Reservation	
Case Name: ARAM ROSAS, et al. vs LONG BEACH LINCOLN MERCURY, INC., et al.	Case Number: 23STCV08854
Type: Motion for Order (Approving PAGA Settlement)	Status: RESERVED
Filing Party: Aram Rosas (Plaintiff)	Location: Stanley Mosk Courthouse Department 3
Date/Time: 12/24/2024 9:00 AM	Number of Motions: 1
Reservation ID: 284611162542	Confirmation Code: CR-4SPCBYILUHY6AZ56E

Fees			
Description	Fee	Qty	Amount
Motion for Order (name extension)	60.00	1	60.00
Credit Card Percentage Fee (2.75%)	1.65	1	1.65
TOTAL			\$61.65

Payment	
Amount: \$61.65	Type: [REDACTED]
Account Number: [REDACTED]	Authorization: 00060G
Payment Date: 1969-12-31	

Print Receipt

Reserve Another Hearing

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8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **FOR THE COUNTY OF LOS ANGELES**
10

11 ARAM ROSAS and DAVID BARRIENTOS,
as aggrieved employees pursuant to the Private
12 Attorneys General Act ("PAGA"), on behalf of
the State of California and other aggrieved
13 employees,

14 Plaintiffs,

15 vs.

16 LONG BEACH LINCOLN MERCURY, INC.,
a Delaware corporation; PACIFIC FORD, INC.,
17 a Delaware corporation; and DOES 1 through
10, inclusive,
18

19 Defendants.

Case No. 23STCV08854

Assigned to the Hon. Lia Martin

**DECLARATION OF RAUL PEREZ IN
SUPPORT OF MOTION FOR COURT
APPROVAL OF THE PARTIES' PAGA
SETTLEMENT**

Date: December 24, 2024

Time: 9:00 a.m.

Place: Department 3

Complaint Filed: April 21, 2023

Trial Date: None Set

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complete and final form in the Joint Stipulation of Representative PAGA Action Settlement and Release of Claims, attached as **Exhibit 1**. A copy of the Joint Stipulation of Representative PAGA Action Settlement and Release of Claims has been uploaded to the LWDA's website.

5. It is my opinion that the Settlement constitutes a fair, adequate, and reasonable compromise of the claims at issue. This opinion is informed by my experience litigating and settling wage and hour actions, and my firm's thorough investigation into the factual and legal issues implicated by Plaintiffs' claims and Defendant's defenses.

6. Prior to filing the action, Plaintiffs contacted Plaintiffs' Counsel to discuss the factual bases for pursuing a PAGA action against Defendant for Labor Code violations. Both Plaintiffs were intimately familiar with Defendant's labor policies and practices, and knowledgeably summarized those policies and practices to Plaintiffs' Counsel. They explained how the policies and practices were instituted, and provided valuable insight into how they gave rise to the alleged Labor Code violations. Based on this information, Plaintiffs' Counsel determined that there were legally sufficient grounds for pursuing their PAGA claims against Defendant.

7. Plaintiffs' Counsel prepared detailed letters to notify the LWDA of Plaintiffs' intent to seek civil penalties and other available relief recoverable under PAGA for Labor Code violations. Significant research and effort were expended to prepare a PAGA notice that was consistent with the developing legal requirements so as to withstand any challenge from Defendant regarding the notice's sufficiency. And in preparation for drafting the initial and amended Complaints, Plaintiffs' Counsel conducted their own preliminary investigation into the factual bases for Plaintiffs' claims, which entailed, *inter alia*, a careful examination of Plaintiffs' employment records.

8. In response to Plaintiffs' informal discovery requests, Plaintiffs' Counsel received a considerable amount of documents and data, including employee demographic data, Aggrieved Employees' time and pay records, and Defendant's California labor policies and procedures manuals. The document and data exchanges allowed Plaintiffs' Counsel to fully assess the nature and magnitude of the claims being settled, as well as the impediments to recovery, and ultimately enabled Plaintiffs' Counsel so as to make an independent assessment of the reasonableness of the settlement's terms.

9. In summary, Plaintiffs' Counsel performed a thorough investigation into the claims at

1 issue, which included: (a) determining Plaintiffs' suitability as private attorneys general through
2 interviews, background investigations, and analyses of their employment files and related records; (b)
3 evaluating all of Plaintiffs' potential representative claims; (c) researching similar PAGA actions as to
4 the claims brought, the nature of the positions, and the type of employer; (d) analyzing Aggrieved
5 Employees' time and wage records; (e) reviewing Defendant's labor policies and procedures manuals;
6 (f) researching settlements in similar cases; (g) evaluating Plaintiffs' claims and estimating Defendant's
7 liability for purposes of settlement; (h) drafting the mediation brief; and (i) participating in the mediation.

8 10. By engaging in such a thorough investigation and evaluation of Plaintiffs' PAGA
9 claims, Plaintiffs' Counsel can opine that the Settlement, for the consideration and on the terms set forth
10 in the Settlement Agreement, is fair, reasonable, and adequate, and is in the best interests of LWDA and
11 Aggrieved Employees in light of all known facts and circumstances, including the risk of significant
12 delay and uncertainty associated with litigation, and various defenses asserted by Defendant.

13 CAPSTONE LAW APC FIRM PROFILE

14 11. Since its founding in 2012, Capstone has emerged as a major force in aggregate
15 litigation, making law on cutting-edge issues.

16 12. In February, 2015, Ryan H. Wu and I were honored with the *California Lawyer*
17 Attorney of the Year (CLAY) award in labor and employment for our work in the landmark case
18 *Iskanian v. CLS Transportation Los Angeles*, 59 Cal.4th 348 (2014), which preserved the right of
19 California workers to bring representative actions under the Labor Code Private Attorneys General Act
20 ("PAGA") notwithstanding a representative action waiver in an arbitration agreement.

21 13. Recognized as a leading firm in the prosecution of PAGA enforcement actions,
22 Capstone is responsible for some of the most important decisions in this area. In *Williams v. Superior*
23 *Court (Marshalls of Calif.)*, 3 Cal.5th 531 (2017), Capstone attorneys achieved a watershed decision
24 before the California Supreme Court as to the broad scope of discovery in PAGA actions. In *Baumann v.*
25 *Chase Inv. Servs. Corp.*, 747 F.3d 1117 (9th Cir. 2014), a case of first impression, Capstone successfully
26 argued that PAGA actions are state enforcement actions not covered by the Class Action Fairness Act.

27 14. Capstone has made important contributions to consumer protection law. In *McGill v.*
28 *Citibank N.A.*, 2 Cal. 5th 945 (2017), Capstone represented plaintiffs in a major decision holding that the

1 right to seek public injunctive relief under the state’s consumer protection laws cannot be waived and
2 that consumers need not satisfy class certification requirements to enjoin unfair business practices on
3 behalf of the public. In *Nguyen v. Nissan N.A.*, 726 F.3d 811 (9th Cir. 2019), Capstone attorneys reversed
4 a denial of class certification, making law that clarified the use of “benefit of the bargain” damages
5 models in consumer class actions.

6 15. Capstone served as class counsel in a number of significant wage and hour settlements,
7 including \$12 million on behalf of a nationwide class of in *Hightower v. JPMorgan Chase Bank*, Case
8 No. 11-01802 (C.D. Cal.), over \$10 million on behalf of non-exempt hourly workers in *Zamora v.*
9 *Balboa Life & Casualty LLC*, Case No. BC360026 (L.A. Super. Ct.); and \$9 million on behalf of
10 pharmacists in *Dittmar v. Costco Wholesale Corp.*, No. 14-1156 (S.D. Cal.). In *Vorise v. 24 Hour*
11 *Fitness USA, Inc.*, No. C 15-02051 (Contra Costa Super. Ct.), Capstone and co-counsel negotiated an
12 \$11 million PAGA settlement on behalf of over 36,000 employees for Labor Code violations.

13 16. Capstone has an established practice in automotive defect class actions and is currently
14 appointed sole class counsel, following contested class certification, in *Victorino v. FCA US, LLC*, No.
15 16-1617-GPC, 2019 WL 5268670 (S.D. Cal. Oct. 17, 2019) and *Salas v. Toyota Motor Sales, U.S.A.,*
16 *Inc.*, No. 15-8629-FMO, 2019 WL 1940619 (C.D. Cal. Mar. 27, 2019).

17 17. Capstone has settled over 100 high-stakes class and representative actions. Capstone’s
18 settlements have directly compensated hundreds of thousands of California workers and consumers.
19 Capstone’s actions have also forced employers to modify their policies for the benefit of employees,
20 including changing the compensation structure for commissioned employees and changing practices to
21 ensure that workers will be able to take timely rest and meal breaks. A leader in prosecuting PAGA
22 enforcement actions, Capstone has secured millions of dollars in civil penalties for the State of
23 California.

24 18. The following is a representative sample of Capstone’s settlements:

- 25 a. *Navarro v. United Parcel Service, Inc.*, No. BC592098 (LA County
26 Superior Court): gross settlement of \$16.5 million on behalf of
27 approximately 180,000 non-exempt employees for wage and hour
28 violations;

- b. *Hightower et al v. Washington Mutual Bank*, No. 2:11-cv-01802-PSG-PLA (N.D. Cal.): gross settlement of \$12 million on behalf of approximately 150,000 personal bankers, tellers, sales associates, and assistant branch manager trainees for wage and hour violations;
- c. *Vargas v. Ford Motor Co.*, 12-08388-AB (C.D. Cal.): providing cash payments and unique buyback program for nearly 2 million consumers;
- d. *Moore v. Petsmart, Inc.*, No. 5:12-cv-03577-EJD (N.D. Cal.): gross settlement of \$10 million on behalf of over 19,000 non-exempt PetSmart employees for wage and hour violations;
- e. *Dittmar v. Costco Wholesale Corp.*, No. 14-1156 (S.D. Cal.): gross settlement of \$9 million on behalf of approximately 1,200 pharmacists for wage and hour violations;
- f. *Perrin v. Nabors Well Services Co.*, No. 56-2007-00288718 (Ventura Super. Ct.): gross settlement of over \$6.5 million on behalf of oil rig workers for sleep time and other wage violations;
- g. *Cook v. United Insurance Co.*, No. C 10-00425 (Contra Costa Super. Ct.): gross settlement of \$5.7 million on behalf of approximately 650 sales representatives;
- h. *Alvarez v. MAC Cosmetics, Inc.*, No. CIVDS1513177 (San Bernardino Super. Ct.): gross settlement of \$5.5 million for approximately 5,500 non-exempt employees.
- i. *Aceves v. AutoZone, Inc.*, No. 14-2032 (C.D. Cal.): gross settlement of \$5.4 million in a case alleging FCRA violations;
- j. *Berry v. Urban Outfitters Wholesale, Inc.*, No. 13-02628 (N.D. Cal.): gross settlement of \$5 million on behalf of over 12,000 nonexempt employees;
- k. *The Children's Place Retail Stores Wage & Hour Cases*, No. JCCP 4790: gross settlement of \$5 million on behalf of 15,000 non-exempt

employees;

- l. *York v. Starbucks Corp.*, Case No. 08-07919 (C.D. Cal.): gross settlement of nearly \$5 million on behalf of over 100,000 non-exempt workers for meal break and wage statement claims;
- m. *Rodriguez v. Swissport USA*, No. BC 441173 (Los Angeles Super. Ct.): gross settlement of nearly \$5 million on behalf of 2,700 non-exempt employees following contested certification;
- n. *Asghari v. Volkswagen Group of North America*, Case No. 13-02529 (C.D. Cal.): Settlement providing complementary repairs of oil consumption defect, reimbursement for repairs, and extended warranty coverage of certain Audi vehicles valued at over \$20 million;
- o. *Klee v. Nissan of North America*, Case No. 12-08238 (C.D. Cal.): Settlement providing complimentary electric vehicle charging cards and extending warranty coverage for the electric battery on the Nissan Leaf valued at over \$10 million.

19. Attached as **Exhibit 2** is a true and correct copy of Capstone's firm resume.

ATTORNEYS' FEES AND COSTS

20. I have reviewed a summary of the billing records for this action, which are maintained during the regular course of business and billed contemporaneously. The bill for attorneys' fees is summarized in the chart below:

Attorney	Title	CA Bar Yr.	Rate	Hours	Fees
Robert Drexler	Partner	1985	\$950	18	\$17,100.00
Molly DeSario	Fmr. Senior Counsel	2004	\$700	113.1	\$79,170.00
Mao Shiokura	Senior Counsel	2009	\$625	31.7	\$19,812.50
Jonathan Lee	Senior Counsel	2009	\$625	29.3	\$18,312.50
Anthony Castillo	Senior Counsel	2009	\$625	28.2	\$17,625.00
Ninel Kocharyan	Associate	2014	\$550	43.3	\$23,815.00
Total				263.6	\$175,835.00

21. While adjusting our rates to track market increases, Capstone's rates have steadily remained reasonable and competitive, and have been consistently approved by many federal and state

1 courts over the past several years. *See, e.g., Jones v. LA Live Theatre LLC*, No. BC687908 (Los Angeles
2 County Superior Court Aug. 22, 2024) (approving Capstone's rates for Associates (\$475-\$550) and
3 Senior Counsel/Partners (\$600-\$950)); *Qadree v. ADT LLC*, No. STK-CV-UOE-20203022 (San
4 Joaquin County Superior Court Aug. 20, 2024) (approving Capstone's rates for an Associate (\$500) and
5 Senior Counsel/Partners (\$625-\$950)); *Moreno v. Farooqi Food Management, Inc.*, No. 37-2022-
6 00033791-CU-OE-CTL (San Diego County Superior Court July 31, 2024) (approving Capstone's rates
7 for an Associate (\$475) and Senior Counsel/Partners (\$625-\$950)); *Hussain v. Wilshire HM, LLC*, No.
8 20STCV37515 (Los Angeles County Superior Court July 2, 2024) (approving Capstone's rates for
9 Associates (both \$475) and Senior Counsel/Partners (\$600-\$950)); *Miller v. Rack Room Shoes, Inc.*, No.
10 BCV-22-101870 (Kern County Superior Court May 23, 2024) (approving Capstone's rates for an
11 Associate (\$425) and Senior Counsel/Partners (\$625-\$950)); *Kelly v. Arizona Pipeline Company*, No.
12 CIVDS1812287 (San Bernardino County Superior Court March 4, 2024) (approving Capstone's rates
13 for Associates (\$475-\$600) and Senior Counsel/Partners (\$625-\$950)); *Madrigal v. Solage*
14 *Management, Inc.*, No. CIV2100081 (Marin County Superior Court Dec. 5, 2023) (approving
15 Capstone's rates for Associates (\$425-\$475) and Senior Counsel/Partners (\$625-\$950)); *Juarez v.*
16 *TWM/Fresno, LLC*, No. STK-CV-UOE-2022-0002562 (San Joaquin County Superior Court Nov. 16,
17 2023) (approving Capstone's rates for Associates (\$475) and Senior Counsel/Partners (\$625-\$950));
18 *Jimenez v. Apple Core Enterprises, Inc.*, No. CIVSB2134762 (San Bernardino County Superior Court
19 Nov. 7, 2023) (approving Capstone's rates for Associates (\$425) and Senior Counsel/Partners (\$625-
20 \$950)); *Ortega v. Cirks Construction, Inc.*, No. 34-2022-00316370-CU-OE-GDS (Sacramento County
21 Superior Court Oct. 4, 2023) (approving Capstone's rates for Associates (\$475-\$500) and Senior
22 Counsel/Partners (\$600-\$950)); *Rodriguez v. Imperial Western Products, Inc.*, No. CVRI2000071
23 (Riverside County Superior Court Sep. 20, 2023) (approving Capstone's rates Senior Counsel/Partners
24 (\$625-\$950)); *Garcia v. Barney's College, Inc.*, No. RG21113350 (Alameda County Superior Court
25 June 12, 2023) (approving Capstone's rates for Associates (\$450-\$475) and Senior Counsel/Partners
26 (\$650 to \$950)); *Gonzaga v. Molina Healthcare, Inc.*, No. 21STCV03598 (Los Angeles County
27 Superior Court Feb. 2, 2023) (approving Capstone's rates for Associates (\$475) and Senior
28 Counsel/Partners (\$625 to \$950)); *Amaral v. Unify Financial Credit Union*, No. 20STCV36466 (Los

1 Angeles County Superior Court Jan. 31, 2023) (approving Capstone’s rates for Associates (\$475) and
2 Senior Counsel/Partners (\$625 to \$950)); *Johnson v. Equity Residential Services, LLC*, No. MSC19-
3 02145 (Contra Costa County Superior Court Nov. 1, 2022) (approving Capstone’s rates for Associates
4 (\$500) and Senior Counsel/Partners (\$625 to \$950)).

5 22. Other courts have approved hourly rates in this range for plaintiff’s side law firms. *See*
6 *Marshall v. Northrup Grumman Corp.*, No. 16-cv-06794, 2020 WL 5668935, at *7 (C.D. Cal. Sept. 18,
7 2020) (approving attorney rates between \$490 and \$1,060 per hour); *Edwards v. First Am. Corp.*, No.
8 07-cv-03796, 2016 WL 8999934, at *5 (C.D. Cal. Oct. 4, 2016) (rates of up to \$990 found reasonable);
9 *Urakhchin v. Allianz Asset Mgmt. of Am., L.P.*, No. 15-cv-01614, 2018 WL 8334858, at *6 (C.D. Cal.
10 July 30, 2018) (approving billing rates between \$600 and \$825 per hour for attorneys with more than ten
11 years of experience, \$325 to \$575 per hour for attorneys with 10 or fewer years of experience, and \$250
12 per hours for paralegals and clerks); *Gutierrez v. Wells Fargo Bank, N.A.*, No. 07-cv-05923, 2015 WL
13 2438274, at *5 (N.D. Cal. May 21, 2015) (rates ranging \$475-\$975 for partners, \$300-\$490 for
14 associates); *In re Toyota Motor Corp. Unint. Accel. Mktg., Sales Pracs., & Prods. Liab. Litig.*, No. 10-
15 ml-02151, 2013 WL 12327929, at *33 n.13 (C.D. Cal. July 24, 2013) (rates ranging from \$150-\$950);
16 *Hashemi v. Bosley, Inc.*, No. CV 21-946 PSG (RAOX), 2022 WL 18278431, at *10 (C.D. Cal. Nov. 21,
17 2022) (finding that, in Los Angeles, partners litigating class action matters have hourly rates ranging
18 from \$304 to \$965, and associates have hourly rates ranging from \$287 to \$719); *Alvarez v. Sirius XM*
19 *Radio Inc.*, No. CV 18-8605 JVS(SSX), 2021 WL 1234878, at *11 (C.D. Cal. Feb. 8, 2021) (finding
20 hourly rates ranging from \$450 for an associate to \$950 for a partner “are reasonable given prevailing
21 rates in the Los Angeles region”); *In re MacBook Keyboard Litig.*, No. 5:18-CV-02813-EJD, 2023 WL
22 3688452, at *15 (N.D. Cal. May 25, 2023) (approving rates in a class action of \$875–\$1,195 per hour for
23 partners; \$385–\$850 per hour for associates).

24 23. Finally, Capstone’s rates are in line with the adjusted Laffey Matrix, which is a fee scale
25 that courts often consult in determining the reasonableness of hourly rates. *See Exhibit 3.*

26 24. As summarized in the table below, counsel has incurred a total of \$45,384.54 in costs
27 and expenses to date.
28

Cost & Expense Categories	Amount
Copying, Printing & Scanning and Facsimiles	\$36.25
Court Fees, Courier Fees, Filings & Service of Process	\$4,339.31
Delivery & Messenger (UPS, FedEx, messenger, etc.)	\$195.02
Desmond, Marcello & Amster	\$30,730.00
Mediation Fees	\$10,000.00
Research Services (PACER, Westlaw, etc.)	\$83.96
Total	\$45,384.54

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed this 26th day of November, 2024, at Los Angeles, California.

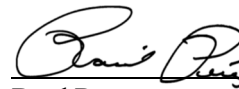

 Raul Perez

Exhibit 1

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Andrea Rosenkranz, Esq. (State Bar No. 301559)
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Attorneys for Defendant
Long Beach Lincoln Mercury Inc.
dba Caruso Ford/Lincoln & RJCCMLB LLC dba Caruso Mazda

[ADDITIONAL COUNSEL LISTED ON NEXT PAGE]

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES – STANLEY MOSK COURTHOUSE

ARAM ROSAS and DAVID BARRIENTOS, as
aggrieved employees pursuant to the Private
Attorneys General Act ("PAGA"), on behalf of the
State of California and other aggrieved employees,

Plaintiffs,

vs.

LONG BEACH LINCOLN MERCURY, INC., a
Delaware corporation; PACIFIC FORD, INC., a
Delaware corporation; and DOES 1 through 10,
inclusive,

Defendants.

Case No.: 23STCV08854

REPRESENTATIVE PAGA ACTION

**JOINT STIPULATION OF
REPRESENTATIVE PAGA ACTION
SETTLEMENT AND RELEASE OF
CLAIMS**

[Assigned for All Purposes to the *Hon.*
Lia Martin; Dept. 16]

Complaint Filed: April 21, 2023
Trial Date: Not Yet Set

1 Raul Perez (SBN 174687)
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2 Robert J. Drexler, Jr. (SBN 119119)
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6 1875 Century Park East, Suite 100
7 Los Angeles, California 90067
Telephone: (310) 556-4811
8 Facsimile: (310) 943-0396
9 Attorneys for Plaintiffs
Aram Rosas and David Barrientos

1 This Joint Stipulation of Representative PAGA Action Settlement and Release of Claims
2 (“Settlement” or “Agreement”) is made and entered into by and between Plaintiffs Aram Rosas and
3 David Barrientos (“Plaintiffs” or “Representative Plaintiffs”), individually and on behalf of all
4 putative Aggrieved Employees, and Defendant LONG BEACH LINCOLN MERCURY INC. DBA
5 CARUSO FORD/LINCOLN & RJCCMLB LLC DBA CARUSO MAZDA (collectively referred to
6 as “Defendant”). Plaintiffs and Defendant are collectively referred to herein as “the Parties.”

7 **I. DEFINITIONS**

8 The following definitions are applicable to this Settlement, in addition to other terms defined
9 elsewhere in this Settlement:

10 1. “Action” shall mean the operative Complaint of the civil action initially commenced
11 on April 21, 2023, filed and maintained by Plaintiffs against Defendant in the Superior Court of
12 California, County of Los Angeles, Case No. 23STCV08854.

13 2. “Aggrieved Employees” shall mean all persons who, during the Representative Period,
14 have previously been or currently are employed in California by Defendant, as a non-exempt
15 employee. An “Aggrieved Employee” shall mean an individual who is a member of the Aggrieved
16 Employees (or if any such person is incompetent, deceased, or unavailable due to military service,
17 the person’s legal representative or successor in interest evidenced by reasonable verification).

18 3. “Aggrieved Employee Notice” shall mean the Notice of Settlement and Approval, a
19 sample of which is attached hereto as Exhibit “A”. The Aggrieved Employee Notice shall further
20 contain (i) an Aggrieved Employee’s first and last name, (ii) last known address, (iii) the Aggrieved
21 Employee’s Individual Pay Periods, and (iv) the Aggrieved Employee’s individual share of the
22 Aggrieved Employees’ Payment.

23 4. “Aggrieved Employee’s Settlement Share” shall mean the value of each Aggrieved
24 Employee’s share of the Aggrieved Employees’ Payment as provided by this Agreement.

25 5. “Aggrieved Employees’ Payment” shall mean the remaining twenty-five percent
26 (25%) of the Net Settlement Amount to be distributed on a *pro rata* basis based upon the number of
27 Pay Periods worked by each Aggrieved Employee.

6. “Defense Counsel” shall mean the attorneys representing Defendant in the Action, Matthew C. Sgnilek, Esq., and Andrea Rosenkranz, Esq., of O’Hagan Meyer.

7. “Effective Date” shall mean the date by which this Settlement is approved by the Superior Court by entry of the Judgment and the Judgment becomes Final. If no appeal is filed, the Effective Date shall occur 60 calendar days from entry of Judgment by the Court. If a timely appeal is filed, the Judgment shall become final on the date all appeals from the Judgment have been fully adjudicated. The occurrence of the Effective Date is a prerequisite to any obligation of Defendant to pay any funds into the Settlement Account.

8. “Individual Pay Periods” shall mean the number of Pay Periods for an individual Aggrieved Employee.

9. “Judgment” shall mean the Order of Final Judgment entered by the Superior Court that the Parties anticipate will be entered following an Approval Hearing on the Settlement in this Action.

10. “LWDA Payment” shall mean the payment to the California Labor and Workforce Development Agency (“LWDA”) constituting seventy-five percent (75%) of the Net Settlement Amount.

11. “Maximum Settlement Amount” shall mean the maximum settlement amount of Three Hundred Thousand Dollars and Zero Cents (\$300,000.00) payable by Defendant as provided by this Agreement, unless that amount is increased pursuant to Paragraph 12 below.

12. Defendant represents that as of September 28, 2023, the number of pay periods worked by aggrieved employees during the PAGA Period is approximately 4,600. If it is determined that the pay periods through the PAGA Period exceeds 5,060 (4,600 plus 10% of 4,600), then Defendant shall have the option of either (i) increasing the Maximum Settlement Amount by the following formula: $\text{Proportionally Increased Maximum Settlement Amount} = \text{Actual Number of Pay Periods} \div 5,060 \times \$300,000$; or (ii) changing the end date of the PAGA Period to a date for which there are no more than 5,060 pay periods.

13. “Net Settlement Amount” shall mean the Maximum Settlement Amount, less (i) the Representative Plaintiff Payments approved by the Superior Court; (ii) the PAGA Counsel Fees

1 Payment approved by the Superior Court; (iii) the PAGA Counsel Litigation Expenses Payment
2 approved by the Superior Court; (iv) the Settlement Administrator Payment approved by the Superior
3 Court; and (v) any other fees or expenses (other than PAGA Counsel Fees Payment and PAGA
4 Counsel Litigation Expenses Payment) incurred in implementing the terms and conditions of this
5 Agreement as approved by the Superior Court.

6 14. "PAGA Counsel" shall mean the attorneys representing Plaintiffs in the Action, Raul
7 Perez, Robert J. Drexler, Jr., Molly DeSario, and Jonathan Lee of Capstone Law APC.

8 15. "PAGA Counsel's Fees Payment" shall mean one-third (1/3) of the Maximum
9 Settlement Amount (currently estimated to be One Hundred Thousand Dollars and Zero Cents
10 (\$100,000.00)) subject to approval by the Superior Court as PAGA Counsel's attorneys' fees incurred
11 in connection with the Action, including fees incurred in pre-filing investigation, filing of the Action,
12 and all related litigation activities, this Settlement, and all post-Settlement compliance procedures.

13 16. "PAGA Counsel's Litigation Expenses Payment" shall mean the actual litigation
14 expenses and/or costs expended by PAGA Counsel subject to approval by the Superior Court incurred
15 in connection with the Action, including pre-filing investigation, filing of the Action, and all related
16 litigation activities, this Settlement, and all post-Settlement compliance procedures. PAGA Counsel's
17 expenses are not to exceed Twenty-Seven Thousand Dollars and Zero Cents (\$27,000.00).

18 17. "Pay Period" shall mean any pay period in which an Aggrieved Employee actually
19 received payment from Defendant as an hourly-paid, non-exempt employee.

20 18. "Representative Period" shall mean the period of time from September 12, 2021,
21 through November 28, 2023.

22 19. "Representative Plaintiff Payments" shall mean the special payments made to
23 Plaintiffs in their capacity as Representative Plaintiffs to compensate them for prosecuting the Action,
24 and performing work in support of the Action, in the amount of Ten Thousand Dollars and Zero Cents
25 (\$10,000.00), each, subject to approval by the Superior Court.

26 20. "Settlement Administrator" shall mean Phoenix Settlement Administrators proposed
27 by the Parties and appointed by the Superior Court to administer the Settlement.

21. "Settlement Administrator Payment" shall mean the payment to the Settlement Administrator for its fees and expenses in administering this Settlement.

22. "Superior Court" shall mean the Superior Court of California for the County of Los Angeles.

II. RECITALS

23. On September 12, 2022, September 13, 2022, April 10, 2023, April 11, 2023, October 17, 2023, and December 11, 2023, PAGA Counsel, on behalf of Plaintiffs and the Aggrieved Employees, gave written notice to the Labor Workforce and Development Agency ("LWDA") of the Labor Code violations Defendant is alleged to have violated. ("LWDA Exhaustion Letters").

24. On April 21, 2023, Plaintiffs filed a Complaint against Defendant in the Los Angeles County Superior Court, Case No. 23STCV08854. In his Complaint, Plaintiffs pled a cause of action for Civil Penalties pursuant to the Private Attorneys' General Act ("PAGA").

25. Defendant denies and continues to deny all of Plaintiffs' allegations inclusive of the representative manageability of the Action. Specifically, Defendant contends (1) it did not fail to pay Aggrieved Employees the minimum, straight time, regular rate, and/or overtime wages; (2) it paid Aggrieved Employees for all hours worked; (3) it provided employees the required notice of material terms under Labor Code Section 2810.5; (4) it provided Aggrieved Employees with all meal periods according to law and/or paid accurate meal period premium wages; (5) it provided Aggrieved Employees with all rest periods according to law and/or paid accurate rest period premium wages; (6) it did not fail to timely pay Aggrieved Employees wages due and owing during employment and/or upon separation; (7) it provided Aggrieved Employees with accurate itemized wage statements, consistent with Labor Code Section 226; (8) it properly maintained all payroll records; (9) it reimbursed employees for all necessary business expenses; (10) it provided and appropriately compensated employees for sick leave; (11) Aggrieved Employees are not entitled to penalties under PAGA; and (12) it is not liable for damages, including civil penalties, attorneys' fees, or costs of litigation to Aggrieved Employees.

26. In connection with the Action, and in order to work toward a mediated resolution

1 without the time and expense of formal discovery, the Parties produced voluminous documents and
2 data (including, by Defendant, human resources documents and policies, time records, and payroll
3 data during the Representative Period) which were reviewed, investigated, and analyzed by PAGA
4 Counsel.

5 27. On September 28, 2023, the Parties in Action participated in a full day of mediation
6 before an experienced employment and class action mediator, Lynn Frank, Esq. (the "Mediation")
7 and the Parties reached a settlement at the Maximum Settlement Amount.

8 28. The Settlement described in this Agreement represents a compromise and settlement
9 of highly disputed claims. Nothing in this Settlement is intended or will be construed as an admission
10 by Defendant that Plaintiffs' claims in the Action have any merit or that Defendant has any liability
11 to Plaintiffs, the Aggrieved Employees or the State on those claims, or as an admission by Plaintiffs
12 that Defendant's defenses in the Action have any merit. This Settlement is intended to fully, finally,
13 and forever compromise, release, resolve, discharge, and settle the released claims subject to the terms
14 and conditions set forth in this Settlement.

15 29. Based on its own thorough, independent investigation and evaluation of this case,
16 PAGA Counsel is of the opinion that the Settlement of this Action with Defendant for the
17 consideration and on the terms set forth in this Settlement is fair, reasonable, adequate, and in the best
18 interest of the LWDA and Aggrieved Employees in light of all known facts and circumstances,
19 including the risk of significant costs and delay, the defenses asserted by Defendant including the
20 risks of adverse determinations on the merits and numerous potential appellate issues. Although
21 Defendant contends that it has no liability in the Action, Defense Counsel shares PAGA Counsel's
22 belief that the Settlement represents a fair and adequate settlement given the respective risks
23 associated with the case.

24 30. Based on the foregoing Recitals, the Parties agree as follows:

25 **III. PROCEDURE FOR APPROVING SETTLEMENT**

26 31. **Motion for Approval of Settlement by the Superior Court.** Plaintiffs will move the
27 Superior Court for an order granting Approval of the Settlement, and approving the Aggrieved
28

1 Employee Notice (attached as Exhibit “A” to this Stipulation) (“Motion for Approval”). Any
2 unresolved disagreement among the Parties concerning the Aggrieved Employee Notice or other
3 documents necessary to implement the Settlement will be referred first to Lynn Frank, Esq., and if no
4 resolution is reached, then to the Superior Court.

5 32. At the hearing on the Motion for Approval, the Parties anticipate that they will jointly
6 appear, support the granting of the Motion for Approval, and obtain an order granting approval of the
7 Settlement and granting approval of the Aggrieved Employee Notice.

8 33. Should the Superior Court require any amendments to this Agreement or the Motion
9 for Approval, the Parties agree to work jointly to resolve any issues in order to secure the Superior
10 Court’s approval.

11 34. Should the Superior Court decline to approve any material aspects of the Settlement,
12 the Settlement will be null and void and the Parties will have no further obligations under it. In such
13 event, the Parties shall be returned to their respective positions as of the date and time immediately
14 prior to the execution of this Agreement, and the Parties shall proceed in all respects as if this
15 Agreement had not been executed.

16 35. Upon approval of the Settlement by the Superior Court, the Parties will present for the
17 Superior Court’s approval and entry a Proposed Final Order and Judgment. The entry of the Order
18 and Judgment shall permanently bar all Aggrieved Employees from prosecuting against Defendant
19 any claims for PAGA penalties through the Representative Period, which were or could have been
20 brought in this Action, as well as all claims as set forth in the Release contained in Section V of this
21 Agreement, whether known or unknown.

22 36. After entry of the Judgment, the Superior Court will have continuing jurisdiction over
23 the Action and the Settlement solely for purposes of (i) enforcing this Settlement, (ii) addressing
24 settlement administration matters, and (iii) addressing such post-Judgment matters as may be
25 appropriate under court rules or applicable law.

26 37. **Aggrieved Employee Notice.** After the Superior Court enters its order granting
27 Preliminary Approval, every Aggrieved Employee will be provided with the Aggrieved Employee
28

1 Notice (in English and Spanish) which will include the Aggrieved Employee Notice completed to
2 reflect the order granting Approval of the Settlement and the Aggrieved Employee's information as
3 follows:

4 (a) Within twenty-one (21) days after the Motion for Approval is granted,
5 Defendant will provide to the Settlement Administrator the "Aggrieved Employees' Data," which
6 shall consist of an electronic database containing (i) each Aggrieved Employee's first and last name,
7 (ii) last known mailing address, (iii) the Aggrieved Employee's Social Security number or Tax ID,
8 and (iv) the Aggrieved Employee's total number of Individual Pay Periods. If any or all of the
9 Aggrieved Employees' Data are unavailable to Defendant, Defendant will so inform PAGA Counsel
10 prior to the date on which Defendant is required to submit the Aggrieved Employees' Data to the
11 Settlement Administrator and the Parties will make their best efforts to reconstruct or otherwise agree
12 upon the Aggrieved Employees' Data prior to when it must be submitted to the Settlement
13 Administrator. This information will otherwise remain confidential and will not be disclosed to
14 anyone, except as required to applicable taxing authorities, as required to carry out the reasonable
15 efforts to identify Aggrieved Employee information as described in Paragraphs 37(b) and 45, pursuant
16 to Defendant's express written authorization, or by order of the Superior Court.

17 (b) If An Aggrieved Employee Notice is returned by the U.S. Postal Service
18 because of an incorrect address, the Settlement Administrator will promptly, and not later than five
19 (5) days from receipt of the returned packet, search for a more current address for the Aggrieved
20 Employee and re-mail the Aggrieved Employee Notice to the Aggrieved Employee. The Settlement
21 Administrator will use the Aggrieved Employees' Data and otherwise work with Defense Counsel or
22 utilize its own resources such as skip traces to find a more current address. The Settlement
23 Administrator will be responsible for taking reasonable steps, consistent with its agreed-upon job
24 parameters, court orders, and fee, to trace the mailing address of any Aggrieved Employee for whom
25 an Aggrieved Employee Notice is returned by the U.S. Postal Service. These reasonable steps shall
26 include the tracking of all undelivered mail; performing address searches for all mail returned without
27 a forwarding address; and promptly re-mailing to Aggrieved Employees for whom new addresses are
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1 found.

2 38. **Waiver of Right to Appeal.** Provided that the Judgment is consistent with the terms
3 and conditions of this Settlement, Plaintiffs, Aggrieved Employees, Defendant, and its respective
4 counsel hereby waive any and all rights to appeal from the Judgment, including all rights to any post-
5 judgment proceeding and appellate proceeding, such as a motion to vacate judgment, a motion for
6 new trial, a motion under Code of Civil Procedure Section 473, and any extraordinary writ, and the
7 Judgment therefore will become non-appealable by them at the time it is entered. The waiver of appeal
8 does not include any waiver of the right to oppose any appeal, appellate proceedings, or post-judgment
9 proceedings, or any waiver of the right to appeal a reduction by the Court of the requested PAGA
10 Counsel Fees Payment. If an appeal is taken from the Judgment, the time for consummation of the
11 Settlement (including making payments under the Settlement) will be suspended until such time as
12 the appeal is finally resolved and the Judgment, consistent with the terms of this Settlement, becomes
13 Final.

14 39. **Vacating, Reversal, or Material Modification of Judgment on Appeal or Review.**
15 If, after a notice of appeal, a petition for review, or a petition for *certiorari*, or any other motion,
16 petition, writ, or application, the reviewing court vacates, reverses, or modifies the Judgment such
17 that there is a material modification to the Settlement, and that court's decision is not completely
18 reversed and the Judgment is not fully affirmed on review by a higher court, then either Party will
19 have the right to void the Settlement, which the Party must do by giving written notice to the other
20 Parties, the reviewing court, and the Superior Court, not later than fourteen (14) days after the
21 reviewing court's decision vacating, reversing, or materially modifying the Judgment becomes final.
22 A vacation, reversal, or modification of the Superior Court's award of the Representative Plaintiff
23 Payments, the PAGA Counsel Fees Payment, and/or PAGA Counsel Litigation Expenses Payment
24 will not constitute a vacation, reversal, or material modification of the Judgment within the meaning
25 of this Paragraph.

26 40. **Establishment of Settlement Account.** The Settlement Administrator shall establish
27 a Settlement Account within ten (10) days of the Effective Date and notify the Parties when the
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1 Settlement Account has been established. The Settlement Administrator shall also provide Defendant
2 with an itemized statement for the total amount to be deposited into the Settlement Account, which
3 shall equal the Maximum Settlement Amount ("Settlement Account Deposit"). Within ten (10) days
4 after receiving notification of the Settlement Account and statement for the Settlement Account
5 Deposit, Defendant shall pay into the Settlement Account an amount equal to the Settlement Account
6 Deposit. Defendant shall have no obligation to pay any additional funds into the Settlement Account.

7 **41. Payment of Aggrieved Employees' Settlement Shares.** The Settlement
8 Administrator shall pay to each Aggrieved Employee his or her Aggrieved Employee's Settlement
9 Share from the Settlement Account. The Settlement Administrator shall pay each Aggrieved
10 Employee's Settlement Share by sending a check in the appropriate amount to the Aggrieved
11 Employee at the address indicated in the Aggrieved Employees' Data. Such payment, with the
12 Aggrieved Employees' Notice, shall be sent by the Settlement Administrator via U.S. Mail within ten
13 (10) calendar days of its receipt of the Settlement Account Deposit from Defendant.

14 **42. Uncashed Aggrieved Employees' Settlement Share Checks.** Any checks paid to
15 Aggrieved Employees shall be negotiable for one hundred and eighty (180) calendar days from the
16 date of their issuance. An Aggrieved Employee must cash his or her Aggrieved Employee's
17 Settlement Share check within one hundred and eighty (180) calendar days after it is mailed to him
18 or her. If a check remains uncashed after one hundred and eighty (180) calendar days from the initial
19 mailing, or if a check is returned to the Settlement Administrator as undeliverable during the one
20 hundred eighty-day period, the Settlement Administrator shall take all reasonable efforts to identify
21 the Aggrieved Employee's correct address, including the performance of a "skip-trace." If an updated
22 address can be identified, the Settlement Administrator shall issue another check to the Aggrieved
23 Employee and mail it to the Aggrieved Employee at his or her updated address. If an updated address
24 for the Aggrieved Employee cannot be identified, if a reissued check is once again returned to the
25 Settlement Administrator as undeliverable, or if the reissued check remains uncashed after one
26 hundred eighty (180) calendar days, the Settlement Administrator will keep an accounting of such
27 funds and shall give notice to the Parties of the total balance of uncashed Aggrieved Employee's
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1 Settlement Shares. An Aggrieved Employee who fails to negotiate or receive their Settlement Share
2 check despite the procedures described above shall nevertheless remain bound by the Settlement and
3 the releases contained herein.

4 43. The funds represented by Aggrieved Employee's Settlement Share checks remaining
5 uncashed for more than one hundred and eighty (180) calendar days after issuance shall be voided
6 and then shall be transmitted to the Controller of the State of California to be held pursuant to the
7 Unclaimed Property Law, California Civil Code Section 1500, *et seq.*, in the names of those
8 Aggrieved Employees who did not cash their checks until such time they claim their property. The
9 Parties agree that this disposition results in no "unpaid residue" under California Civil Procedure
10 Code § 384, as the entire Net Settlement Amount will be paid out to Aggrieved Employees, whether
11 or not they all cash their settlement checks.

12 44. **Payment of PAGA Counsel's Fees Payment and PAGA Counsel's Litigation**
13 **Expenses Payment.** The Settlement Administrator shall pay to PAGA Counsel the PAGA Counsel's
14 Fees Payment and PAGA Counsel's Litigation Expenses Payment from the Settlement Account. The
15 Settlement Administrator shall pay the PAGA Counsel's Fees Payment and PAGA Counsel's
16 Litigation Expenses Payment by sending a wire or check in the appropriate amount to PAGA Counsel
17 at the address provided for in Paragraph 76. Such payment shall be sent by the Settlement
18 Administrator within ten (10) calendar days of its receipt of the Settlement Account Deposit from
19 Defendant.

20 45. **Final Report by Settlement Administrator to Superior Court.** Within ten (10) days
21 after final disbursement of all funds from the Settlement Account, the Settlement Administrator will
22 serve on the Parties and file with the Superior Court a declaration providing a final summary report
23 on the disbursements of all funds from the Settlement Account. Within ten (10) days after
24 transmission of any remaining unclaimed funds to Controller of the State of California the Settlement
25 Administrator will serve on the Parties and file with the Superior Court a declaration providing a final
26 summary report on the transmission of any remaining unclaimed funds to Controller of the State of
27 California as outlined in Paragraph 42.

1 **IV. SETTLEMENT TERMS AND CONDITIONS**

2 46. **Aggrieved Employee's Settlement Shares.** Subject to the terms and conditions of
3 this Settlement, the Settlement Administrator will calculate the Aggrieved Employee's Settlement
4 Shares for each Aggrieved Employee within ten (10) days after Defendant provide the Settlement
5 Administrator with the Aggrieved Employees' Data. The Aggrieved Employee's Settlement Share
6 for each Aggrieved Employee will be calculated as follows, understanding that the formulas below
7 do not constitute an admission by either Party, and are intended only to provide a practical means to
8 simplify and administer the claims process:

9 (a) **Number of Aggrieved Employees and Pay Periods.** Defendant shall
10 determine the total number of Aggrieved Employees and the aggregate number of Pay Periods for
11 those Aggrieved Employees as of the time of the close of the Representative Period. This information
12 shall be provided to the Settlement Administrator along with the Aggrieved Employees' Data as
13 described in Paragraph 37(a) above.

14 (b) **Calculation of the Pay Period Value.** The Settlement Administrator shall
15 determine the value of a Pay Period ("Pay Period Value") by taking the Aggrieved Employees'
16 Payment amount and dividing it by the sum of all Aggrieved Employees' Pay Periods.

17 (c) **Calculation of Aggrieved Employee's Settlement Shares.** The Settlement
18 Administrator shall assign to each Aggrieved Employee an Aggrieved Employee's Settlement Share
19 which shall be equal to the Pay Period Value multiplied by each Aggrieved Employee's Individual
20 Pay Periods. Upon calculation of the Aggrieved Employee's Settlement Share, the Settlement
21 Administrator shall furnish to PAGA Counsel and Defense Counsel a worksheet containing a list of
22 employee identification numbers for the Aggrieved Employees with their corresponding Individual
23 Pay Periods and Aggrieved Employee's Settlement Share.

24 47. **Taxes and Withholdings.** Each Aggrieved Employee's Settlement Share is intended
25 to settle the Aggrieved Employees' claims for civil penalties. Accordingly, one hundred percent
26 (100%) of each Aggrieved Employee's Settlement Share shall represent civil penalties. The
27 Aggrieved Employee's Settlement Share shall be paid to the Aggrieved Employee in full without
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1 deductions or withholdings, and the Settlement Administrator shall issue an IRS Form 1099 to each
2 Aggrieved Employee for that amount, to the extent the Aggrieved Employee's Settlement Share is
3 Six Hundred Dollars and Zero Cents (\$600.00) or more. Each Aggrieved Employee shall be
4 individually responsible for their own share of applicable income tax withholdings and deductions
5 for his or her Aggrieved Employee's Settlement Share.

6 48. **Total Payment Amount.** In no event will Defendant be required to pay more than the
7 Maximum Settlement Amount (unless that amount is increased pursuant to Paragraph 12 above) for
8 distribution to the Plaintiffs, PAGA Counsel, Aggrieved Employees, the LWDA, Settlement
9 Administrator, or for any other costs or expenses not otherwise enumerated.

10 49. **Payments to Plaintiffs and PAGA Counsel and Others.** Subject to the terms and
11 conditions of this Settlement, the Settlement Administrator will make the following payments out of
12 the Maximum Settlement Amount as follows:

13 (a) **To Plaintiffs:** In addition to their Aggrieved Employee's Settlement Share,
14 Plaintiffs will apply to the Superior Court for Representative Plaintiff Payments in amounts not to
15 exceed Ten Thousand Dollars and Zero Cents (\$10,000.00), each. Defendant will not oppose these
16 Representative Plaintiff Payments. The Settlement Administrator will pay the Representative Plaintiff
17 Payments approved by the Superior Court out of the Maximum Settlement Amount. Payroll tax
18 withholding and deductions will not be taken from the Representative Plaintiff Payments and an IRS
19 Form 1099 will be issued to Plaintiffs for these payments.

20 (b) **To PAGA Counsel:** PAGA Counsel will apply to the Superior Court for the
21 PAGA Counsel Fees Payment in an amount not to exceed one-third (1/3) of the Maximum Settlement
22 Amount (currently estimated to be One Hundred Thousand Dollars and Zero Cents (\$100,000.00)).
23 PAGA Counsel will also submit to the Superior Court a memorandum of costs for the PAGA Counsel
24 Litigation Expenses Payment in an amount not to exceed Twenty-Seven Thousand Dollars and Zero
25 Cents (\$27,000.00) as request reasonable costs of suit to be paid from the Maximum Settlement
26 Amount. Defendant will not oppose these requests. The Settlement Administrator will pay the
27 amounts approved by the Superior Court out of the Maximum Settlement Amount. Withholding and
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1 deductions will not be taken from the PAGA Counsel Fees Payment or PAGA Counsel Litigation
2 Expenses Payment and one or more IRS Forms 1099 will be issued to PAGA Counsel with respect
3 to those payments.

4 (c) **To the LWDA:** As part of their Motion for Approval, the Plaintiffs will apply
5 to the Superior Court for approval of the LWDA Payment in the estimated amount of One Hundred
6 Eleven Thousand Dollars (\$111,000), which shall constitute the LWDA's seventy-five percent (75%)
7 share of the estimated One Hundred Forty-Eight Thousand Dollars (\$148,000) in civil penalties paid
8 under this Settlement. The remaining estimated Thirty-Seven Thousand Dollars (\$37,000) in civil
9 penalties shall be distributed on a *pro rata* basis based upon the number of pay periods worked by
10 each Aggrieved Employee ("Aggrieved Employees' Payment").

11 (d) **To the Settlement Administrator:** The Settlement Administrator will be paid
12 from the Maximum Settlement Amount its reasonable fees and expenses as approved by the Superior
13 Court, which are estimated to be Five Thousand Dollars (\$5,000).

14 50. **Appointment of Settlement Administrator.** The Parties will ask the Superior Court
15 to appoint Phoenix Settlement Administrators, a qualified and experienced administrator based in
16 California where the Action is venued, to serve as the Settlement Administrator, which, as a condition
17 of appointment, will agree to be bound by this Agreement with respect to the performance of its duties
18 and its compensation. The Settlement Administrator's duties will include (i) calculating Aggrieved
19 Employee's Settlement Shares; (ii) preparing, printing, and mailing the Aggrieved Employee Notice
20 to all Aggrieved Employees; (iii) using reasonable measures to contact all Aggrieved Employees,
21 including conducting a National Change of Address search on all Aggrieved Employees before
22 mailing the Aggrieved Employee Notice to each Aggrieved Employee's address; (iv) re-mailing the
23 Aggrieved Employee Notice to the Aggrieved Employee's new address for those Aggrieved
24 Employees whose address had changed; (v) setting up a toll-free telephone number to receive calls
25 from Aggrieved Employees; (vi) using reasonable measures to deliver issued checks to Aggrieved
26 Employees, including use of a "skip-trace" for undeliverable checks; and (vii) otherwise
27 administering the Settlement pursuant to this Agreement. The Settlement Administrator's reasonable
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1 fees and expenses are estimated to be Five Thousand Dollars (\$5,000) and will be paid out of the
2 Maximum Settlement Amount, as set forth herein, subject to Court approval.

3 **V. RELEASE OF CLAIMS**

4 51. **Plaintiffs' Released Claims.** Plaintiffs, individually and on behalf of Plaintiffs' heirs,
5 executors, administrators, representatives, attorneys, successors and assigns knowingly and
6 voluntarily release and forever discharge Defendant, including any and all parent corporation,
7 affiliates, subsidiaries, managers, divisions, predecessors, insurers, franchisors, successors and
8 assigns, including but not limited to each of their current and former employees, attorneys, officers,
9 directors and agents thereof, both individually and in their business capacities, and their employee
10 benefit plans and programs and the trustees, administrators, fiduciaries and insurers of such plans and
11 programs (collectively, "Plaintiffs' Released Parties"), to the fullest extent permitted by law, of and
12 from any and all claims, known and unknown, asserted and unasserted, which Plaintiffs have or may
13 have against the Plaintiffs' Released Parties as of the date of execution of this Settlement Agreement.
14 Plaintiffs are not waiving any rights Plaintiffs may have to: (i) Plaintiffs' own vested accrued
15 employee benefits under the Defendant's health, welfare or retirement benefits plans, if any, as of the
16 date of execution of this Settlement Agreement; (ii) benefits or rights to seek benefits under applicable
17 workers' compensation (except as to claims under Labor Code §§ 132a and 4553 which are expressly
18 released herein) or unemployment insurance or indemnification statutes; (iii) pursue claims which by
19 law cannot be waived by signing this Settlement Agreement; and (iv) enforce this Settlement
20 Agreement.

21 52. To affect a full and complete general release as described above, Plaintiffs expressly
22 waive and relinquish all rights and benefits of § 1542 of the Civil Code of the State of California and
23 does so understanding and acknowledging the significance and consequence of specifically waiving
24 § 1542. Thus, notwithstanding the provisions of § 1542, and to implement a full and complete release
25 and discharge of all parties, Plaintiffs expressly acknowledge this Settlement Agreement is intended
26 to include in its effect, without limitation, all claims Plaintiffs do not know or suspect to exist in
27 Plaintiffs' favor at the time of signing this Settlement Agreement, and that this Settlement Agreement
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1 contemplates the extinguishment of any such claims. Plaintiffs warrant Plaintiffs have read this
2 Settlement Agreement, including this waiver of California Civil Code § 1542, and that Plaintiffs have
3 consulted with or had the opportunity to consult with counsel of Plaintiffs' choosing about this
4 Settlement Agreement and specifically about the waiver of § 1542, and that Plaintiffs understand this
5 Settlement Agreement and the § 1542 waiver, and so Plaintiffs freely and knowingly enter into this
6 Settlement Agreement. Plaintiffs further acknowledge that Plaintiffs later may discover facts different
7 from or in addition to those Plaintiffs now know or believe to be true regarding the matters released
8 or described in this Settlement Agreement, and even so Plaintiffs agree that the releases and
9 agreements contained in this Settlement Agreement shall remain effective in all respects
10 notwithstanding any later discovery of any different or additional facts. Plaintiffs expressly assume
11 any and all risk of any mistake in connection with the true facts involved in the matters, disputes or
12 controversies released or described in this Settlement Agreement or with regard to any facts now
13 unknown to Plaintiffs relating thereto.

14 **53. Aggrieved Employees Released Claims.** As of the date of the Judgment, each
15 Aggrieved Employee, and without the need to manually sign a release document, shall release the
16 Released Parties and the State of California from all causes of action and claims for civil penalties
17 under the California Labor Code Private Attorneys General Act of 2004 that were alleged in the
18 operative complaint in the Action or reasonably could have been alleged based on the facts contained
19 in the operative complaint in the Action or LWDA letters, including claims for civil penalties based
20 on the following: (i) failure to pay all regular rate wages, minimum wages, and overtime wages due;
21 (ii) failure to provide compliant meal periods; (iii) failure to provide compliant rest breaks; (iv) failure
22 to timely pay wages during employment; (v) failure to provide complete, accurate wage statements;
23 (vi) failure to pay wages timely at time of termination or resignation; (vii) failure to maintain records
24 in accordance with Labor Code Section 1174; (viii) failure to reimburse necessary expenditures; (ix)
25 failure to provide notice of material terms of employment under Labor Code Section 2810.5; (x)
26 unpaid sick leave; and/or (xi) claims, causes of action or legal theories of relief seeking civil penalties
27 under the California Labor Code Private Attorneys General Act of 2004 plead in the operative
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1 complaint and underlying LWDA Exhaustion Letters filed by both Barrientos and Rosas (collectively,
2 the “PAGA Released Claims”). PAGA Released Claims for Aggrieved Employees who worked for
3 Defendant in California during the Representative Period shall have their claims released during the
4 Representative Period.

5 54. Released Parties includes Defendant and it past, present and/or future, direct and/or
6 indirect, owners, officers, directors, members, managers, employees, agents, representatives,
7 attorneys, including but not limited to O’Hagan Meyer, insurers, partners, investors, shareholders,
8 administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns,
9 and joint venturers.

10 55. In light of the binding nature of a PAGA judgment on non-party employees pursuant
11 to *Arias v. Sup. Ct. (Angelo Dairy)* (2009) 46 Cal.4th 969 and *Cardenas v. McLane Foodservice, Inc.*
12 (2011) 796 F.Supp.2d 1246, individuals meeting the definition of an Aggrieved Employee may not
13 exclude themselves from the Settlement and shall receive a payment for the amount of each such
14 individual’s estimated share of the PAGA Payment, and shall have released PAGA claims, as outlined
15 in Paragraph 54.

16 56. The PAGA Released Claims described in Paragraph 53 expressly exclude all claims
17 made by an Aggrieved Employee for vested benefits, wrongful termination, unemployment insurance,
18 disability, social security, workers’ compensation, claims while classified as exempt, and claims
19 outside of the Representative Period.

20 57. **PAGA Counsel.** As of the Effective Date, and except as otherwise provided by this
21 Settlement, PAGA Counsel and any counsel associated with PAGA Counsel waive any further claims
22 to costs and attorneys’ fees and expenses against Defendant or the Released Parties based on any
23 claim released by this agreement during the Representative Period.

24 58. **No Effect on Other Benefits.** The payment the Aggrieved Employee’s Settlement
25 Shares will not result in any additional employee benefit payments (such as 401(k), vacation, or
26 bonus) and shall not have any effect on the eligibility for, or calculation of, any employee benefit.

1 **VI. DUTIES OF THE PARTIES**

2 59. **Mutual Full Cooperation.** The Parties agree to cooperate fully with one another to
3 accomplish and implement the terms of this Stipulation. Such cooperation shall include, but not be
4 limited to, execution of such other documents and the taking of such other actions as may reasonably
5 be necessary to fulfill the terms of this Settlement unless the Court denies the Settlement with
6 prejudice. The Parties shall use their best efforts, including all efforts contemplated by this Stipulation
7 and any other efforts that may become necessary by court order or otherwise, to effectuate this
8 Stipulation and the terms set forth herein. As soon as practicable after execution of this Stipulation,
9 PAGA Counsel, with the cooperation of Defendant and Defense Counsel, shall take all necessary and
10 reasonable steps to secure the Court's approval of this Stipulation. The Parties will work together to
11 make any non-material modifications of the Settlement requested by the Court to obtain approval of
12 the Parties' Settlement.

13 60. **Duty to Support and Defend the Settlement.** The Parties agree to abide by all of the
14 terms of the Settlement in good faith and to support the Settlement fully and to use their best efforts
15 to defend this Settlement from any legal challenge, whether by appeal or collateral attack.

16 **VII. MISCELLANEOUS TERMS**

17 61. **No Admission of Liability.** Defendant denies that it has engaged in any unlawful
18 activity, has failed to comply with the law in any respect, or has any liability to anyone under the
19 claims asserted in the Action. This Settlement is entered into solely for the purpose of compromising
20 highly disputed claims. Nothing in this Settlement is intended or will be construed as an admission
21 of liability or wrongdoing by Defendant, an admission by Plaintiffs that any of their claims were non-
22 meritorious, or any defense asserted by Defendant was meritorious. This Settlement and the fact that
23 Plaintiffs and Defendant were willing to settle the Action will have no bearing on, and will not be
24 admissible in connection with, any litigation (other than solely in connection with the Settlement).

25 62. Whether or not the Judgment becomes Final, neither the Settlement, any document,
26 statement, proceeding or conduct related to the Settlement, nor any reports or accounting of those
27 matters, will be (i) construed as, offered or admitted in evidence as, received as, or deemed to be

1 evidence for any purpose adverse to Defendant or any of the Released Parties, including, but not
2 limited to, evidence of a presumption, concession, indication or admission by any of the Released
3 Parties of any liability, fault, wrongdoing, omission, concession or damage; or (ii) disclosed, referred
4 to or offered in evidence against any of the Released Parties, or any other civil, criminal or
5 administrative action or proceeding except for purposes of effectuating this Settlement.

6 63. Notwithstanding Paragraph 64 of this Settlement, any and all provisions of this
7 Settlement may be admitted in evidence and otherwise used in any and all proceedings to enforce any
8 or all terms of this Settlement, or in defense of any claims released or barred by this Settlement.

9 64. **Non-Disparagement.** Plaintiffs agree not to make any untruthful, malicious,
10 disparaging or defamatory statements, allegations, comments or communications, regardless of form
11 (whether written, oral, electronic, including but not limited to Glassdoor, Yelp, or otherwise),
12 regarding the Released Parties. Plaintiffs further agree not to encourage authorize or permit any such
13 statements, allegations, comments or communications to be made by others on Plaintiffs' behalf. To
14 the extent Plaintiffs have posted any negative comments about the Released Parties on Glassdoor,
15 Yelp, or other websites, Plaintiffs agree to request that these comments be removed and to provide a
16 copy of such request to Defense Counsel within 30 days of the execution of this Agreement.
17 Notwithstanding the foregoing, nothing in this Paragraph shall be construed to abridge, or interfere
18 with, PAGA Counsel's rights and obligations under California Rules of Professional Conduct, rule 1-
19 500.

20 65. **Waiver of Reemployment.** Plaintiffs acknowledge that they have no intent to apply
21 for employment and/or re-employment with Defendant. Plaintiffs further acknowledge that
22 Defendant or any related, successor, parent, or subsidiary companies has the right to refuse rehire
23 Plaintiffs for non-discriminatory and non-retaliatory reasons and Plaintiffs acknowledge that
24 Defendant's position is that such legitimate non-discriminatory and non-retaliatory reasons exist.

25 66. **Integrated Agreement.** After this Settlement is signed and delivered by all Parties
26 and their counsel, this Settlement and its exhibits will constitute the entire agreement between the
27 Parties relating to the Settlement, and it will then be deemed that no oral representations, warranties,
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1 covenants, or inducements have been made to any Party concerning this Settlement or its exhibits
2 other than the representations, warranties, covenants, and inducements expressly stated in this
3 Settlement and its exhibits.

4 **67. Attorney Authorization.** PAGA Counsel and Defense Counsel warrant and represent
5 that they are authorized by Plaintiffs and Defendant, respectively, to take all appropriate action
6 required or permitted to be taken by such Parties pursuant to this Settlement to effectuate its terms,
7 and to execute any other documents required to effectuate the terms of this Settlement. The Parties
8 and their counsel will cooperate with each other and use their best efforts to affect the implementation
9 of the Settlement. In the event the Parties are unable to reach agreement on the form or content of any
10 document needed to implement the Settlement, or on any supplemental provisions that may become
11 necessary to effectuate the terms of this Settlement, the Parties will seek the assistance of mediator
12 Lynn Frank, Esq., and if no resolution is reached the Superior Court, and in all cases all such
13 documents, supplemental provisions and assistance of the court will be consistent with this
14 Settlement.

15 **68. Modification of Agreement.** This Agreement, and any and all parts of it, may be
16 amended, modified, changed, or waived only by an express written instrument signed by all Parties,
17 their successors-in-interest, and/or the Parties' respective counsel, as authorized, and approved by the
18 Court.

19 **69. Settlement Binding on Successors.** This Settlement Agreement will be binding upon,
20 and inure to the benefit of, the successors of each of the Parties.

21 **70. Applicable Law.** All terms and conditions of this Settlement and its exhibits will be
22 governed by and interpreted according to the laws of the State of California, without giving effect to
23 any conflict of law principles or choice of law principles.

24 **71. Cooperation in Drafting.** The Parties have cooperated in the drafting and preparation
25 of this Settlement. This Settlement will not be construed against any Party on the basis that the Party
26 was the drafter or participated in the drafting.

27 **72. Fair Settlement.** The Parties and their respective counsel believe and warrant that this
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1 Settlement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this
2 Settlement through arms-length negotiations, taking into account all relevant factors, current and
3 potential.

4 73. **Headings.** The descriptive heading of any section or Paragraph of this Settlement is
5 inserted for convenience of reference only and does not constitute a part of this Settlement.

6 74. **Notice.** All notices, demands or other communications given under this Settlement
7 will be in writing and deemed to have been duly given as of the third business day after mailing by
8 U.S. Mail, addressed as follows:

9 *To PAGA Counsel:*

Raul Perez
Robert J. Drexler, Jr.
Molly DeSario
Jonathan Lee
CAPSTONE LAW APC
1875 Century Park East, Suite 100
Los Angeles, California 90067
Telephone: (310) 556-4811

14 *To the Defendant's Counsel:*

Matthew C. Sgnilek, Esq.
Andrea Rosenkranz, Esq.
O'HAGAN MEYER
3200 Park Center Drive, Suite 700
Costa Mesa, CA 92626

18 75. **Execution in Counterpart.** This Settlement may be executed in one or more
19 counterparts. All executed counterparts and each of them will be deemed to be one and the same
20 instrument provided that counsel for the Parties will exchange between themselves original signed
21 counterparts. Facsimile signatures, scanned PDF signatures, and electronic (e.g. DocuSign) signatures
22 will be presumptive evidence of execution of the original, which shall be produced on reasonable
23 request. Any executed counterpart will be admissible to prove the existence and contents of this
24 Settlement.

1 DATED: 3/29/2024

Aram Rosas

DocuSigned by:

Aram Rosas

0A75230763E04F8...

5 DATED: 3/29/2024

David Barrientos

DocuSigned by:

David Barrientos

52644B2BE516407...

9 DATED: 3/28/2024

LONG BEACH LINCOLN MERCURY , INC.
DBA CARUSO FORD/LINCOLN

DocuSigned by:

Mike

FB0092CF6C734C6...
MIKE

By:

Its:

VP/GM

14 DATED: 3/28/2024

RJCCMLB LLC DBA CARUSO MAZDA

DocuSigned by:

Mike

By:

FB0092CF6C734C6...
MIKE

Its:

VP/GM

19 DATED: 3/29/2024

CAPSTONE LAW APC

By:

Raul Perez, Esq.

Robert J. Drexler, Jr., Esq.

Molly DeSario, Esq.

Jonathan Lee, Esq.

Attorneys for Plaintiffs Aram Rosas and David
Barrientos

1 DATED: 3/28/2024
2 _____

O'HAGAN MEYER

3 By: _____
4

DocuSigned by:

Matthew C. Sgnilek

EAD811FD17F9409...

Matthew C. Sgnilek, Esq.

Andrea Rosenkranz, Esq.

6 Attorneys for Defendant Long Beach Lincoln
7 Mercury Inc. dba Caruso Ford/Lincoln &
8 RJCCMLB LLC dba Caruso Mazda
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Exhibit A

Aram Rosas, et al. v. Long Beach Lincoln Mercury Inc.
Los Angeles County Superior Court Case No. 23STCV08854

|||||
<<ID>>

<<First Last>>

<<Address>>

<<City, State, Zip, Country>>

Name/Address Changes (if any):

NOTICE OF REPRESENTATIVE PAGA ACTION SETTLEMENT

If you are or were a non-exempt, hourly employee of Long Beach Lincoln Mercury Inc. dba Caruso Ford/Lincoln or RJCCMLB LLC dba Caruso Mazda (“Defendant”) at any time between September 12, 2021 and November 28, 2023, you are entitled to receive money from a Representative PAGA Action Settlement.

A court approved this notice. This is not a solicitation from a lawyer. You are not being sued.

1. Why should you read this notice?

A settlement (the “Settlement”) was reached in a representative PAGA action lawsuit entitled *Aram Rosas, et al. v. Long Beach Lincoln Mercury Inc., et al.*, Los Angeles County Superior Court Case No. 23STCV08854 (the “Action” or “Lawsuit”). Long Beach Lincoln Mercury Inc. dba Caruso Ford/Lincoln & RJCCMLB LLC dba Caruso Mazda are collectively referred to as the Defendant in the action.

The Court has approved a settlement that covers “Aggrieved Employees” defined as follows:

All persons employed in the State of California as hourly, non-exempt employees by Defendant at any time between September 12, 2021 and November 28, 2023.

Defendant’s employment records indicate that you meet this definition, which makes you a member of the group of Aggrieved Employees. The Court directed that this Notice be sent to all Aggrieved Employees to inform you about the case and your rights.

This Notice explains the Lawsuit, the Settlement, and your legal rights.

2. What is this Lawsuit about?

On April 21, 2023, Plaintiffs Aram Rosas and David Barrientos (“Plaintiffs”) filed the operative complaint against Defendant alleging several violations of California wage and hour laws. Plaintiffs filed the Action on behalf of themselves and on behalf of Defendant’s current and former non-exempt, hourly employees in the State of California. By Plaintiffs’ Complaint, Plaintiffs allege that Defendant owed penalties under California’s Private Attorneys General Act of 2004, California Labor Code §§ 2698-2699.5 (“PAGA”). Defendant vigorously denies all the claims and contentions made in the Lawsuit and maintains it has fully complied with the law, but has agreed to settle the Lawsuit to avoid the expense of litigation.

3. Why is there a Settlement?

The Court did not decide in favor of Plaintiffs or Defendant. Instead, both sides agreed to a Settlement. This

allows the Parties to avoid the risk and uncertainty of trial and any subsequent appeal, and all affected employees will receive compensation. The Settlement is not an admission of liability by Defendant. Plaintiffs and the attorneys believe the Settlement is fair, reasonable and adequate, and in the best interests of all Aggrieved Employees.

4. What are the terms of the Settlement?

Defendant will pay Three Hundred Thousand Dollars and Zero Cents (\$300,000.00) to settle the Action (the “Maximum Settlement Amount”). The Maximum Settlement Amount includes: (i) all Settlement payments to Aggrieved Employees; (ii) the Representative Plaintiff Payments; (iii) the PAGA Counsel’s attorneys’ fees and costs; (iv) a payment to the California Labor and Workforce Development Agency (“LWDA”) for civil penalties brought under PAGA; and (v) the reasonable fees and costs of the Settlement Administrator.

The Court has approved the following payments from the Maximum Settlement Amount:

- The Representative Plaintiff Payments of [REDACTED] Dollars and Zero Cents (\$ [REDACTED].00) to each Plaintiff;
- Plaintiffs’ Counsel’s fees of One Hundred Thousand Dollars (\$100,000.00);
- Plaintiffs’ Counsel’s out-of-pocket litigation costs of [REDACTED] Dollars and Zero Cents (\$ [REDACTED].00); and
- Settlement Administration Costs for the third-party Settlement Administrator of [REDACTED] Dollars and Zero Cents (\$ [REDACTED].00).

The law requires that [REDACTED] Dollars and Zero Cents (\$ [REDACTED].00), or 75% of the [REDACTED] Dollars and Zero Cents (\$ [REDACTED].00) remaining in the Maximum Settlement Amount, be paid to the LWDA. The remaining [REDACTED] Dollars and Zero Cents (\$ [REDACTED].00) (“Aggrieved Employees Payment”) will be paid out to the Aggrieved Employees. No portion of the Maximum Settlement Amount will be returned to Defendant.

5. How much am I receiving?

Each Aggrieved Employee is receiving a *pro rata* share of the Aggrieved Employees Payment based on the number of pay periods the person worked for Defendant as a non-exempt, hourly employee during the Representative Period, defined as the period of time from September 12, 2021, through November 28, 2023. Any pay period in which an Aggrieved Employee worked at least one day was counted as a pay period.

To calculate an Aggrieved Employee’s share of the Aggrieved Employees’ Payment, the Aggrieved Employees’ Payment was divided by the aggregate total number of pay periods of all Aggrieved Employees, resulting in the “Pay Period Value.” Each Aggrieved Employee’s share of the Aggrieved Employees Payment will be calculated by multiplying each individual Aggrieved Employee’s total number of pay periods by the Pay Period Value.

Your Compensable Pay Periods are: <<PayPeriods>>

Your share of the Aggrieved Employees Payment is: \$<<Est.PAGAPaymentAmt>>

Each Aggrieved Employee’s share of the Aggrieved Employees Payment will be allocated as follows: 100% as penalties that will not be subject to deductions and withholdings. Each Aggrieved Employee will receive an IRS Form 1099 for his or her share of the Aggrieved Employees Payment, unless his or her share of the Aggrieved Employees Payment is \$600 or less.

The Settlement checks will be able to be cashed for 180 days after they are issued. After 180 days, the Settlement checks will no longer be able to be cashed. Any funds represented by Settlement checks remaining uncashed for more than 180 days after issuance shall be transmitted to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Code of Civil Procedure Section 1500, *et seq.* in the names of those Aggrieved Employees who did not cash their Settlement checks until such time they claim their property.

6. What claims are being released by the Settlement?

A Judgment has been entered by the Court. Upon the Effective Date of the Judgment, all Aggrieved Employees have released the Released Parties from the Released Claims for the Representative Period, which is defined as the period of time between September 12, 2021, through November 28, 2023.

The Released Claims are defined as all causes of action and claims for civil penalties under the California Labor Code Private Attorneys General Act of 2004 that were alleged in the operative complaint in the Action or reasonably could have been alleged based on the facts contained in the operative complaint in the Action or LWDA letters, including claims for civil penalties based on the following: (i) failure to pay all regular rate wages, minimum wages, and overtime wages due; (ii) failure to provide compliant meal periods; (iii) failure to provide compliant rest breaks; (iv) failure to timely pay wages during employment; (v) failure to provide complete, accurate wage statements; (vi) failure to pay wages timely at time of termination or resignation; (vii) failure to maintain records in accordance with Labor Code Section 1174; (viii) failure to reimburse necessary expenditures; (ix) failure to provide notice of material terms of employment under Labor Code Section 2810.5; (x) unpaid sick leave; and/or (xi) claims, causes of action or legal theories of relief seeking civil penalties under the California Labor Code Private Attorneys General Act of 2004 plead in the operative complaint and underlying LWDA Exhaustion Letters filed by both Barrientos and Rosas (collectively, the “PAGA Released Claims”). PAGA Released Claims for Aggrieved Employees who worked for Defendant in California during the Representative Period shall have their claims released during the Representative Period.

Aggrieved Employees cannot opt out of or object to the foregoing Release.

Released Parties includes Defendant and its past, present and/or future, direct and/or indirect, owners, officers, directors, members, managers, employees, agents, representatives, attorneys, including but not limited to O’Hagan Meyer, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers.

If you have questions, you can call the Settlement Administrator at [REDACTED].

PLEASE DO NOT TELEPHONE THE COURT OR DEFENDANT’S MANAGERS OR
SUPERVISORS ABOUT THIS SETTLEMENT
They will not be able to assist you.

Exhibit 2

FIRM PROFILE

Capstone Law APC is one of California's largest plaintiff-only labor and consumer law firms. Since its founding in 2012, Capstone has emerged as a major force in aggregate litigation, making law on cutting-edge issues and obtaining over two hundred million dollars in recovery for employees and consumers:

- In February, 2015, Capstone attorneys Raul Perez and Ryan H. Wu were honored with the *California Lawyer* Attorney of the Year (CLAY) award in labor and employment for their work in the landmark case *Iskanian v. CLS Transportation Los Angeles*, 59 Cal.4th 348 (2014), which preserved the right of California workers to bring representative actions under the Labor Code Private Attorneys General Act ("PAGA") notwithstanding a representative action waiver in an arbitration agreement.
- Recognized as a leading firm in the prosecution of PAGA enforcement actions, Capstone is responsible for some of the most important decisions in this area. In *Williams v. Superior Court (Marshall's of Calif.)*, 3 Cal.5th 531 (2017), Capstone attorneys achieved a watershed decision before the California Supreme Court as to the broad scope of discovery in PAGA actions. In *Baumann v. Chase Inv. Servs. Corp.*, 747 F.3d 1117 (9th Cir. 2014), a case of first impression, Capstone successfully argued that PAGA actions are state enforcement actions not covered by the Class Action Fairness Act.
- Capstone has made important contributions to consumer protection law. In *McGill v. Citibank N.A.*, 2 Cal. 5th 945 (2017), Capstone represented plaintiffs in a major decision holding that the right to seek public injunctive relief under the state's consumer protection laws cannot be waived and that consumers need not satisfy class certification requirements to enjoin unfair business practices on behalf of the public. In *Nguyen v. Nissan N.A.*, 726 F.3d 811 (9th Cir. 2019), Capstone attorneys reversed a denial of class certification, making law that clarified the use of "benefit of the bargain" damages models in consumer class actions.
- Capstone served as class counsel in a number of significant wage and hour settlements, including \$16.5 million on behalf of a California class in *Navarro v. United Parcel Service, Inc.*, BC592098 (Los Angeles Super. Ct.), \$12 million on behalf of a nationwide class of in *Hightower v. JPMorgan Chase Bank*, Case No. 11-01802 (C.D. Cal.), over \$10 million on behalf of non-exempt hourly workers in *Zamora v. Balboa Life & Casualty LLC*, Case No. BC360026 (L.A. Super. Ct.); and \$9 million on behalf of pharmacists in *Dittmar v. Costco Wholesale Corp.*, No. 14-1156 (S.D. Cal.). In *Vorise v. 24 Hour Fitness USA, Inc.*, No. C 15-02051 (Contra Costa Super. Ct.), Capstone and co-counsel negotiated an \$11 million PAGA settlement on behalf of over 36,000 employees for Labor Code violations.
- Capstone has an established practice in automotive defect class actions and is currently appointed sole class counsel, following contested class certification, in *Victorino v. FCA US, LLC*, No. 16-1617-GPC, 2019 WL 5268670 (S.D. Cal. Oct. 17, 2019) and *Salas v. Toyota Motor Sales, U.S.A., Inc.*, No. 15-8629-FMO, 2019 WL 1940619 (C.D. Cal. Mar. 27, 2019).

SUMMARY OF SIGNIFICANT SETTLEMENTS

Since its founding, Capstone has settled over 100 high-stakes class and representative actions totaling well over \$200 million dollars. Capstone's settlements have directly compensated hundreds of thousands of California workers and consumers. Capstone's actions have also forced employers to modify their policies for the benefit of employees, including changing the compensation structure for commissioned employees and changing practices to ensure that workers will be able to take timely rest and meal breaks. A leader in prosecuting PAGA enforcement actions, Capstone has secured millions of dollars in civil penalties for the State of California.

The following is a representative sample of Capstone's settlements:

- *Navarro et al v. United Parcel Service, Inc.*, No. BC592098 (Los Angeles Super. Ct.): gross settlement of \$16.5 million on behalf of approximately 180,000 non-exempt employees;
- *Hightower et al v. Washington Mutual Bank*, No. 2:11-cv-01802-PSG-PLA (N.D. Cal.): gross settlement of \$12 million on behalf of approximately 150,000 personal bankers, tellers, sales associates, and assistant branch manager trainees for wage and hour violations;
- *Vargas v. Ford Motor Co.*, 12-08388-AB (C.D. Cal.): providing cash payments and unique buyback program for nearly 2 million consumers;
- *Moore v. PetSmart, Inc.*, No. 5:12-cv-03577-EJD (N.D. Cal.): gross settlement of \$10 million on behalf of over 19,000 non-exempt PetSmart employees for wage and hour violations;
- *Dittmar v. Costco Wholesale Corp.*, No. 14-1156 (S.D. Cal.): gross settlement of \$9 million on behalf of approximately 1,200 pharmacists for wage and hour violations;
- *Perrin v. Nabors Well Services Co.*, No. 56-2007-00288718 (Ventura Super. Ct.): gross settlement of over \$6.5 million on behalf of oil rig workers for sleep time and other wage violations;
- *Cook v. United Insurance Co.*, No. C 10-00425 (Contra Costa Super. Ct.): gross settlement of \$5.7 million on behalf of approximately 650 sales representatives;
- *Alvarez v. MAC Cosmetics, Inc.*, No. CIVDS1513177 (San Bernardino Super. Ct.): gross settlement of \$5.5 million for approximately 5,500 non-exempt employees.
- *Aceves v. AutoZone, Inc.*, No. 14-2032 (C.D. Cal.): gross settlement of \$5.4 million in a case alleging FCRA violations;
- *Berry v. Urban Outfitters Wholesale, Inc.*, No. 13-02628 (N.D. Cal.): gross settlement of \$5 million on behalf of over 12,000 nonexempt employees;
- *The Children's Place Retail Stores Wage & Hour Cases*, No. JCCP 4790: gross settlement of \$5 million on behalf of 15,000 nonexempt employees;
- *York v. Starbucks Corp.*, Case No. 08-07919 (C.D. Cal.): gross settlement of nearly \$5 million on behalf of over 100,000 non-exempt workers for meal break and wage statement claims;
- *Rodriguez v. Swissport USA*, No. BC 441173 (Los Angeles Super. Ct.): gross settlement of nearly \$5 million on behalf of 2,700 non-exempt employees following contested certification;
- *Asghari v. Volkswagen Group of North America*, Case No. 13-02529 (C.D. Cal.): Settlement providing complementary repairs of oil consumption defect, reimbursement for repairs, and extended warranty coverage of certain Audi vehicles valued at over \$20 million.

PROFESSIONAL BIOGRAPHIES

Partners

Rebecca Labat. Rebecca Labat is co-managing partner of Capstone Law APC, supervising the litigation for all of the firm's cases. She also manages the firm's co-counsel relationships and assists the firm's other partners and senior counsel with case management and litigation strategy. Under Ms. Labat's leadership, Capstone has successfully settled over 100 cases, delivering hundreds millions of dollars to California employees and consumers while earning statewide recognition for its cutting-edge work in developing new law.

Ms. Labat's career accomplishments representing consumers and employees in class actions include the certification of a class of approximately 3,200 current and former automobile technicians and shop employees for the miscalculation of the regular rate for purposes of paying premiums for missed meal and rest breaks.

Before her work representing plaintiffs in class and representative actions, Ms. Labat was an attorney with Wilson Elser and represented life, health, and disability insurers in litigation throughout California in both state and federal courts. She graduated from the University of California, Hastings College of the Law in 2002, where she was a member of the Hastings Civil Justice Clinic, served as a mediator in Small Claims Court for the City and County of San Francisco, and received the CALI Award for Excellence in Alternative Dispute Resolution. She received her undergraduate degree from the University of California, Los Angeles. Ms. Labat is a member of the National Employment Lawyers Association (NELA), the Consumer Attorneys Association of Los Angeles (CAALA), and the Beverly Hills Bar Association.

Raul Perez. Raul Perez is co-managing partner at Capstone, and has focused exclusively on wage and hour and consumer class litigation since 2011. Mr. Perez is the lead negotiator on numerous large settlements that have resulted in hundreds of millions to low-wage workers across California, including many of the most valuable settlements reached by Capstone.

During his career, Mr. Perez has successfully certified by way of contested motion and/or been appointed Lead Counsel or Interim Lead Counsel in several cases, including: *Lopes v. Kohl's Department Stores, Inc.*, Case No. RG08380189 (Alameda Super. Ct.); *Hightower v. JPMorgan Chase Bank*, Case No. 11-01802 (C.D. Cal.); *Tameifuna v. Sunrise Senior Living Managements, Inc.*, Case No. 13-02171 (C.D. Cal.) (certified class of over 10,000 hourly-paid employees); and *Berry v. Urban Outfitters Wholesale, Inc.*, Case No. 13-02628 (N.D. Cal.) (appointed lead counsel in a class action involving over 10,000 non-exempt employees). As the lead trial attorney in *Iskanian v. CLS Transportation Los Angeles*, 59 Cal. 4th 348 (2014), Mr. Perez, along with Mr. Wu, received the 2015 CLAY Award in labor and employment.

Mr. Perez received both his undergraduate degree and his law degree from Harvard University and was admitted to the California Bar in December 1994. Earlier in his career, Mr. Perez handled a variety of complex litigation matters, including wrongful termination and other employment related actions, for corporate clients while employed by some of the more established law firms in the State of California, including Morgan, Lewis & Bockius; Manatt Phelps & Phillips; and Akin Gump Strauss Hauer & Feld. Before Capstone, Mr. Perez was a partner at another large plaintiff's firm, helping to deliver millions of dollars in relief to California workers.

Melissa Grant. Melissa Grant is a partner and lead trial attorney at Capstone. Ms. Grant is responsible for litigating many of the firm's most contentious and high-stakes class actions and PAGA cases. The author of

numerous successful motions for class certification, Ms. Grant is the lead or co-lead attorney on numerous certified class actions currently on track for trial, representing over hundreds of thousands of California employees in pursuit of their wage and hour claims. She is also at the forefront in developing the law on the California Labor Code's Private Attorneys General Act (PAGA), including administrative exhaustion, the scope of discovery, manageability, and PAGA trial plans. Recently, Ms. Grant has taken two PAGA cases to trial and worked on several key PAGA appellate decisions, including *Williams v. Superior Court (Marshall's of CA LLC)*, 3 Cal.5th 531 (2017). Ms. Grant also represented the plaintiff in *Davidson v. Seterus, Inc.*, 21 Cal. App. 5th 283 (2018), which, in a case of first impression, found that the Defendant, a mortgage servicer, was a debt collector under California's Rosenthal Fair Debt Collection Practices Act. The case led to enactment of legislation that expressly includes "mortgage debt" within the Rosenthal Act's definition of "consumer credit" and amends the Rosenthal Act to expressly apply to debt collection activities involving residential mortgage loans.

Ms. Grant began her legal career as a law clerk for the Honorable Harry Pregerson, Justice, Ninth Circuit Court of Appeals. Thereafter, she was an associate with Sidley Austin LLP, where she represented Fortune 500 companies in commercial litigation and consumer class actions. Before joining Capstone, Ms. Grant was a Senior Associate with Quinn Emanuel Trial Attorneys, where she was on the trial team that prosecuted *Mattel v. Bratz (I)*, and a staff attorney in the Enforcement Division of the Securities and Exchange Commission, investigating ongoing violations of federal securities regulations and statutes. Ms. Grant graduated summa cum laude and first in her class from Southwestern Law School in 1999, where she served as editor-in-chief of the Law Review. She earned her undergraduate degree from Cornell University's College of Arts & Sciences, where she received the JFK Public Service Award and the Outstanding Senior Award (graduating class of 4,000 students). Ms. Grant has been a panelist and speaker on PAGA actions and wage-and-hour class actions at various annual and biannual California Bar Association, California Law Association, and Bridgeport Continuing Education conferences. Her published articles include: Los Angeles Lawyer: A PAGA Rollercoaster (September 2023), Battling for ERISA Benefits in the Ninth Circuit: Overcoming Abuse of Discretion Review, 28 Sw. U. L. Rev. 93 (1998), and CLE Class Actions Conference (SF) CAFA: Early Decisions on Commencement and Removal of Actions (2006).

Ms. Grant is a member of the Los Angeles County Women Lawyers Association of Los Angeles, the Consumer Attorneys Association of Los Angeles (CAALA), and the Consumer Attorneys of California. She was recently named a 2024 Worker Health & Safety Hero by Worksafe for her work in advancing workplace safety and justice. She also currently serves on the Los Angeles County Bar Association's President's Commission on Women in the Legal Profession, the Subcommittee on Gender Bias and Civility, and the Amicus Subcommittee, and is a member of the Executive Board of Los Angeles Lawyer magazine. Ms. Grant was recognized by the Daily Journal as a Top Employment & Labor Attorney in 2023 and has been selected as one of Southern California's "Super Lawyers" in 2022, 2023, and 2024.

Ryan H. Wu. Ryan H. Wu is a partner at Capstone and is primarily responsible for complex motion work and supervising court approval of class action settlements. Mr. Wu handles many of the most challenging legal issues facing Capstone's clients, including the scope and operation of PAGA, contested attorneys' fees motions, responding to objectors, and high-impact appeals. Mr. Wu is responsible for the merits briefing in *McGill v. Citibank, N.A.*, 2 Cal. 5th 945 (2017), where the California Supreme Court unanimously held that consumers' right to pursue public injunctive relief cannot be impeded by a contractual waiver or class certification requirements. He briefed the closely-watched *Williams v. Superior Court (Marshall's of CA LLC)*, 3 Cal.5th 531(2017), an important pro-employee ruling that broadened the scope of discovery in PAGA actions

and resolved a longstanding conflict regarding third-party constitutional privacy rights. He also authored the briefs in *Baumann v. Chase Inv. Servs. Corp.*, 747 F.3d 1117 (9th Cir. 2014), where, on an issue of first impression, the Ninth Circuit sided with Plaintiffs in holding that PAGA actions are state enforcement actions not covered by the CAFA. In February 2015, Mr. Wu, along with Mr. Perez, received the prestigious CLAY award for his successful appellate work, including briefing to the California Supreme Court, in *Iskanian*. Mr. Wu recently achieved an important consumer victory in *Nguyen v. Nissan N.A.*, 932 F.3d 811 (9th Cir. 2019), which clarified the use of “benefit of the bargain” damages models in consumer class actions.

Mr. Wu graduated from the University of Michigan Law School in 2001, where he was an associate editor of the *Michigan Journal of Law Reform* and contributor to the law school newspaper. He received his undergraduate degree in political science with honors from the University of California, Berkeley. He began his career litigating international commercial disputes and commercial actions governed by the Uniform Commercial Code. Mr. Wu is co-author of “*Williams v. Superior Court: Employees’ Perspective*” and “*Iskanian v. CLS Transportation: Employees’ Perspective*,” both published in the *California Labor & Employment Law Review*.

Robert Drexler. Robert Drexler is a partner with Capstone Law where he leads one of the firm’s litigation teams prosecuting wage-and-hour class actions. He has more than 25 years of experience representing clients in wage-and-hour and consumer rights class actions and other complex litigation in state and federal courts. Over the course of his career, Mr. Drexler has successfully certified dozens of employee classes for claims such as misclassification, meal and rest breaks, and off-the-clock work, ultimately resulting in multi-million dollar settlements. He has also arbitrated and tried wage-and-hour and complex insurance cases. Mr. Drexler has been selected as one of Southern California’s “Super Lawyers” in 2009 and every year from 2001 through 2024.

Before joining Capstone, Mr. Drexler was head of the Class Action Work Group at Khorrami Boucher, LLP and led the class action team at The Quisenberry Law Firm. Mr. Drexler graduated from Case Western Reserve University School of Law, where he served as Managing Editor of the Case Western Reserve Law Review and authored *Defective Prosthetic Devices: Strict Tort Liability for the Hospital?* 32 CASE W. RES. L. REV. 929 (1982). He received his undergraduate degree in Finance at The Ohio State University where he graduated *cum laude*. Mr. Drexler has been a member of Consumer Attorneys of California (CAOC) and Consumer Attorneys of Los Angeles (CAALA). He has been a featured speaker at class action and employment litigation seminars, and has published articles in CAOC’s Forum Magazine and The Daily Journal.

Jamie Greene. Jamie Greene is a partner with Capstone Law, where she leads the firm’s business development and case generation team. Ms. Greene is responsible for evaluating all potential new cases and referrals, developing new claims, and managing the firm’s client and cocounseling relationships. She also supervises the pre-litigation phase for all cases, including investigation, analysis, and client consultation.

Before joining Capstone, Ms. Greene began her legal career at Makarem & Associates representing clients in a wide array of cases ranging from wrongful death, insurance bad faith, employment, personal injury, construction defect, consumer protection, and privacy law. Ms. Greene is a graduate of the University of Southern California Gould School of Law and earned her bachelor’s degree from Scripps College in Claremont, California.

Bevin Allen Pike. Bevin Allen Pike is a partner with Capstone Law, where she focuses primarily on wage-and-hour class actions. Ms. Pike has spent her entire legal career representing employees and consumers in

wage-and-hour and consumer rights class actions. Over the course of her career, Ms. Pike has successfully certified dozens of employee and consumer classes for claims such as meal and rest breaks, unpaid overtime, off-the-clock work, and false advertising.

Before joining Capstone, Ms. Pike's experience included class and representative action work on behalf of employees and consumers at some of the leading plaintiffs' firms in California. Ms. Pike graduated from Loyola Law School, Los Angeles, where she was an Editor for the *International and Comparative Law Review*. She received her undergraduate degree from the University of Southern California. Ms. Pike has been selected as one of Southern California's "Super Lawyers – Rising Stars" every year from 2012 through 2015.

Senior Counsel

Theresa Carroll. Theresa Carroll is a senior counsel at Capstone Law. Her practice is devoted to the Appeals & Complex Motions team, working on various settlement and approval projects.

Prior to joining Capstone, Ms. Carroll was an associate with Parker Stanbury, LLP, advising small business owners on various employment matters and worked as an associate attorney for O'Donnell & Mandell litigating employment discrimination and sexual harassment cases. In 1995, she graduated from Southwestern University School of Law where she was on the trial advocacy team and was awarded the prestigious Trial Advocate of the Year award sponsored by the American Board of Trial Advocates (ABOTA) for Southwestern University School of Law. Ms. Carroll received her Bachelor of Science degree in speech with an emphasis in theatre from Iowa State University.

Liana Carter. Liana Carter is a senior counsel with Capstone Law APC, specializing in complex motions, writs, and appeals. Her work on recent appeals has included reversing a denial of class certification decision in *Brown v. Cinemark USA, Inc.*, No. 16-15377, 2017 WL 6047613 (9th Cir. Dec. 7, 2017), affirming a denial of a motion to compel arbitration in *Jacoby v. Islands Rests., L.P.*, 2014 Cal. App. Unpub. LEXIS 4366 (2014) and reversal of a dismissal of class claims in *Rivers v. Cedars-Sinai Med. Care Found.*, 2015 Cal. App. Unpub. LEXIS 287 (Jan. 13, 2015). Ms. Carter was responsible for drafting the successful petition for review in *McGill v. Citibank N.A.*, as well as the petition for review and briefing on the merits in *Williams v. Superior Court*, 2017 WL 2980258. Ms. Carter also has extensive prior experience in overseeing settlement negotiations and obtaining court approval of class action settlements.

Ms. Carter was admitted to the California bar in 1999 after graduating from the University of Southern California Gould School of Law, where she was an Articles Editor on the board of the *Southern California Law Review*. She received her undergraduate degree with honors from the University of California, Irvine.

Anthony Castillo. Anthony Castillo is a senior counsel with Capstone Law. His practice focuses on analyzing and developing pre-litigation wage-and-hour and consumer claims, including PAGA representative actions and class actions for failure to pay overtime and minimum wages, meal and rest period violations, and claims under the Fair Labor Standards Act and the Investigative Consumer Reporting Agency Act. Prior to joining Capstone, he was an associate at a California bankruptcy practice, where he represented individual and business debtors in liquidations and re-organizations as well as various debt and foreclosure defense-related issues.

Mr. Castillo graduated from Loyola Law School, Los Angeles in 2009, where he volunteered with the Disability Rights Legal Center. He attended Stanford University for his undergraduate degree, majoring in

Political Science and minoring in History. Anthony is admitted to practice law in California and Washington and before the United States District Court for the Central and Southern Districts of California.

Helga Hakimi. Helga Hakimi is a senior counsel at Capstone Law. Her practice primarily involves employment law class action litigation, namely wage-and-hour class actions and PAGA litigation on behalf of employees for failure to pay overtime and minimum wages, provide meal and rest breaks, and provide compensation for off-the-clock work, and related employer violations under the Fair Labor Standards Act and California Labor Code.

Prior to joining Capstone, Ms. Hakimi was a partner at a civil litigation firm in West Los Angeles, where she handled mainly real estate litigation, business litigation, and defense of some employment law matters; prior to that, she worked as a civil litigation attorney handling complex personal injury litigation. Ms. Hakimi's interest in advocating for employee rights began in law school, where she volunteered for the Workers' Rights Clinic and assisted low-income community members in Northern California's greater Bay Area region with employment-related legal issues. Upon graduating from law school, Ms. Hakimi worked as an associate for a municipal law firm, and thereafter at the local City Attorney's Office, where she advised municipalities and cities in civil matters involving land use, environmental law, development issues, Constitutional law, and First Amendment rights. Ms. Hakimi graduated from Berkeley Law (Boalt Hall School of Law), where she earned her Juris Doctorate and was awarded the Prosser Award in Remedies. Ms. Hakimi received her Bachelor of Arts degree in Political Science with a minor in Education Studies from the University of California, Los Angeles, and graduated summa cum laude and with Departmental Highest Honors.

Daniel Jonathan. Daniel Jonathan is a senior counsel at Capstone Law. His practice primarily involves wage-and-hour class actions and PAGA litigation on behalf of employees for the failure to pay overtime and minimum wages, failure to provide meal and rest breaks, claims under the Fair Labor Standards Act, and other California Labor Code violations.

Prior to joining Capstone, Mr. Jonathan began his career as an associate at Kirkland & Ellis representing Fortune 500 clients in high-stakes litigation in various matters, including class action defense and plaintiff's actions for accounting fraud. Following that, he was a senior counsel at a boutique litigation firm where he successfully first-chaired several trials. Mr. Jonathan graduated from the Northwestern University School of Law. He received his undergraduate degree in Accounting from the University of Southern California, where he graduated cum laude. He has passed the CPA examination and worked as an auditor at Deloitte before attending law school.

Jonathan Lee. A senior counsel with Capstone, Jonathan Lee primarily litigates employment class actions. At Capstone, Mr. Lee has worked on several major successful class certification motions, and his work has contributed to multi-million dollar class settlements against various employers, including restaurant chains, retail stores, airport staffing companies, and hospitals. Prior to joining Capstone, Mr. Lee defended employers and insurance companies in workers' compensation actions throughout California.

Mr. Lee graduated in 2009 from Pepperdine University School of Law, where he served as an editor for the Journal of Business, Entrepreneurship and the Law; he received his undergraduate degree from UCLA.

Shealene Mancuso. Shealene Mancuso is a senior counsel with Capstone, specializing in employment class action litigation. Her practice is devoted to wage-and-hour class actions and Private Attorneys General Act litigation on behalf of employees for the failure to pay overtime and minimum wages, failure to provide meal

and rest breaks, failure to provide compensation for off-the-clock work, claims under the Fair Labor Standards Act, and other California Labor Code violations.

Prior to joining Capstone Law, Ms. Mancuso was a Partner at a California maritime law firm, representing employers in federal claims brought by domestic and foreign civilian employees for benefits for injuries sustained while working on U.S. military bases for government contractors. She also has extensive litigation experience representing individuals in federal vaccine injury, personal injury, and family law matters. She served on the Board of Directors of a Philadelphia domestic violence organization and as a pro bono attorney assisting low-income families with custody and grandparent's rights matters. In 2020, she was recognized as a Rising Star by Super Lawyers.

Ms. Mancuso graduated from Temple University, Beasley School of Law in 2014, where she was a Fellow in the Rubin Public Interest Law Honor Society, served as the Volunteer Chair of the Women's Law Caucus, Women's Rights Chair of the National Lawyers Guild, Membership Coordinator of the American Constitution Society, and board member of the School to Prison Pipeline, and volunteered with the Domestic Violence Assistant Project. She began to develop her litigation skills through the Integrated Trial Advocacy Program at Temple Law, as a certified law clerk with the Ventura County District Attorney's Office, and through internships with non-profit organizations. She received her undergraduate degree from the University of California, Riverside, where she majored in Sociology: Law and Society.

Cody Padgett. Cody Padgett is a senior counsel with Capstone Law. Mr. Padgett prosecutes automotive defect and other consumer class action lawsuits during all stages of litigation. His work has been integral to achieving contested class certification in several automotive defect cases, including *Falco v. Nissan N. Am. Inc.*, No. 13-00686 (C.D. Cal.) (certifying a class of owners/lessees of Nissan vehicles), *Salas v. Toyota Motor Sales, U.S.A., Inc.*, No. 15-08629 (C.D. Cal.) (certifying a class of owners/lessees of Toyota vehicles), and *Victorino v. FCA US, LLC*, No. 16-01617 (S.D. Cal.) (certifying a class of owners/lessees of Dodge Dart vehicles). Mr. Padgett's efforts have also contributed to major settlements of automotive defect and consumer cases, providing substantial monetary relief to millions of class members, valued in the hundreds of millions of dollars. See, e.g., *Weckwerth v. Nissan North America, Inc.*, No. 18-00588 (M.D. Tenn.) (providing a \$407 to \$547 million-dollar benefit to a class of nearly 3 million consumers).

Prior to joining Capstone Law, Mr. Padgett assisted with the defense of major felony cases at the San Diego County Public Defender's Office. During law school, Mr. Padgett served as a judicial extern to the Honorable C. Leroy Hansen, United States District Court for the District of New Mexico. He graduated from California Western School of Law in the top 10% of his class and received his undergraduate degree from the University of Southern California, where he graduated *cum laude*. Mr. Padgett is admitted to practice in California, before the Ninth Circuit Court of Appeals, and before United States District Court for the Northern, Eastern, Central, and Southern Districts of California.

Eduardo Santos. Eduardo Santos is a senior counsel at Capstone Law, and concentrates his practice on managing and obtaining court approval of many of Capstone's wage-and-hour, consumer, and PAGA settlements, from the initial contract drafting phase to motion practice, including contested motion practice on attorneys' fees. Over the course of his career, Mr. Santos has helped to secure court approval of over one hundred high-stakes class and representative action settlements totaling over \$100 million.

Before joining Capstone, Mr. Santos began his career at a prominent plaintiff's firm in Los Angeles specializing in mass torts litigation, with a focus on complex pharmaceutical cases. Most notably, he was

involved in the national Vioxx settlement, which secured a total of \$4.85 billion for thousands of individuals with claims of injuries caused by taking Vioxx. Mr. Santos graduated from Loyola Law School, Los Angeles, where he was a recipient of a full-tuition scholarship awarded in recognition of academic excellence. While in law school, Mr. Santos served as an extern for the Honorable Thomas L. Willhite, Jr. of the California Court of Appeal. He graduated magna cum laude from UCLA and was a recipient of the Ralph J. Bunche Scholarship for academic achievement.

Mao Shiokura. Mao Shiokura is a senior counsel with Capstone. Her practice focuses on identifying, evaluating, and developing new claims, including PAGA representative actions and class actions for wage-and-hour violations and consumer actions under the Consumers Legal Remedies Act, False Advertising Law, Unfair Competition Law, and other consumer protection statutes. Prior to joining Capstone, Ms. Shiokura was an associate at a California lemon law firm, where she represented consumers in Song-Beverly, Magnuson-Moss, and fraud actions against automobile manufacturers and dealerships.

Ms. Shiokura graduated from Loyola Law School, Los Angeles in 2009, where she served as a staff member of Loyola of Los Angeles Law Review. She earned her undergraduate degree from the University of Southern California, where she was a Presidential Scholar and majored in Business Administration, with an emphasis in Cinema-Television and Finance.

John Stobart. John Stobart is a senior counsel with Capstone Law. He focuses on appellate issues in state and federal courts and contributes to the firm's amicus curiae efforts to protect and expand the legal rights of California employees and consumers. Mr. Stobart has significant appellate experience having drafted over two dozen writs, appeals and petitions, and having argued before the Second, Fourth, and Fifth Districts of the California Court of Appeal.

Prior to joining Capstone, Mr. Stobart was a law and motion attorney who defended against civil liability in catastrophic injury and wrongful death cases brought against his clients, which included the railroad, public schools, small businesses, and commercial and residential landowners. He has drafted and argued scores of dispositive motions at the trial court level and had success in upholding judgments and verdicts on appeal. He graduated cum laude from Thomas Jefferson School of Law where he was on the mock trial competition team and earned his undergraduate degree from the Ohio State University.

Roxanna Tabatabaepour. Roxanna Tabatabaepour is a senior counsel with Capstone Law. Her practice primarily involves representing employees in class actions and representative actions for various violations of the California Labor Code.

Before joining Capstone, Ms. Tabatabaepour's experience included representing workers in single-plaintiff and class/representative action lawsuits regarding wage-and-hour violations, as well as individual claims for discrimination, retaliation, failure to accommodate, harassment, and wrongful termination, under both California and federal laws. Ms. Tabatabaepour received her undergraduate degrees from the University of California San Diego. She subsequently graduated from the American University, Washington College of Law, where she was a Marshall-Brennan Constitutional Literacy Fellow and taught Constitutional Literacy to teens in marginalized communities.

Ryan Tish. Ryan Tish is a senior counsel at Capstone Law. His practice primarily involves wage-and-hour class actions and Private Attorneys General Act ("PAGA") representative actions on behalf of employees for the failure to pay overtime and minimum wages, failure to provide meal and rest breaks, failure to reimburse

necessary business expenses, and other claims under the Fair Labor Standards Act and California Labor Code.

Before joining Capstone, Mr. Tish was an associate at a civil litigation firm in Los Angeles, handling a variety of matters, including commercial contracts, real estate, and employment law. Mr. Tish has represented both employers and employees in actions ranging from individual claims of discrimination, harassment, retaliation, and wrongful termination, to class and representative actions for wage-and-hour and privacy law violations. Mr. Tish is a graduate of the University of Southern California Gould School of Law and earned his bachelor's degree in civil and environmental engineering from the University of California, Los Angeles. Mr. Tish is admitted to practice law in California and before the United States District Court for the Northern, Eastern, Central, and Southern Districts of California.

Orlando Villalba. Orlando Villalba is a senior counsel at Capstone Law. His practice primarily involves wage-and-hour class actions and PAGA litigation on behalf of employees for the failure to pay overtime and minimum wages, failure to provide meal and rest breaks, claims under the Fair Labor Standards Act, and other California Labor Code violations.

Mr. Villalba began his career at Kirkland & Ellis where he handled a wide range of business litigation matters, including transnational contract disputes, insurance-related tort claims, developer litigation, and civil rights actions. He also has extensive plaintiff-side experience representing government agencies and note-holders in the pursuit of mortgage and other fraud losses. Mr. Villalba graduated from Stanford Law School, where he served as an articles editor on the Stanford Journal of Law, Business & Finance. After law school, he clerked for the Honorable Warren Matthews of the Alaska Supreme Court. Orlando received his bachelor's degree in International Business from the University of Southern California.

Associates

Tyler Anderson. Tyler Anderson is an associate with Capstone Law. His practice focuses on complex motions, writs, and appeals. Before joining Capstone, Mr. Anderson was Co-Director of the Los Angeles Center for Community Law and Action ("LACCLA"), a nonprofit law firm that represents tenant unions and union organizers. While there, Mr. Anderson tried a disparate impact federal Fair Housing Act case that resulted in a jury verdict of over \$1,000,000. He also frequently used California Anti-SLAPP laws to block attempts to silence tenant union organizers. Prior to working at LACCLA, Mr. Anderson clerked for the Honorable Martha Vazquez, a federal district court judge for the District of New Mexico who, at the time, sat on the Executive Committee of the Federal Judiciary. Before that, Mr. Anderson was a litigation associate at the international law firm Jenner & Block LLP. Mr. Anderson graduated from Harvard Law School, where he was the Executive Articles Editor of the Harvard Journal on Legislation as well as President of one of the largest student-run pro bono organizations at Harvard University, Project No One Leaves. He graduated with several "Dean's Scholar" prizes for receiving top grades in his constitutional law courses.

Sairah Budhwani. Sairah Budhwani is an associate with Capstone Law. Her practice focuses on evaluating and analyzing pre-litigation wage-and-hour claims, including claims for violations of overtime and minimum wage law, meal and rest period requirements, and off-the-clock work violations. Previously, Ms. Budhwani litigated employment discrimination, harassment, and retaliation claims, and also represented incarcerated individuals contesting the conditions of their confinement. Ms. Budhwani graduated from UCLA School of Law in 2019 and received an undergraduate degree in Urban Studies from University of California, Irvine in 2012. Ms. Budhwani is admitted to practice law in California. She is fluent in Urdu.

Laura Goolsby. Laura Goolsby is an associate with Capstone Law. Her practice focuses on prosecuting automotive defect and other consumer class action cases in state and federal court. Prior to joining Capstone Law, Ms. Goolsby was an associate at a California civil litigation practice representing individuals in toxic tort disputes. Previous to that, Ms. Goolsby was a trial attorney in a California lemon law firm, trying cases against automobile manufacturers in state and federal court. Ms. Goolsby is published in the University of Pennsylvania Journal of Law and Change law review and served as a judicial intern to the U.S. Department of Justice Immigration Court while in law school. Ms. Goolsby graduated from California Western School of Law, where she was a member of the award-winning Philip C. Jessup International Moot Court team and spent multiple trimesters on the Dean's List. She graduated with several Academic Excellence Awards for receiving top grades in various international law, civil rights law, and legal skills courses.

Nate Kiyam. Nate Kiyam is an associate with Capstone. His practice focuses on prosecuting automotive defect and other consumer class action cases in state and federal court. Prior to joining Capstone Law, Mr. Kiyam was an associate with the Auto Fraud Legal Center representing individuals who have been defrauded by dealers into purchasing a defective vehicle. Previous to that, Mr. Kiyam was an associate with DLA Piper, Allen Matkins, and Buchalter on various corporate and employment matters. Throughout his career, Mr. Kiyam has helped many organizations and individuals on various pro bono matters including winning an administrative trial for a young refugee in his asylum hearing. Mr. Kiyam is admitted to practice law in California and the District of Columbia.

Ninel Kocharyan. Ninel Kocharyan is an associate with Capstone. Her practice focuses on evaluating and analyzing pre-litigation wage-and-hour claims, including claims for violation of overtime and minimum wage law, meal and rest period requirements, and off-the-clock work violations. Ms. Kocharyan began her career in entertainment law reviewing, drafting, and negotiating contracts for talent and ensuring FTC compliance. She immigrated to the United States from Russia at the age of 15 with a passion to pursue a career in law. Ms. Kocharyan graduated from Thomas Jefferson School of Law in 2014 and received her undergraduate degree from University of California, Los Angeles where she majored in Political Science. Ms. Kocharyan is admitted to practice law in California.

Alexander Lima. Alexander Lima is an associate with Capstone Law. His practice focuses on evaluating pre-litigation wage-and-hour claims, including potential violations of overtime and minimum wage law, meal and rest period requirements, and off-the-clock work issues, as well as consumer protection claims. Previously, Mr. Lima was an associate at a California civil litigation practice representing individuals and entities in real estate disputes. Mr. Lima graduated from Santa Clara University, School of Law in 2018, where he served as an Executive Board Member of the Honors Moot Court and was selected as a regional finalist for the American Bar Association Negotiation Competition. He received his undergraduate degree from the University of California, Riverside in 2014.

Trisha Monesi. Trisha Monesi is an associate with Capstone. Her practice focuses on prosecuting consumer class actions in state and federal court. Ms. Monesi graduated from Loyola Law School, Los Angeles in 2014, where she served as an editor of the Loyola of Los Angeles Entertainment Law Review and was a certified law clerk at the Center for Juvenile Law and Policy. She earned her undergraduate degree from Boston University in 2011, where she majored in Political Science and International Relations. She is an active member of the Women Lawyers Association of Los Angeles, and the Los Angeles County and Beverly Hills Bar Associations.

Joey Parsons. Joey Parsons is an associate with Capstone. His practice primarily involves wage-and-hour class actions and PAGA representative actions. Previously, Joey was an associate at a boutique firm where he represented California employees in all facets of employment law, including claims brought under the FEHA, Title VII, and the California Labor Code. Joey is a graduate of the University of Alabama School of Law, where he competed on the Labor and Employment Moot Court team and served as the Executive Articles Editor for the Alabama Law & Psychology Review. Joey received his bachelor's degree in history from Virginia Tech.

Alexander Wallin. Alexander Wallin is an associate at Capstone Law. He is a passionate litigator who has successfully represented employees against corporate injustice. Mr. Wallin has recovered millions of dollars in numerous wage-and-hour class actions, PAGA actions, and individual discrimination lawsuits. He has a particular interest in representing economically disadvantaged employees who cannot afford legal representation on a retainer-fee basis. Mr. Wallin is a member of the Los Angeles County Bar Association's Employment Law Section and stays up-to-date with the rapidly evolving areas of wage-and-hour protections. He graduated from Loyola Law School in 2017 and is admitted to practice law in California, as well as before the United States District Court for Central and Northern Districts of California. He has been selected as a Southern California "Super Lawyers – Rising Star" in 2022 and 2023.

Exhibit 3

LAFFEY MATRIX

[History](#)
[Case Law](#)
[See the Matrix](#)
[Contact us](#)
[Home](#)

			Years Out of Law School *				
Year	Adjustmt Factor**	Paralegal/ Law Clerk	1-3	4-7	8-10	11-19	20 +
6/01/21- 5/31/22	1.006053	\$208	\$381	\$468	\$676	\$764	\$919
6/01/20- 5/31/21	1.015894	\$206	\$378	\$465	\$672	\$759	\$914
6/01/19- 5/31/20	1.0049	\$203	\$372	\$458	\$661	\$747	\$899
6/01/18- 5/31/19	1.0350	\$202	\$371	\$455	\$658	\$742	\$894
6/01/17- 5/31/18	1.0463	\$196	\$359	\$440	\$636	\$717	\$864
6/01/16- 5/31/17	1.0369	\$187	\$343	\$421	\$608	\$685	\$826
6/01/15- 5/31/16	1.0089	\$180	\$331	\$406	\$586	\$661	\$796
6/01/14- 5/31/15	1.0235	\$179	\$328	\$402	\$581	\$655	\$789
6/01/13- 5/31/14	1.0244	\$175	\$320	\$393	\$567	\$640	\$771
6/01/12- 5/31/13	1.0258	\$170	\$312	\$383	\$554	\$625	\$753
6/01/11- 5/31/12	1.0352	\$166	\$305	\$374	\$540	\$609	\$734
6/01/10- 5/31/11	1.0337	\$161	\$294	\$361	\$522	\$589	\$709
6/01/09- 5/31/10	1.0220	\$155	\$285	\$349	\$505	\$569	\$686
6/01/08- 5/31/09	1.0399	\$152	\$279	\$342	\$494	\$557	\$671
6/01/07-5/31/08	1.0516	\$146	\$268	\$329	\$475	\$536	\$645
6/01/06-5/31/07	1.0256	\$139	\$255	\$313	\$452	\$509	\$614
6/1/05-5/31/06	1.0427	\$136	\$249	\$305	\$441	\$497	\$598
6/1/04-5/31/05	1.0455	\$130	\$239	\$293	\$423	\$476	\$574
6/1/03-6/1/04	1.0507	\$124	\$228	\$280	\$405	\$456	\$549
6/1/02-5/31/03	1.0727	\$118	\$217	\$267	\$385	\$434	\$522
6/1/01-5/31/02	1.0407	\$110	\$203	\$249	\$359	\$404	\$487
6/1/00-5/31/01	1.0529	\$106	\$195	\$239	\$345	\$388	\$468
6/1/99-5/31/00	1.0491	\$101	\$185	\$227	\$328	\$369	\$444
6/1/98-5/31/99	1.0439	\$96	\$176	\$216	\$312	\$352	\$424
6/1/97-5/31/98	1.0419	\$92	\$169	\$207	\$299	\$337	\$406
6/1/96-5/31/97	1.0396	\$88	\$162	\$198	\$287	\$323	\$389
6/1/95-5/31/96	1.032	\$85	\$155	\$191	\$276	\$311	\$375
6/1/94-5/31/95	1.0237	\$82	\$151	\$185	\$267	\$301	\$363

The methodology of calculation and benchmarking for this Updated Laffey Matrix has been approved in a number of cases. See, e.g., *DL v. District of Columbia*, 267 F.Supp.3d 55, 69 (D.D.C. 2017)

* “Years Out of Law School” is calculated from June 1 of each year, when most law students graduate. “1-3” includes an attorney in his 1st, 2nd and 3rd years of practice, measured from date of graduation (June 1). “4-7” applies to attorneys in their 4th, 5th, 6th and 7th years of practice. An attorney who graduated in May 1996 would be in tier “1-3” from June 1, 1996 until May 31, 1999, would move into tier “4-7” on June 1, 1999, and tier “8-10” on June 1, 2003.

** The Adjustment Factor refers to the nation-wide Legal Services Component of the Consumer Price Index produced by the Bureau of Labor Statistics of the United States Department of Labor.

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7 Attorneys for Plaintiffs Aram Rosas and David Barrientos

8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **FOR THE COUNTY OF LOS ANGELES**

11 ARAM ROSAS and DAVID BARRIENTOS,
as aggrieved employees pursuant to the Private
12 Attorneys General Act ("PAGA"), on behalf of
the State of California and other aggrieved
13 employees,

14 Plaintiffs,

15 vs.

16 LONG BEACH LINCOLN MERCURY, INC.,
a Delaware corporation; PACIFIC FORD, INC.,
17 a Delaware corporation; and DOES 1 through
10, inclusive,

18 Defendants.
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Case No. 23STCV08854

Assigned to the Hon. Lia Martin

**[PROPOSED] ORDER APPROVING THE
PARTIES' PAGA SETTLEMENT
AGREEMENT AND JUDGMENT**

Date: December 24, 2024
Time: 9:00 a.m.
Place: Department 3

Complaint Filed: April 21, 2023
Trial Date: None Set

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1 finding of the validity of any allegations or of any wrongdoing by Defendant. Neither this Order and
2 Judgment, the Settlement, nor any document referred to herein, nor any action taken to carry out the
3 Settlement, may be construed as, or may be used as, an admission of any fault, wrongdoing, omission,
4 concession, or liability whatsoever by or against Defendant.

5 8. The Court approves the gross settlement amount of \$300,000. After deducting the
6 approved amounts for attorneys' fees and costs, Representative Plaintiff Payments, and settlement
7 administration costs, the net settlement amount of \$148,000 will be allocated as follows: Seventy-Five
8 Percent (75%), or approximately \$111,000, shall be paid to the California Labor and Workforce
9 Development Agency, and the remaining Twenty-Five Percent (25%), or approximately \$37,000, shall
10 be paid to Aggrieved Employees.

11 9. The Court hereby awards \$100,000 in attorneys' fees and \$27,000 costs to Plaintiffs'
12 Counsel, Capstone Law APC.

13 10. The Court approves Representative Plaintiff Payments of \$10,000, each, to Aram Rosas
14 and David Barrientos.

15 11. The Court appoints Phoenix Settlement Administrators to serve as the Settlement
16 Administrator, and approves Settlement Administration Costs of \$5,000.

17 12. This Judgment shall be binding on all Aggrieved Employees and the State of California,
18 who are hereby barred by the doctrine of res judicata from re-litigating the PAGA Released Claims
19 during the Representative Period, as those terms are defined by the Settlement. *See Arias v. Superior*
20 *Court*, 46 Cal. 4th 969, 986 (2009) (holding that a judgment in a representative action brought by an
21 aggrieved employee under PAGA is binding not only on the named employee plaintiff but also on state
22 labor law enforcement agencies and any aggrieved employee not a party to the proceeding).

23 13. Without affecting the finality of the Order and Judgment, the Court shall retain exclusive
24 and continuing jurisdiction under California Code of Civil Procedure § 664.6, over the above-captioned
25 action and the parties for purposes of enforcing the terms of the Judgment and the Settlement.

26 **IT IS SO ORDERED, ADJUDGED, AND DECREED.**

27 Date _____

Hon. Lia Martin
Los Angeles County Superior Court Judge