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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

8 KENNETH TERRY,

9 Plaintiff,

10 vs.

11 WESTFIELD, LLC and DOES 1 to 25,
12 inclusive,

13 Defendants.

Case No.: 23STCV24179

**DECLARATION OF HAROUT
MESSRELIAN IN SUPPORT OF
UNOPPOSED MOTION FOR APPROVAL
OF PAGA SETTLEMENT**

Action filed:
10/4/2023

Date: 2/18/2025
Time: 8:30am
Dept: 76

Reservation ID:
218593857347

Department: 76, Hon. Christopher K.
Lui

Submitted Herewith Under Separate Cover:

1. Plaintiff's Notice of Unopposed Motion for Approval of PAGA Settlement; Memorandum of Points and Authorities in Support Thereof;
2. [Proposed] Order

I, HAROUT MESSRELIAN, declare and state as follows:

2. I am experienced in handling employment law matters and specifically wage and hour representative and individual actions. My qualifications are as follows: I received my JD from Loyola Law School in 2010. I started my own law firm in 2011 – the Law Offices of Harout Messrelian. Since 2016, I have been the founder and principal attorney at Messrelian Law, Inc. Since 2011, I have filed and handled over 350 civil actions and/or claims involving representative actions under the Private Attorneys General Act (“PAGA”) and/or wage and hour claims on behalf of my clients and have been appointed Class Counsel in three class action cases – *Zohrab Mekhitarian v. Triple Play Motors dba Bob Smith Toyota*, Los Angeles Superior Court Case No. 19STCV22411 (ADR Services, Inc., Case Number 20-2668-RWT), *Carina Camberos, on behalf of herself and others similarly situated, v. Great American Chicken Corp, Inc.*, Los Angeles Superior Court Case No. 21STCV32015, and *Robert Garcia, on behalf of himself and others similarly situated v. HD Supply Management Inc.*, San Bernardino Superior Court Case No. CIVSB2028067. I have a practice that encompasses cases in the Los Angeles Superior Courts, the Orange County Superior Courts, the Riverside County Superior Courts, the San Bernardino County Superior Courts, the Alameda County Superior Courts, Santa Clara County Superior Courts, San Mateo County Superior Courts, and the Monterey County Superior Courts.

Factual and Procedural Background

2

1 Maintenance Technician I, from approximately January 2022 through August 14, 2023.

2 5. Plaintiff complied with the procedures of Labor Code § 2699.3 for bringing suit
3 under the Labor Code Private Attorneys General Act of 2004, Labor Code §§ 2698, et seq.
4 (“PAGA”). On June 30, 2023, Plaintiff Kenneth Terry on behalf of himself and Defendant’s
5 other California non-exempt employees (hereafter collectively the “Aggrieved Employees”)
6 gave written notice by electronic service to the California Labor and Workforce Development
7 Agency (“LWDA”) and via certified mail to Defendant of their claims against Defendant. In his
8 notice to the LWDA, Plaintiff asserted on behalf of himself and the Aggrieved Employees that
9 Defendant (1) failed to compensate for all hours worked and to pay minimum wages (Labor
10 Code Sections 1194, 1197, 1197.1); (2) failed to pay overtime compensation (Labor Code
11 Section 510); (3) failed to provide rest breaks (Labor Code Section 226.7); (4) failed to provide
12 meal breaks (Labor Code Sections 512, 226.7); (5) failed to timely pay wages due during
13 employment (Labor Code Section 204); (6) failed to provide accurate itemized wage statements
14 (Labor Code Section 226); (7) failed to keep accurate and complete payroll records (Labor Code
15 Section 1174/1174.5); (8) failed to pay wages at the end of employment (Labor Code section
16 203); (9) failed to reimbursement business expenses (Labor Code section 2802); and claims
17 under Industrial Welfare Commission Wage Orders 4-2001/7-2001. Plaintiff filed his initial
18 lawsuit on October 4, 2023, in the Superior Court for the State of California, County of Los
19 Angeles, Case No. 23STCV24179, with a total of 13 causes of action for individual wage and
20 hour violations, PAGA penalties based on the theories as outlined in the PAGA letter, and
21 individual claims for retaliation under Labor Code sections 1102.5 and 6310/6311.

22 6. Through informal discovery, Defendant produced records and represented that it
23 employed approximately 96 employees falling within Plaintiff’s Aggrieved Employees
24 definition for the period from July 31, 2022 (one year and 65 days before Plaintiff’s PAGA
25 complaint filing) through June 28, 2024, and that there are paychecks issued for a total of
26 approximately 2,306 pay periods worked for that same time period.

27 7. The Settlement Agreement covers PAGA Members, which are Aggrieved
28 Employees employed on or after July 31, 2022 through settlement approval by the Court.

1 8. Defendant denies any liability or wrongdoing of any kind whatsoever associated
2 with the lawsuit and the Representative PAGA Claim. It is the desire of the Parties to fully,
3 finally, and forever compromise, and discharge all claims known or unknown related to those
4 alleged in Plaintiff's lawsuit.

5 9. The parties attended a full-day mediation with experienced mediator Steve Pearl
6 on August 29, 2024, and settled the matter. Before agreeing to the terms of the Settlement, the
7 Parties engaged in informal discovery regarding Defendant's policies, practices, operations,
8 time and payroll information and other topics. Prior to negotiation, Defendant produced
9 Plaintiff's personnel file, time and payroll data for Plaintiff, and time records and payroll records
10 for 20 randomly selected aggrieved employees falling within Plaintiff's Aggrieved Employees
11 definition and during the applicable PAGA period. Through extensive arm's length negotiations
12 and only after discovery and investigation were performed, the Parties agreed to settlement
13 terms. Attached as **Exhibit 1** is a true and accurate copy of the "Private Attorneys General Act
14 Settlement Agreement and Release" (hereinafter "Settlement Agreement") and the PAGA notice
15 that will be sent to the PAGA Members covered by the Settlement Agreement. As alluded to
16 above, the Parties negotiated the PAGA claims through arms-length negotiation during a private
17 mediation, and only after sufficient discovery was completed, including data being sent to
18 Plaintiff's data expert for analysis/review.

19 10. The Parties conducted investigation of the facts and law both before and after the
20 lawsuit was filed. Counsel for the Parties have further investigated the applicable law as applied
21 to the facts discovered regarding Plaintiff's claims, the defenses thereto, and the Labor Code
22 violations claimed by Plaintiff. Based on their own independent investigations and evaluations,
23 the Parties and their respective counsel are of the opinion that the Settlement for the
24 consideration and on the terms set forth in this Motion are fair, reasonable and adequate and are
25 in the best interests of Plaintiff, the PAGA Members, and Defendant in light of all known facts
26 and circumstances and the risks inherent in litigation, especially in this post-pandemic era when
27 most California businesses are still struggling to remain afloat, much less prosper and make a
28 large profit.

1 11. The Parties further recognize that the issues presented in the Action are likely
2 only to be resolved with extensive and costly pretrial and trial proceedings, and that further
3 litigation will cause inconvenience, distraction, disruption, delay, and expense disproportionate
4 to the maximum potential benefits, especially in light of the post- pandemic era and the business
5 climate.

6 12. Plaintiff alleges that the strongest claims are that Plaintiff and other PAGA
7 Members were not provided meal breaks under the law and that Defendant engaged in rounding
8 of work hours.

9 13. Plaintiff contends that the civil penalty statutes applicable to the Action arise
10 from violations of the California Labor Code, including, but not limited to, Labor Code §§ 512,
11 558, 1197, 1197.1, and 2699(f)(2). Under these civil penalty statutes, an employee who suffers
12 a Labor Code violation may be awarded a sum of money for each pay period in which he or she
13 was underpaid. However, under Labor Code § 2699(e)(2), the Court can reduce an award of
14 civil penalties if the award is unjust, arbitrary, oppressive, or confiscatory.

15 14. As it relates to Plaintiff's argument for meal break violations, Plaintiff's data
16 analysis revealed a shift violation rate of 19% for short, late, or no meal breaks. If you
17 extrapolate the 19% shift violation rate, it amounts to 81.8% of pay periods having at least one
18 meal period violation. As such, the maximum exposure for meal period violations in the PAGA
19 period would be **\$94,300**, which is calculated as follows: 2,306 pay periods x 81.8% equals
20 1,886 affected pay periods; 1,886 pay periods x \$50/pay period (civil penalty) amounts to
21 \$94,300 in exposure. The latter exposure calculation does not take into account the fact that
22 Defendant had strong, written meal period policies and that the sampling revealed that
23 Defendant paid \$25,644 in meal period premiums. Moreover, Defendant indicated that their
24 payroll system automatically paid premium wages for all apparent meal break violations, which
25 aligns with the meal period premiums seen by Plaintiff's data expert. Furthermore, Plaintiff
26 himself had 23 non-compliant meal periods during his employment tenure for which he was
27 paid a premium wage for every single one.

28 15. As it relates to Plaintiff's argument for rounding violations, the data analysis by

1 Plaintiff's data expert revealed a net unfavorable rounding of 1.5 minutes per shift with 50% of
2 shifts showing this net unfavorable rounding. 50% of shifts equates to 100% of pay periods
3 having at least one rounding violation. As such, the maximum exposure for rounding, which in
4 legal terms constitutes a minimum wage violation, would be **\$230,600**, which is calculated as
5 follows: 2,306 pay periods x \$100/pay period (civil penalty), which equals \$230,600. Defendant
6 in response argues that the rounding is neutral on its face and disputes the net unfavorable
7 rounding result found by Plaintiff's data analyst.

8 16. As it relates to Plaintiff's other claims, and unlike the arguments for meal period
9 violations and rounding/minimum wage violations, there would be issues with proof. As it
10 relates to Plaintiff's claims for rest period violations, there is no documentary evidence or data
11 at this stage that would support those claims. Moreover, Defendant argued and showed that there
12 were rest period attestations every period wherein the employees certified that they in fact took
13 their rest periods. There would be no regular rate issue, since there were no bonus payments
14 seen in the sample. As it relates to any overtime issues, the data showed the average work day
15 was close to 8.0 hours worked, which means that overtime violations would not be a substantial
16 issue. Moreover, Defendant provided overall strong written policies as it related to wage and
17 hour practices and showed that Plaintiff acknowledged the policies. As it relates to Plaintiff's
18 claim of business expense reimbursement, the evidence revealed that some employees got cell
19 phone stipends of \$32 per month, while other employees received actual cell phones for business
20 use. Plaintiff's other claims are derivative claims for violations of Labor Code sections 203, 204,
21 and 226 for not being paid all wages owed every pay period or at the end of employment as well
22 as not receiving accurate, itemized wage statements would not be triggered.

23 17. Based on the above calculations, Plaintiff's aggregate exposure for the strongest
24 disputed claims would be **\$324,900**. Assuming that Plaintiff's calculations and analysis are
25 accurate, the maximum exposure presumes that the Court will not reduce the penalty award as
26 unjust, arbitrary, oppressive, or confiscatory. Based on the above analysis, a gross settlement in
27 the amount of \$195,000 is a very strong result, especially in light of the risk factors as discussed
28 above.

1 18. Moreover, Plaintiff is aware of no California state courts awarding Plaintiff
2 multiple PAGA penalties for the same violation for the same pay period under different Labor
3 Code provisions. As such, one of the risks Plaintiff faces is that the Court would refuse to “stack”
4 civil penalties arising under the various Labor Code statutes. Furthermore, judges have awarded
5 extremely small sums to PAGA claimants in the past. Defendant also adamantly disputes all of
6 Plaintiff’s allegations in the operative Complaint.

7 19. PAGA states a court has discretion to award a lesser amount than the maximum
8 penalty. *See Lab. Code* § 2699(e)(2) (“...a court may award a lesser amount than the maximum
9 civil penalty amount specified by this part if, based on the facts and circumstances of the
10 particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive,
11 or confiscatory.”); *see also Thurman v. Bayshore Transit Management, Inc.* (2012) 203
12 Cal.App.4th 1112, 1135 (reducing PAGA award). There is a substantial risk that the Court could
13 reduce civil penalties to an insignificant amount if it is unpersuaded by Plaintiff’s evidence of
14 willful and intentional conduct. *Carrington v. Starbucks* (2018) 30 Cal.App.5th 504
15 (“*Carrington*”) illustrates this. In that case, the Court of Appeal affirmed a trial court’s heavily
16 discounted award of only \$5 per violation because it was within the Court’s discretion to
17 significantly reduce PAGA penalties even when there is a finding that a violation of the
18 California Labor Code occurred. The plaintiff in *Carrington* had requested penalties in excess of
19 \$70 million and was successful in proving the PAGA claim during a bench trial. However, the
20 trial court reduced the total award after trial to only \$150,000 (30,000 violations x \$5) and stated
21 that this reduction was warranted because imposing the maximum penalty would be “unjust,
22 arbitrary, and oppressive”, based on Starbucks’s “good faith attempts” to comply with meal break
23 obligations and because the Court found the violations were minimal. Applying the same formula
24 here and assuming there was one violation during each pay period, the award of civil penalties
25 could not exceed \$11,530.00 in PAGA penalties (2,306 violations x \$5). As such, this Settlement
26 is a great result based solely on the risk the Court chooses to apply the *Carrington* formula.
27 Defendant has also posed formidable defenses to the Labor Code claims underlying Plaintiff’s
28 allegations. Thus, the chance of Plaintiff recovering a higher amount than the Gross Settlement

1 Amount is uncertain.

2 20. The Parties further recognize that the issues presented in the Action are likely
3 only to be resolved with extensive and costly pretrial and trial proceedings, and that further
4 litigation will cause inconvenience, distraction, disruption, delay, and expense disproportionate
5 to the maximum potential benefits to the PAGA Members and Plaintiff from continued
6 litigation.

7 21. The settlement of the Action involves monetary relief to all PAGA Members,
8 Plaintiff, his attorneys, and the State of California.

9 22. Furthermore, Plaintiff recognizes that continued litigation presents significant
10 risks that support a significant downward departure from Plaintiff's estimated civil penalties
11 amount. In view of the risks, the Settlement represents a fair, adequate, and reasonable
12 compromise amount for these claims and is in the best interest of Plaintiff and PAGA Members
13 and thus, warrants approval. *See Laguna v. Coverall N. Am., Inc.*, Case No. 12-55479 (9th Cir.
14 June 3, 2014) 2014 WL 2465049, * 3. The PAGA settlement and its terms are fair, just,
15 reasonable, adequate, and equitable to Defendant, Plaintiff, and the State, especially in light of
16 the current economic climate, and are the product of good faith, and informed arms-length
17 negotiations between the Parties consistent with public policy and fully comply with applicable
18 provisions of law.

19 23. As such, the settlement of PAGA penalties in the gross sum of \$195,000.00, of
20 which 75% of the net amount after attorney's fees [\$65,000.00], attorney costs [\$10,308.26],
21 and settlement administrator fees [\$4,000.00], which is \$86,768.81 will be paid to the LWDA,
22 and 25%, which equates to \$28,922.93, will be distributed to the PAGA Members, is reasonable
23 and appropriate under the circumstances.

24 ***Plaintiff's Individual Settlement***

25 24. Plaintiff did have individual claims for individual labor code violations as well
26 as retaliation under Labor Code sections 1102.5 and 6310/6311. The parties agreed that the
27 consideration Plaintiff received pursuant to an individual settlement agreement was to settle his
28 individual claims. As part of this confidential agreement, Plaintiff also provided Defendant
with a general release of all claims, whether known or unknown, including unknown claims

1 covered by Civil Code Section 1542. Plaintiff has no conflict of interest with the absent
2 Aggrieved Employees and is adequate to represent the Aggrieved Employees.

3 *Attorneys' Fees and Costs*

4 25. I represent Plaintiff on a straight contingency basis. My firm's request for
5 \$65,000.00 in attorney fees and \$10,308.26 in litigation costs is fair and reasonable. To date, I
6 have investigated and prosecuted this matter vigorously, including drafting the initial PAGA
7 notice as well as the original complaint; drafting informal discovery questions, reviewing
8 Defendant's informal data and document production, including wage and hour policies; sending
9 and receiving emails on the case with defense counsel; sending the PAGA data to Plaintiff's
10 expert for review/analysis and reviewing the expert's findings/conclusions; drafting a
11 comprehensive mediation brief and engaging in a private mediation; and drafting this PAGA
12 approval motion. I also expect to perform additional work on this case if the Court grants final
13 approval of the Settlement, including supervision of the Settlement Administrator's
14 disbursement of the settlement funds to the Aggrieved Employees. "Empirical studies show that,
15 regardless of whether the percentage method or the lodestar method is used, fee awards in class
16 actions average around one-third of the recovery. *Chavez v. Netflix, Inc.* (2008) 162 Cal.App.4th
17 43, 47 fn. 11 (quoting *Shaw v. Toshiba America Information Systems, Inc.* (E.D. Tex. 2000) 91
18 F.Supp.2d 942, 972; *See also Lafitte v. Robert Half Int'l Inc.* (Cal. Aug. 11, 2016) 1 Cal.5th 480,
19 503, 376 P.3d 672, 686 (holding that courts can use the percentage method for the calculation
20 of attorneys' fees). This is also consistent with my experience in cases involving PAGA claims.
21 This award is justified here because I achieved a strong result for the PAGA Members and the
22 State while bearing the substantial burdens of contingency representation.

23 26. My previous experience in litigating wage and hour actions also supports the
24 reasonableness of the fee request, as does the caliber of opposing counsel. My previous
25 experience in similar matters was integral in evaluating the strengths and weaknesses of the
26 case against Defendant and the reasonableness of the Settlement. Because it is reasonable to
27 compensate me commensurate with my skill, reputation, and experience, attorney's fees of
28 approximately one-third of the Gross Settlement Amount is reasonable. Likewise, the caliber

1 and experience of opposing counsel in labor and employment litigation supports the fairness and
2 reasonableness of the requested fee award.

3 27. The litigation costs expended to aid in the representation of the PAGA Members
4 include the following: lawsuit filing fee of \$454.22; PAGA initial filing fees of \$75.00; expert
5 data analysis fee of \$1,000.00; mediation fee of \$8,750.00; and miscellaneous filing fees of
6 \$29.04 for a total of \$10,308.26. All of these costs are documented and reasonably incurred.

7 ***Settlement Administration Costs***

8 28. With regard to the settlement administration costs provision, it is reasonable.
9 Before agreeing to Phoenix Settlement Administrators (“Phoenix”), the parties sought and
10 reviewed bids from other reputable third-party administrators, including ILYM Group, CPT, and
11 Apex, and Phoenix’s bid was comparable. Phoenix’s bid has been attached as **Exhibit 2** to this
12 declaration.

13 ***Notice of Settlement to the LWDA***

14 29. Pursuant to Lab. Code § 2699(1)(2), my firm submitted a copy of the Settlement
15 with the LWDA at the same time the Settlement is being filed with the Court. True and correct
16 copies of this submission with the LWDA and the confirmation email are collectively attached
17 as **Exhibit 3** to this declaration. My firm will further provide a copy of the Court’s Order and
18 Judgment to the LWDA within ten (10) calendar days after entry of said judgment or order as
19 required by Labor Code sections 2699(1)(2)-(3).

20 I declare under the penalty of perjury of the laws of the State of California that the
21 foregoing is true and correct to the best of my knowledge.

22
23 Executed on December 27, 2024, at Glendale, California.

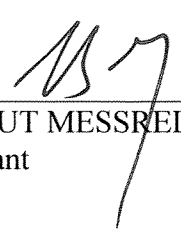
24
25 
26 HAROUT MESSRELIAN,
27 Declarant
28

EXHIBIT 1

PAGA SETTLEMENT AGREEMENT

Subject to approval by the Court, Plaintiff Kenneth Terry ("Plaintiff") on behalf of the other alleged aggrieved employees (the "Aggrieved Employees" as described below), and as a private attorney general on behalf of the State of California on the one hand, and Defendant Westfield, LLC ("Defendant") on the other hand, (collectively, the "Parties") hereby agree to the following settlement ("Settlement" or "Settlement Agreement") of Plaintiff's Private Attorneys General Act ("PAGA") claims and his individual claims in the lawsuit entitled *Kenneth Terry v. Westfield, LLC*, Los Angeles County Superior Court Case No. 23STCV24179 ("Action").

PERSONS COVERED BY THE SETTLEMENT

1. **Aggrieved Employees:** This Settlement covers all current and former hourly, non-exempt employees employed by Defendant at any time from July 31, 2022, through the date of the Court's order approving this Settlement ("Aggrieved Employees"), including Plaintiff. Defendant in good faith estimates there were approximately 96 Aggrieved Employees from the start of the relevant time period through June 28, 2024 (the date upon which the number of Aggrieved Employees in this Action was pulled for the purposes of mediation).
2. **Settlement Period:** The Settlement covers the period from July 31, 2022, to and including the Effective Date ("Settlement Period").
3. **Effective Date:** The "Effective Date" shall be the date on which the judgment entered by the Court, upon approval of the Settlement, is no longer subject to appeal and thus becomes final, and more specifically: (a) the date of final affirmance of an appeal of the judgment; (b) the date of final dismissal with prejudice of the last pending appeal from the judgment; or (c) if no appeal is filed, the expiration date of the time for the filing of or noticing of any form of valid appeal from the judgment (i.e., sixty (60) calendar days after the entry of judgment, pursuant to California Rule of Court 8.104 and California Code of Civil Procedure section 904.1). At no time will Defendant have any obligation to fund the Settlement, in whole or in part, until after the occurrence of this Effective Date.

SETTLEMENT CONSIDERATION

4. Maximum Settlement Amount: Subject to the terms and conditions of this Agreement, Defendant will pay the gross maximum amount of One Hundred Ninety Five Thousand Dollars (\$195,000) ("Maximum Settlement Amount") to settle the claims in the Action and any other claims released pursuant to this Agreement. In no event shall Defendant be responsible for paying more than the Maximum Settlement Amount. The Maximum Settlement Amount includes Attorneys' Fees, Litigation Costs, Settlement Administrator Costs, and payment for the "Released Claims" as defined below (including payment to the California Labor & Workforce Development Agency ("LWDA") and payments to Aggrieved Employees).

5. Attorneys' Fees: In full satisfaction of all claims Plaintiff, Aggrieved Employees, and Messrelian Law Inc. ("Plaintiff's Counsel") may have for attorneys' fees arising out of the Action, Plaintiff's Counsel shall request and be paid from the Maximum Settlement Amount a maximum amount of one third of the Maximum Settlement Amount ("Attorneys' Fees"), subject to Court approval. To the extent the Court approves attorneys' fees of less than this amount, there shall be no right to rescind the Settlement and, instead, the amount of the difference shall be added to the PAGA Penalties Fund. Defendant agrees not to oppose a fee request by Plaintiff's counsel in the foregoing amount. Within twenty-one (21) calendar days of receipt of the deposit of the Maximum Settlement Amount by the Settlement Administrator from Defendant, the Settlement Administrator shall pay Plaintiff's Counsel the amount described in this paragraph.

6. Litigation Costs: In full satisfaction of all claims Plaintiff, Aggrieved Employees, or Plaintiff's Counsel may have for litigation costs arising out of the Action, Plaintiff's Counsel shall request and be paid from the Maximum Settlement Amount a maximum amount of Twelve Thousand Five-Hundred Dollars (\$12,500) in litigation costs ("Litigation Costs"), subject to Court approval. To the extent the Court approves litigation costs of less than \$12,500, there shall be no right to rescind the Settlement and, instead, the amount of the difference shall be added to the PAGA Penalties Fund. Defendant agrees not to oppose a litigation costs request by Plaintiff's counsel in the foregoing amount. Within twenty-one (21) calendar days of receipt of the deposit of the Maximum Settlement Amount by

the Settlement Administrator from Defendant, the Settlement Administrator shall pay Plaintiff's counsel the amount described in this paragraph. Plaintiff's Counsel assumes full responsibility and liability for any taxes owed on the Attorneys' Fees and Litigation Costs and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding the payment of Attorneys' Fees or Litigation Costs.

7. PAGA Penalties Fund: The Parties agree that Defendant, through the Settlement Administrator, will pay the LWDA and Aggrieved Employees in full satisfaction of all claims for PAGA civil penalties under the California Labor Code in an amount equal to the remainder of the Maximum Settlement Amount following deduction of any Court-approved Attorneys' Fees, Litigation Costs, and Settlement Administration Costs ("PAGA Penalties Fund"). Pursuant to PAGA, 75% of the PAGA Penalties Fund will be paid to the LWDA, and the remaining 25% will be paid to all Aggrieved Employees in proportion to the number of pay periods employed in hourly, non-exempt positions in California during the Settlement Period.

8. Settlement Administrator: Phoenix Settlement Administrators shall be the third-party settlement administrator for the purposes of administering this Settlement.

9. Settlement Administration Costs: Settlement Administration Costs will be paid to the Settlement Administrator for administering this Settlement, including, but not limited to, printing, distributing, and tracking documents for this Settlement; calculating estimated amounts per Aggrieved Employee; tax reporting; distributing all payments; providing necessary reports; drafting any declarations; and other duties and responsibilities as requested by the Parties. The Settlement Administration Costs will be paid from the Maximum Settlement Amount, including, if necessary, any such costs in excess of the amount represented by the Settlement Administrator as being the maximum necessary to administer the Settlement, which is anticipated to be no greater than Four Thousand Dollars (\$4,000). To the extent actual Settlement Administration Costs are greater than \$4,000, such excess amount will be deducted from the PAGA Penalties Fund. Within twenty-one (21) calendar days of receipt of the deposit of the Maximum Settlement Amount by the Settlement Administrator from Defendant, the Settlement Administrator shall pay itself the amount described in this paragraph.

10. Court Approval of the Settlement and Distribution of Settlement Payments: No later than forty-five (45) calendar days after the Parties execute this Settlement Agreement, Plaintiff will file a motion requesting that the Court issue an order approving and incorporating by reference the terms and conditions of the Settlement Agreement, and entering judgment. Before filing the motion, Plaintiff shall send a draft to Defendant's counsel for review and comment. Defendant's counsel shall have ten (10) calendar days to provide feedback, if any. Plaintiff and Defendant will jointly prepare the proposed Approval Order and Judgment to be entered by the Court to enforce this Agreement and dismissing this case with prejudice. The proposed Approval Order and Judgment will be submitted concurrently with the documents asking the Court to approve the settlement. Plaintiff shall promptly submit this Settlement Agreement to the LWDA at the same time the stipulation or motion for settlement approval is filed.

11. Funding of the Settlement: Within thirty (30) calendar days after the Effective Date of the Settlement, Defendant will pay the Maximum Settlement Amount to the Settlement Administrator.

12. Settlement Payments to Aggrieved Employees: No later than thirty (30) calendar days after the Effective Date, Defendant shall provide the Settlement Administrator with a list of all Aggrieved Employees ("Aggrieved Employees List"). The Aggrieved Employees List shall state the first name and last name for each Aggrieved Employee; the last known address for each Aggrieved Employee; each Aggrieved Employee's social security number; and the periods of time during the Settlement Period during which each was employed in an hourly, non-exempt position for Defendant in California. No later than twenty-one (21) days after receipt of the Maximum Settlement Amount from Defendant, the Settlement Administrator will issue each Aggrieved Employee a check for the employee's share of the PAGA Penalties Fund along with an explanatory letter in the form attached hereto as **Exhibit A**. The Settlement Administrator will disburse each employee's share of the PAGA Penalties Fund without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. Before mailing any checks, the Settlement Administrator shall update the recipient's mailing address using the National Change of Address Database. Checks will remain negotiable for one hundred twenty (120) calendar days. Any checks returned as non-deliverable on or before the check cashing deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto. If no forwarding

address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace, or other search using the name, address, or Social Security number of the Aggrieved Employee involved, and will then perform a single re-mailing. Funds represented by settlement checks returned as undeliverable and those settlement checks remaining un-cashed for more than one hundred twenty (120) calendar days after issuance will be tendered to the State Controller's Office, Unclaimed Property Division; none of the Maximum Settlement Amount will revert to Defendant. In the event that an Aggrieved Employees' check is undeliverable, uncashed, or otherwise distributed to the State Controller's Office, Unclaimed Property Division, the terms of the final judgment and the Release of Claims will nevertheless be binding upon that Aggrieved Employee and the State of California with respect to that Aggrieved Employee. All payments made to Aggrieved Employees shall, if required by applicable state and/or federal law, be reported on a federal form 1099 that shall be provided to the individual Aggrieved Employees. Aggrieved Employees are responsible for correctly characterizing this compensation for tax purposes and paying any taxes owing on said amounts.

13. Escalation Clause: The Maximum Settlement Amount was calculated based on the approximately 2,306 reported pay periods. If the Aggrieved Employees List provided by Defendant to the Settlement Administrator reflects more than a ten (10) percent increase in the number of pay periods from the data that has been reported, then at Defendant's option, Defendant may either (a) increase the Maximum Settlement Amount by one (1) percent for every one (1) percent increase in pay periods over the ten (10) percent threshold or (b) shorten the Settlement Period end date from the Effective Date, to the earlier date when the threshold number of pay periods (i.e., 2,536) was reached. Within seven calendar days of receipt of the Aggrieved Employees List by the Settlement Administrator, the Settlement Administrator will provide to Plaintiff's Counsel, without revealing any confidential information such as names, Social Security Numbers, and contact information, the number of unique Aggrieved Employees along with the total number of pay periods collectively worked by the Aggrieved Employee.

14. Release of Claims for Aggrieved Employees and the State of California: Upon issuance of the Court's approval order and judgment, Plaintiff, all other Aggrieved Employees, and the State of California shall fully release and forever discharge any and all claims against the Released Parties arising

during the Settlement Period for civil penalties under PAGA that were asserted or could reasonably have been asserted based on the facts alleged or that could have been alleged in the Action and/or the PAGA letter submitted by Plaintiff to the LWDA (“Released Claims”). “Released Parties” shall mean Defendant, its past and present parents, subsidiaries, predecessors, successors, assigns, owners, officers, directors, employees, agents, trustees, affiliated entities, attorneys or legal representatives, insurers, fiduciaries, beneficiaries, partners, and/or any other entity or individual that could be liable for the acts or omissions of Defendant in relation to the Released Claims. Upon issuance of the Court’s approval order and judgment, Plaintiff, all Aggrieved Employees, and the State of California will be forever barred from pursuing against Defendant and the Released Parties any and all of the Released Claims.

15. No Credit Toward Benefit Plans: Payments to Aggrieved Employees as referenced herein will not be utilized to calculate any additional benefits under any benefit plans to which any Aggrieved Employee may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k) plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties’ intention that this Settlement Agreement will not affect any rights, contributions, or amounts to which any Aggrieved Employee may be entitled under any benefit plans.

16. Tax Liability: Neither the Parties nor their attorneys make any representations as to the tax treatment of the payments called for hereunder, and Aggrieved Employees shall not rely on any statement or representation by the Parties or their attorneys in this regard. Aggrieved Employees are advised that Aggrieved Employees will be solely responsible for the payment of their portion of any taxes and penalties assessed on the payments described herein and will defend, indemnify, and hold Defendant and the Released Parties free and harmless from and against any claims resulting from treatment of such payments as non-taxable damages. Plaintiff understands and agrees that if any action is asserted against Defendant, Defendant’s agents, the Released Parties, Plaintiff, or Plaintiff’s agents, by any taxing authority or government agency with respect to the payments to Plaintiff under this Agreement, Plaintiff shall be liable for any taxes owed. Plaintiff further agrees that he will hold Defendant and Defendant’s agents and the Released Parties free and harmless and indemnify them from and against any demands or

lawsuits for payment of income taxes, payroll taxes, interest, or penalties relating to the monies paid to Plaintiff or for his benefit pursuant to this Agreement.

17. Use of Aggrieved Employee Data: Information provided to Plaintiff's Counsel pursuant to California Evidence Code section 1152, and all copies and summaries of the documents and data provided to Plaintiff's Counsel by Defendant's counsel in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing protective order, contractual agreement, statute, or rule of court.

18. No Prior Assignments: The Parties and their counsel represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or right herein released and discharged.

19. Nullification of Settlement Agreement: In the event that the Court does not approve the Settlement as provided herein or the Settlement does not become final for any other reason, then (i) this Settlement Agreement, and any documents generated to bring it into effect, will be null and void, and the Parties will be returned to their original respective positions and (ii) Defendant reserves all available defenses to the claims in the Action.

20. Continued Jurisdiction: After entry of the Court's approval order and judgment, the Court will have continuing jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement of the terms of the Settlement; (ii) settlement administration matters; and (iii) such post-Court approval matters as may be appropriate under court rules or as set forth in this Settlement.

21. Preclusive Effect of Settlement Agreement and Approval: The terms of this Agreement, the approval order, and the judgment are binding on Plaintiff, the State of California, and all Aggrieved Employees, as well as their heirs, executors, and administrators, successors and assigns, and any other persons or entities acting on their behalf, and those terms shall have res judicata, collateral estoppel, and other preclusive effect in all pending and future claims, lawsuits, or other proceedings maintained by or on behalf of any such persons, to the extent those claims, lawsuits, or other proceedings constitute

Released Claims or Plaintiff Release Claims as set forth in the Agreement. Notwithstanding any other provision in this Agreement, this Agreement, the approval order, and the judgment in the Action may be filed in any action against or by Defendant or the Released Parties to support a claim for breach of contract or defense of res judicata, collateral estoppel, release, waiver, good-faith settlement, judgment bar or reduction, full faith and credit, or any other theory of claim preclusion, issue preclusion, or similar defense or counterclaim.

22. Entire Agreement: This Settlement Agreement constitutes the entirety of the Parties' settlement terms with regard to the settlement of Plaintiff's PAGA and individual claims. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties.

23. Amendment or Modification: This Settlement Agreement may be amended or modified only by a written instrument, signed by either the Parties or their successors-in-interest.

24. Authorization to Enter Into Settlement Agreement: The Parties warrant and represent that they expressly authorized their legal counsel to negotiate this Settlement Agreement. The Parties will direct their counsel to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties through their counsel will use their best efforts to affect the implementation of the Settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve such disagreement.

25. Binding on Successors and Assigns: This Settlement Agreement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

26. California Law Governs: All terms of this Settlement Agreement and Exhibits hereto will be governed by and interpreted according to the laws of the State of California, without regard to conflict of law principles.

27. Execution and Counterparts: This Settlement Agreement is subject only to the execution of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All

executed counterparts and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument. To facilitate execution and delivery of this Settlement Agreement, the parties may execute and exchange by facsimile or electronic image (*i.e.*, as a “.pdf” file) counterparts of the signature pages and/or sign electronically through DocuSign or other mutually agreeable electronic signature technology.

28. Acknowledgement that the Settlement is Fair and Reasonable: The Parties believe this Settlement is a fair, adequate, and reasonable settlement of the Action and have arrived at this Settlement after arm’s-length negotiations. The Parties further acknowledge they are represented by competent counsel and they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement.

29. Invalidity of Any Provision: Before declaring any provision of this Settlement Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Settlement Agreement valid and enforceable. With the exception of the release in Section 14 herein (titled “Release of Claims for Aggrieved Employees and the State of California”), which is a material provision, any provisions deemed invalid shall be severable from the rest of the Settlement Agreement.

30. Headings: The headings and section numbers in this Settlement Agreement are inserted for the reader’s convenience, and in no way define, limit, construe, or describe the scope or intent of the provisions of this Settlement Agreement.

31. Waiver: No waiver of any condition or covenant contained in this Settlement Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such party of the same or any other condition, covenant, right, or remedy.

32. Enforcement Action: In the event that one of the Parties institutes a legal action or other proceeding against the other Party to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party will be entitled to recover from the unsuccessful Party reasonable attorneys’ fees and costs, including expert witness fees incurred in connection with any enforcement actions.

33. Mutual Preparation: The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one party than another merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arms-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

34. Representation By Counsel: The Parties acknowledge they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and this Settlement Agreement has been executed with the consent and advice of counsel, and reviewed in full.

35. Attorneys' Fees and Costs: Except as expressly provided herein, Defendant and Plaintiff shall each bear their own attorney's fees and costs.

36. Binding Agreement: The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement Agreement will be fully enforceable and binding on all parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

37. Confidentiality: Plaintiff and his counsel agree that they have not and will not publish the results of the Settlement in any forum. In response to any inquiries, Plaintiff will state that "the case was resolved and it was resolved confidentially." Plaintiff's Counsel shall not report the Settlement in any medium or in any publication, shall not post or report anything regarding the claims of Plaintiff or the Aggrieved Employees or the Settlement online, and shall not contact any reporters or media regarding the Settlement. Plaintiff's Counsel is authorized to make a limited disclosure to the Court and the LWDA for the purpose of obtaining the approval of the Settlement. This disclosure is limited to court filings and neither Plaintiff nor Plaintiff's Counsel or representatives are permitted to disseminate or publish, distribute, or discuss the information provided to the Court in those filings outside the filings themselves and any hearing held on those filings, unless ordered otherwise by the Court.

38. No Admission of Liability: This Settlement represents a compromise and settlement of highly disputed claims. The Parties expressly recognize that the making of this agreement does not in any

way constitute an admission or concession of wrongdoing on the part of Defendant or the Released Parties. Nothing in this Settlement, nor any action taken in implementation thereof, nor any statements, discussions, or communications, nor any materials prepared, exchanged, issued, or used during the course of this Action, is intended by the Parties to, nor will any of the foregoing constitute, be introduced, be used, or be admissible in any way in any other judicial, arbitral, administrative, investigative, or other forum or proceeding, as evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity. Notwithstanding the foregoing, this agreement may be used in any proceeding in the Court that has as its purpose the interpretation, implementation, or enforcement of the Settlement or any orders or judgments of the Court entered into in connection therewith.

PLAINTIFF KENNETH TERRY

Dated: 10/16/24


Kenneth Terry Oct 16, 2024 17:34 PDT

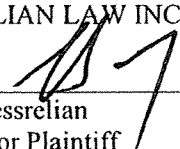
DEFENDANT WESTFIELD, LLC

Dated: _____

By: _____
Laurie Yoo, its Authorized Representative

APPROVED AS TO FORM AND CONTENT:

Dated: 10/16/24

MESSRELIAN LAW INC.
By: 
Harout Messrelian
Attorney for Plaintiff
KENNETH TERRY

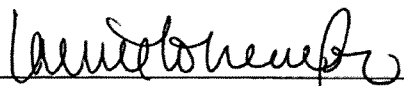
way constitute an admission or concession of wrongdoing on the part of Defendant or the Released Parties. Nothing in this Settlement, nor any action taken in implementation thereof, nor any statements, discussions, or communications, nor any materials prepared, exchanged, issued, or used during the course of this Action, is intended by the Parties to, nor will any of the foregoing constitute, be introduced, be used, or be admissible in any way in any other judicial, arbitral, administrative, investigative, or other forum or proceeding, as evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity. Notwithstanding the foregoing, this agreement may be used in any proceeding in the Court that has as its purpose the interpretation, implementation, or enforcement of the Settlement or any orders or judgments of the Court entered into in connection therewith.

PLAINTIFF KENNETH TERRY

Dated: _____

DEFENDANT WESTFIELD, LLC

Dated: 10.17.24

By: 
Laurie Yoo, its Authorized Representative

APPROVED AS TO FORM AND CONTENT:

MESSRELIAN LAW INC.

Dated: _____

By: _____
Harout Messrelian
Attorney for Plaintiff
KENNETH TERRY

DAVIS WRIGHT TREMAINE LLP

Dated: October 21, 2024

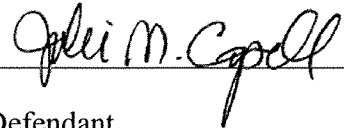
By: 
Julie Capell
Attorney for Defendant
WESTFIELD, LLC

EXHIBIT A

<<DATE>>

TO BE TRANSLATED INTO SPANISH BY THE ADMINISTRATOR

<<FIRST NAME>> <<LAST NAME>>
<<ADDRESS>>

Re: Payment From *Kenneth Terry v. Westfield, LLC*

Dear <<FIRST NAME>> <<LAST NAME>>:

Enclosed you will find a check made payable to you. This is your payment from the settlement of the lawsuit entitled *Kenneth Terry v. Westfield, LLC*, Los Angeles County Superior Court, Case No. 23STCV24179 (the “Action”). The Action was filed against Westfield, LLC (“Westfield”) under the California Private Attorneys General Act of 2004, California Labor Code section 2698 *et seq.* (“PAGA”). The claim was brought by a former employee of Westfield on behalf of the State of California and all persons who worked for Westfield as hourly, non-exempt employees in the State of California at any point from July 31, 2022, to [the Approval Date] (“Aggrieved Employees”). You have been identified as an Aggrieved Employee on whose behalf the case was brought.

The plaintiff in this lawsuit claimed that Westfield owed penalties under PAGA for alleged violations of the California Labor Code, including but not limited to the alleged failure to pay for all hours worked, minimum wages, and overtime wages; provide rest and meal periods; provide accurate wage statements; reimburse business expenses; and timely pay all wages due during employment and when employment ends, among other claims. Westfield strongly denies all allegations, maintains that its policies and practices are and were lawful, and that all employees are and were provided with all wages and working conditions in conformance with applicable law at all times. This settlement constitutes a compromise of disputed claims and should not be construed as an admission of liability on the part of Westfield.

The Court has not ruled on the merits of the lawsuit, but it has approved a gross settlement of \$195,000. By law, 75% of the net settlement amount (the amount left over after certain costs and fees are deducted) goes to the State of California. The remainder (i.e., 25%) goes to the Aggrieved Employees. Enclosed is a check for your share of the settlement, which is based on the number of pay periods you worked as an hourly, non-exempt employee for Westfield in California between July 31, 2022 and [the Effective Date].

You are not a party to this lawsuit, but you and the State are bound by the judgment and the release of claims. The claims released by this Settlement are more fully described in Paragraph 14 of the Settlement Agreement, which is available at [Settlement Administrator’s website].

If you have further questions about this settlement, please contact Phoenix Settlement Administrators, [Settlement Administrator’s contact info].

Sincerely,

[NAME AND TITLE OF SIGNATORY]

EXHIBIT 2



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

September 20, 2024

CASE ASSUMPTIONS

Class Members	100
Opt Out Rate	N/A
Opt Outs Received	
Total Class Claimants	100
Subtotal Admin Only	\$4,022.63

Flat Fee Total \$4,000.00

For 100 Class Members

Pricing Good for Scope of Estimate Only

All Aspects of Escheating to the State of CA Included

Spanish Translation, Printing & Mailing Included

Case: Terry v. Westfield, PAGA Administration

Phoenix Contact: Michael E. Moore
Contact Number: 949.331.0131
Email: mike@phoenixclassaction.com

Requesting Attorney: Harout Messrelian
Firm: Messrelian Law Inc,
Contact Number: 818.484.6531
Email: hm@messrelianlaw.com

Assumptions and Estimate are based on information provided by counsel. If class size changes, PHX will need to adjust this Estimate accordingly.

Estimate is based on 100 Class Members. Class data **Must** be sent in Microsoft Excel or uploaded in the same format. Class Data Must be sent in one spreadsheet, with no additional programming needed. A rate of \$150 per hour will be charged for any additional analysis or programming. Pricing good for 90 day

Case & Database Setup / Toll Free Setup & Call Center / NCOA (USPS)

Administrative Tasks:	Rate	Hours/Units	Line Item Estimate
Programming Manager	\$100.00	1	\$100.00
Programming Database & Setup	\$100.00	1	\$100.00
Toll Free Setup*	\$100.00	1	\$100.00
Call Center & Long Distance	\$2.50	16	\$40.00
NCOA (USPS)	\$25.00	1	\$25.00
Total			\$365.00

* Up to 120 days after disbursement

Data Merger & Scrub / PAGA Letter & Check / Postage / Spanish Translation

Project Action	Rate	Hours/Units	Line Item Estimate
Notice Packet Formatting	\$100.00	1	\$100.00
Spanish Translation	\$150.00	1	\$150.00
Data Merge & Duplication Scrub	\$0.09	100	\$9.00
PAGA Letter and Check Packet	\$1.00	100	\$100.00
Estimated Postage (up to 1 oz.)*	\$0.64	100	\$64.00
Total			\$423.00

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



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Skip Tracing & Remailing PAGA Packets / Tracking & Programming Undeliverables				
Project Action:	Rate	Hours/Units	Line Item	Estimate
Case Associate	\$55.00	3		\$165.00
Skip Tracing Undeliverables	\$0.75	25		\$18.75
Remail PAGA Packets	\$0.65	22		\$14.30
Estimated Postage	\$0.64	22		\$14.08
Programming Undeliverables	\$50.00	1		\$50.00
Total				\$262.13

Case Management				
Project Action:	Rate	Hours/Units	Line Item	Estimate
Case Associate	\$55.00	3		\$165.00
Case Manager	\$85.00	2		\$170.00
Total				\$335.00

Calculation & Disbursement Programming/ Create & Manage QSF/ Mail Checks				
Project Action:	Rate	Hours/Units	Line Item	Estimate
Programming Calculations	\$135.00	1		\$135.00
Disbursement Review	\$135.00	1		\$135.00
Programming Manager	\$95.00	1		\$95.00
QSF Bank Account & EIN	\$135.00	1		\$135.00
Check Run Setup & Printing	\$135.00	1		\$135.00
Total				\$635.00

* Checks are printed on 8.5 x 11 in. sheets with W2/1099 Tax Filing



Tax Reporting & Reconciliation / Re-Issuance of Checks / Conclusion Reports and Declarations			
Project Action:	Rate	Hours/Units	Line Item Estimate
Case Supervisor	\$115.00	1	\$115.00
Remain Undeliverable Checks (Postage Included)	\$1.50	15	\$22.50
Case Associate	\$55.00	3	\$165.00
Reconcile Uncashed Checks	\$85.00	3	\$255.00
Conclusion Reports	\$115.00	2	\$230.00
Case Manager Conclusion	\$85.00	2	\$170.00
Final Reporting & Declarations	\$115.00	3	\$345.00
QSF Annual Tax Reporting *	\$700.00	1	\$700.00
(State Tax Reporting & Escheating Uncashed Checks to the State of CA included)			
		Total	\$2,002.50

Estimate Total: \$4,022.63



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

TERMS AND CONDITIONS

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

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

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

Payment Terms: All postage charges and 50% of the final administration charges are due at the commencement of the case and will be billed immediately upon receipt of the data and/or notice documents. PSA bills are due upon receipt unless otherwise negotiated and agreed to with PSA by Counsel/Client. In the event the settlement terms provide that PSA is to be paid out of the settlement fund, PSA will request that Counsel/Client endeavor to make alternate payment arrangements for PSA charges that are due at the onset of the case. The entire remaining balance is due and payable at the time the settlement account is funded by Defendant, or no later than the time of disbursement. Amounts not paid within thirty (30) days are subject to a service charge of 1.5% per month or the highest rate permitted by law.

Tax Reporting Requirements

PSA will file the necessary tax returns under the EIN of the QSF, including federal and state returns. Payroll tax returns will be filed if necessary. Under the California Employment Development Department, all taxes are to be reported under the EIN of the QSF with the exception of the following taxes: Unemployment Insurance (UI) and Employment Training Tax (ETT), employer-side taxes, and State Disability Insurance (SDI), an employee-side tax. These are reported under Defendant's EIN. Therefore, to comply with the EDD payroll tax filing requirements we will need the following information:

1. Defendant's California State ID and Federal EIN.
2. Defendant's current State Unemployment Insurance (UI) rate and Employment Training Tax (ETT) rate. This information can be found in the current year DE 2088, Notice of Contribution Rates, issued by the EDD.
3. Termination dates of the class members, or identification of current employee class members, so we can account for the periods that the wages relate to for each class member.
4. An executed Power of Attorney (Form DE 48) from Defendant. This form is needed so that we may report the UI, SDI, and ETT taxes under Defendant's EIN on their behalf. If this form is not provided we will work with the EDD auditors to transfer the tax payments to Defendant's EIN.
5. Defendant is responsible for reporting the SDI portion of the settlement payments on the class member's W-2. PSA will file these forms on Defendant's behalf for an additional fee and will issue an additional W-2 for each class member under Defendant's EIN, as SDI is reported under Defendant's EIN rather than the EIN of the QSF. The Power of Attorney (Form DE 48) will be needed in order for PSA to report SDI payments.

EXHIBIT 3