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Attorneys for Plaintiff

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF KERN

PAUL ESPARZA, as an individual and on behalf
of all others similarly situated, and as a private
attorney general,

Plaintiff,

vs.

SCIENTIFIC DRILLING INTERNATIONAL,
INC., a Texas corporation; and DOES 1 through
50, inclusive,

Defendants.

Case No. BCV-23-101895

[Hon. T. Mark Smith, Department T2]

**DECLARATION OF SIMON L. YANG IN
SUPPORT OF PLAINTIFF'S MOTION FOR
APPROVAL OF PAGA SETTLEMENT**

Date: January 15, 2025
Time: 8:30 a.m.
Courtroom: T2

Complaint Filed: June 16, 2023
FAC Filed: August 11, 2023

1 I, Simon L. Yang, declare as follows:

2 1. I am an attorney admitted to practice in the State of California and, with the law firm
3 Diversity Law Group, P.C., am counsel of record for Plaintiff, Paul Esparza. I make this declaration on
4 the basis of my own personal knowledge, except as to those matters stated on information and belief
5 and, as to those matters, I believe them to be true. If called as a witness, I could testify competently as to
6 the facts stated in this declaration.

7 2. On June 16, 2023, Plaintiff filed the original putative class action complaint in this
8 matter. On August 11, 2023, Plaintiff filed a first amended complaint to also allege a representative
9 action under the Labor Code Private Attorneys General Act of 2004, Lab. Code §§ 2698 et seq.
10 (“PAGA”). The operative complaint alleges Defendant, Scientific Drilling International, Inc., fails to (i)
11 pay overtime at the regular rate of pay, (ii) pay an additional hour of regular rate wages for missed, late,
12 or interrupted meal periods and rest periods, (iii) timely pay all wages during employment or upon
13 termination of employment, and (iv) provide complete and accurate itemized wage statements.

14 3. The Parties met and conferred about the claims and Defendant’s defenses, including
15 those based on an arbitration agreement and class action waiver. On December 7, 2023, the Parties
16 agreed to dismiss Plaintiff’s individual and class action claims and to proceed with litigation of
17 Plaintiff’s PAGA claims. Plaintiff requested (and Defendant provided) additional informal discovery to
18 enable the Parties to explore the possibility of an informal resolution. For example, Defendant provided
19 the relevant numbers of pay periods in which alleged underpayments occurred, among other things—
20 enabling Plaintiff to assess the full value of the PAGA claims. Defendant’s willingness to produce this
21 information enabled Plaintiff to evaluate the full scope of Defendant’s potential liability.

22 4. On June 28, 2024, the Parties attended a mediation with Tagore Subramaniam, an
23 experienced mediator knowledgeable of both the wage and hour laws and PAGA claims at issue in the
24 Action. With the mediator’s assistance and based on a mediator’s proposal, the Parties were able to
25 agree to settlement terms, which were negotiated in light of all known facts and circumstances including
26 the uncertainty associated with litigation, the risks of significant delay, and numerous potential appellate
27 issues. The settlement terms are memorialized in the PAGA Settlement Agreement (the “Agreement”), a
28 true and correct copy of which is attached as **Exhibit 1**. “Agreement”).

1 5. Plaintiff contended that Defendant's alleged Labor Code violations resulted in a \$100 per
2 pay period penalty for each of approximately 1,285 relevant pay periods that Plaintiff contended had
3 alleged underpayments. The Agreement requires Defendant to pay \$100,000.00—or approximately
4 \$77.82 per pay period in which Plaintiff contended Labor Code violations occurred. This amounts to
5 approximately 77.82% of Defendant's potential liability and is an excellent result for the State.

6 6. Defendant contested the merits and denied it was liable at all. For example, Defendant
7 contended that there were no underpayments of overtime and no meal or rest period violations at all.
8 Moreover, even if Plaintiff prevailed on the merits, Defendant contested the extent of liability.
9 Specifically, Defendant contended that PAGA penalties would be subject to discretionary reductions,
10 especially as Defendant had voluntarily already changed the relevant pay practices.

11 7. While the Parties disagree on the application of the law to the facts, each Party
12 recognized in negotiations that, if taken to trial, the other Party would at least have reasonable
13 arguments, such that the Settlement Amount to which the Parties ultimately agreed was reasonable.

14 8. Although I am confident that litigation of the claims would result in a classwide judgment
15 against Defendant, I recognize the inherent risks in litigation, including the specific risks that liability
16 could not be established at trial or that the applicable law could change. I believe the settlement for the
17 State is fair, reasonable, and adequate, given the inherent risks of litigation, as well as the potential for
18 appeals and the costs of pursuing litigation. The settlement is the result of extensive arms' length
19 negotiations between the Parties and their counsel.

20 9. My firm has incurred costs in the amount of \$10,485.24. The costs are all litigation
21 related costs, including filing fees and service fees. Attached as **Exhibit 2** is copy of the costs my firm
22 has incurred in connection with prosecution of this lawsuit.

23 10. Because Plaintiff's Counsel seeks reimbursement of \$10,485.24 in costs only (and the
24 Administration Costs are \$2,500.00, requested attorneys' fees are \$35,000.00, and requested PAGA
25 Representative Enhancement Award is \$10,000.00), it is expected that the PAGA Penalty Fund will be
26 \$42,014.76. It is expected that the LWDA will receive \$31,511.07 as its share of PAGA Penalties and
27 employees will receive \$10,503.69 as their share of PAGA Penalties.

1 11. I am one of the primary attorneys on this matter. My qualifications are as follows: After
2 completing my undergraduate education at The Wharton School at the University of Pennsylvania in
3 2004 with concentrations in Management and Human Resources, I continued studying labor and
4 employment issues by enrolling in post-graduate education at the School of Labor and Employment
5 Relations at the University of Illinois. I determined before enrolling in law school that I wanted to
6 practice labor and employment law in California. I thus received my J.D. from UCLA School of Law in
7 2008. During law school, I spent the summer of 2006 with the National Labor Relations Board, Region
8 21, and the summer of 2007 with the law firm of Seyfarth Shaw LLP in 2007.

9 12. Upon graduating from law school in 2008, I practiced labor and employment law at
10 Seyfarth Shaw LLP, a well-regarded labor and employment firm. I was elevated to partner in 2019. My
11 practice focused on wage and hour class, collective, and representative actions, with a particular
12 emphasis on matters involving the Labor Code Private Attorneys General Act of 2004 (“PAGA”).
13 During my time with Seyfarth Shaw LLP, I was a primary attorney on numerous wage and hour class,
14 collective, and representative actions that resulted in published opinions, including for example, *Ehret v.*
15 *WinCo Foods, LLC*, 26 Cal. App. 6th 1 (2018) (affirming summary judgment in PAGA action based on
16 absence of meal period violations in light of collectively bargained waiver of meal periods on shifts of
17 not more than six hours), and *Ruelas v. Costco Wholesale Corp.*, 67 F. Supp. 3d 1137 (C.D. Cal. Sept. 8,
18 2014) (obtaining dismissal of wage statement allegations in PAGA representative action). I was also
19 able to obtain experience litigating representative claims or wage and hour matters through trial and
20 appeal. *E.g., Velazquez v. Costco Wholesale Corp.*, 603 Fed. App’x 584 (9th Cir. Mar. 25, 2015)
21 (reversing award of waiting-time penalties based on lack of evidence supporting any willful failure to
22 pay wages); *Ward v. Costco Wholesale Corp.*, 552 Fed. App’x 631 (9th Cir. Jan. 9, 2014) (affirming
23 bench-trial judgment in favor of defendant against named plaintiff and 18 opt-in plaintiffs in collective
24 action with involving deductions from final paychecks). I also litigated class certification on numerous
25 matters. *E.g., Martinez v. Guess?, Inc.*, Los Angeles Superior Court Case No. BC 498326 (obtaining
26 denial of class certification on behalf of retail employees alleging bag check claims).

27 13. Based on my experience in wage and hour class, collective, and representative actions, I
28 have been interviewed and quoted in articles published in the Northern California Record about

1 legislative efforts to reform PAGA. I also have published articles on myriad topics relevant to wage and
2 hour class and representative action litigation, including for example articles on California kin care
3 requirements in *Employee Relations Law Journal* (Vol. 36, No. 2), the extraterritorial application of
4 California employment laws in *The Recorder* (134RD Year No. 28), and California meal and rest break
5 laws in *California Transportation News*, a publication of the California Construction Trucking
6 Association.

7 14. In 2020 I left Seyfarth Shaw LLP and joined my current firm, Diversity Law Group, P.C.,
8 which also focuses on employment law. I have handled a number of wage and hour class and
9 representative actions and continue litigating such matters in numerous Superior Courts and District
10 Courts. From matters with both Seyfarth Shaw LLP and Diversity Law Group, P.C., I have successfully
11 mediated the resolution of dozens of wage and hour class, collective, and representative actions. I have
12 obtained class certification, and no court has ever found me to be inadequate class counsel.

13 15. I have incurred a total of 51.1 hours to date in litigating this matter. Attached as **Exhibit**
14 **3** is a summary of my hours and tasks on this matter. I also anticipate spending at least 5.0 additional
15 hours in connection with attending the approval hearing, obtaining approval of the settlement, and
16 responding to correspondence and phone calls from the administrator, defense counsel, or aggrieved
17 employees.

18 16. My current billing rate is \$750 per hour, which is less than my billing rate would have
19 been had I remained at my prior firm. In January of 2019, clients were billed and paid my rate of \$630
20 per hour. In January of 2020, clients were billed and paid my rate of \$670 per hour. Had I remained at
21 my prior firm, I am informed and believe that my billing rate would have increased in January of 2021
22 to approximately \$710 per hour and in January of 2022 to approximately \$750 per hour. Numerous
23 courts in counties across the State have approved my hourly billing rate of \$750.

24 17. The total lodestar for my hours will be approximately \$42,075.00 based on an hourly rate
25 of \$750.00 per hour for 56.1 total hours.

26 18. Along with the filing of the motion for approval of the settlement in this matter, a copy of
27 the motion papers have also been uploaded to the Labor and Workforce Development Agency
28 (“LWDA”) in compliance with Section 2699(s)(2) and (4). Attached as **Exhibit 4** is a copy of the

1 LWDA confirmation. Similarly, upon approval of a settlement in this matter, my regular practice would
2 be to direct my office staff to upload a copy of the Court's judgment, papers, or other orders awarding
3 civil penalties under PAGA.

4 I declare under penalty of perjury under the laws of the State of California that the foregoing is
5 true and correct. Executed this 18th day of December 2024, at Pasadena, California.

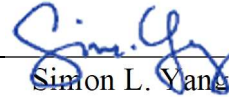
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EXHIBIT 1

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff Paul Esparza (“Plaintiff”) and defendant Scientific Drilling International, Inc. (“SDI”). The Agreement refers to Plaintiff and SDI collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1. “Action” means the Plaintiff’s PAGA lawsuit alleging wage and hour violations against Defendant captioned *Paul Esparza v. Scientific Drilling International, Inc.*, Case No. BCV-23-101895-TMS pending in Kern County Superior Court.
- 1.2. “Administrator” means Phoenix Settlement Administrators, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted in connection with approval of this Settlement.
- 1.4. “Aggrieved Employee” means a person employed by SDI in California as a field employee in an hourly, non-exempt hourly position from June 8, 2022 to June 28, 2024.
- 1.5. “Aggrieved Employee Data” means Aggrieved Employee identifying information in SDI’s possession including the Aggrieved Employee’s name, last-known mailing address, Social Security number, and number of PAGA Pay Periods.
- 1.6. “Aggrieved Employee Address Search” means the Administrator’s investigation and search for current Aggrieved Employee mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Aggrieved Employees.
- 1.7. “Court” means the Superior Court of California, County of Kern.
- 1.8. “Defense Counsel” means Mollie Burks, Joshua B. Wagner and John Ricca of Gordon Rees Scully Mansukhani, LLP.
- 1.9. “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Approving the PAGA Settlement and (b) the Judgment is final. The Judgment is final as of the day the Court enters Judgment.
- 1.10. “Gross Settlement Amount” means \$100,000.00 which is the total amount SDI agrees to pay under the Settlement except as provided in Paragraph 9 below. The

Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees and Costs Payment, PAGA Representative Enhancement Payment, and the Administrator's Expenses Payment.

- 1.11. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.
- 1.12. "Judgment" means the judgment entered by the Court based upon the Final Approval.
- 1.13. "LWDA" means the California Labor and Workforce Development Agency.
- 1.14. "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA.
- 1.15. "PAGA Penalty Fund" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: PAGA Representative Enhancement Payment, PAGA Counsel Fees and Costs Payment, and the Administration Expenses Payment. The remainder will constitute the PAGA Penalties, as defined in Section 1.22 below.
- 1.16. "PAGA Counsel" means Larry W. Lee, Esq. and Simon L. Yang, Esq. of Diversity Law Group, P.C. and William L. Marder of Polaris Law Group.
- 1.17. "PAGA Counsel Fees and Costs Payment" means the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action.
- 1.18. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for SDI for at least one day during the PAGA Period.
- 1.19. "PAGA Period" means June 8, 2022 through August 30, 2024, comprising 1,414 PAGA Pay Periods.
- 1.20. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.21. "PAGA Notice" means Plaintiff's June 2, 2023 letter to SDI and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.22. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees and 75% to LWDA in settlement of PAGA claims.
- 1.23. "Plaintiff" means Paul Esparza, the named plaintiff in the Action.

- 1.24. "Approval Order" means the proposed Court Order Granting Approval of PAGA Settlement.
- 1.25. "Released PAGA Claims" means the claims being released by Plaintiff as a proxy for the State as described in Paragraph 5 below.
- 1.26. "Released Parties" means SDI and each of its parent companies, predecessors, successors, assigns, subsidiaries, and affiliates and their respective former and present directors, officers, shareholders, owners, members, attorneys, insurers, agents, accountants, insurers, reinsurers, and management-level employees.
- 1.27. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.
- 1.28. "SDI" means named Defendant Scientific Drilling International, Inc., a Texas corporation.

2. RECITALS.

- 2.1. On June 16, 2023, Plaintiff commenced this Action by filing a Class Action Complaint alleging causes of action against SDI for (1) Unpaid Overtime Wages; (2) Failure to Provide Meal Periods; (3) Failure to Provide Rest Periods; (4) Inaccurate Itemized Wage Statements; and (5) Unfair or Unlawful Business Practices.

On or about August 11, 2023, Plaintiff filed a First Amended Complaint alleging causes of action against SDI for (1) Unpaid Overtime Wages; (2) Failure to Provide Meal Periods; (3) Failure to Provide Rest Periods; (4) Inaccurate Itemized Wage Statements; (5) Unfair or Unlawful Business Practices and (6) Violations of the California Labor Code §§ 2698 et. seq. ("PAGA").

On December 8, 2023, the Court entered an Order approving the Joint Stipulation and Application to Dismiss Class and Individual Claims for Relief One through Five Against Defendant without prejudice. As modified by the December 8, 2023 Order, the First Amended Complaint is the operative complaint in the Action (the "Operative Complaint."). SDI denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint, and denies any and all liability for the causes of action alleged.

- 2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to SDI and the LWDA by sending the PAGA Notice.
- 2.3. On June 28, 2023, the Parties participated in an all-day mediation presided over by Tagore Subramaniam which led to this Agreement to settle the Action. Prior to mediation, Plaintiff obtained, through informal discovery, SDI's payroll and time records for Aggrieved Employees.

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

3. MONETARY TERMS.

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, SDI promises to pay one hundred thousand dollars (\$100,000.00) and no more as the Gross Settlement Amount. SDI has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to SDI.

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

3.2.1. To PAGA Counsel: A PAGA Counsel Fees and Costs Payment of not more than thirty-five percent (35%) of the Gross Settlement Amount or \$35,000.00 in attorneys' fees and not more than \$12,500.00 in litigation costs. SDI will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. Plaintiff and/or PAGA Counsel will seek the Court's approval of the PAGA Counsel Fees and Costs Payment in connection with the motion seeking approval of the Settlement. If the Court approves a PAGA Counsel Fees and Costs Payment less than the amount requested, the Administrator will allocate the remainder to the PAGA Penalty Fund. Released Parties shall have no liability to PAGA Counsel arising from any claim to any portion any PAGA Counsel Fee or Costs Payment. The Administrator will pay the PAGA Counsel Fees and Costs Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees and Costs Payment and holds SDI harmless, and indemnifies SDI, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.2. To Plaintiff as PAGA Representative Enhancement Award: Plaintiff shall request not more than ten thousand dollars (\$10,000.00) in service of his role as PAGA representative, which SDI shall not oppose.

3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed \$2,500.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$2,500.00, the Administrator will retain the remainder in the PAGA Penalty Fund.

3.2.4. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of 75% of the PAGA Penalty Fund allocated to the LWDA PAGA Payment, PAGA Penalties in the amount of 25% of the PAGA Penalty Fund allocated to the Individual PAGA Payments, to be distributed pro rata based on each Aggrieved

Employee's number of Pay Periods worked during the PAGA Period. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

4. SETTLEMENT FUNDING AND PAYMENTS.

- 4.1. Aggrieved Employee Pay Periods. Based on a review of its records to date, SDI estimates there are thirty-two (32) Aggrieved Employees who worked a total of 1,285 PAGA Pay Periods from June 8, 2022 through June 16, 2024.
- 4.2. Aggrieved Employee Data. Within 5 days of court approval of this Settlement, SDI will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employee's privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. SDI has a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which SDI must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.
- 4.3. Funding of Gross Settlement Amount. SDI shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than 30 days after the Effective Date.
- 4.4. Payments from the Gross Settlement Amount. Within seven days after SDI funds the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA Counsel Fees and Costs Payment, and the Plaintiff Representative Enhancement Payment. Disbursement of the PAGA Counsel Litigation Expenses Payment shall not precede disbursement of Individual PAGA Payments.
 - 4.4.1. The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date when the check will be voided (180 days after the date of mailing). The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database. A notice letter explaining why the check is being sent, in a mutually-agreed upon form that has been approved by the Court, in substantially the form that is attached hereto as "Exhibit A," will

be included in the mailing of each Aggrieved Employee's Individual PAGA Payment check.

4.4.2. The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, requested by the Aggrieved Employee prior to the void date.

4.4.3. For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee.

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

5. RELEASES OF CLAIMS. Effective on the date when SDI fully funds the entire Gross Settlement Amount, Plaintiff as a proxy for the State of California and PAGA Counsel will release claims against all Released Parties as follows:

5.1 Plaintiff's Release. Plaintiff and his respective former and present spouses, representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained in the Operative Complaint and the PAGA Notice ("Plaintiff's Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

5.1.1 Release by State of California:

Plaintiff as a proxy for the State and the LWDA fully releases Defendant and each Released Party from any and all PAGA claims arising during the PAGA Period that are based on Labor Code violations pled in the Action. ("Released Claims").

5.3 Release by PAGA Counsel:

PAGA Counsel release on behalf of their present and former attorneys, employees, agents, successors and assigns the Released Parties from all claims for PAGA Fees incurred in connection with the Action.

6. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT. The Parties agree to cooperate in the preparation and filing by Plaintiff's counsel of an application or motion for approval of this Settlement.

6.1 Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subd. (f)(2) including (i) a draft proposed Order Granting Approval of PAGA Settlement; (ii) a signed declaration from PAGA Counsel firm attesting to its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); and (iii) all facts relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the Administrator. In their Declaration, PAGA Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2 Responsibilities of PAGA Counsel. PAGA Counsel is responsible for expeditiously finalizing and filing the application or motion for approval of this Settlement no later than 30 days after the full execution of this Agreement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. PAGA Counsel is responsible for delivering the Court's Approval Order to the Administrator.

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

7. SETTLEMENT ADMINISTRATION.

7.1 Selection of Administrator. The Parties have jointly selected Phoenix Settlement Administrators to serve as the Administrator and verified that, as a condition of appointment, Phoenix Settlement Administrators agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they

have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

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

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

8. **AGGRIEVED EMPLOYEE SIZE ESTIMATES:** Based on its records, SDI estimated that, as of June 16, 2024 there were 32 Aggrieved Employees who worked 1,285 Pay Periods from June 8, 2022 to June 16, 2024. The parties have agreed that the PAGA Period expires as of the date of the court’s approval of this Settlement or when the PAGA Pay Period count hits 1,414 PAGA Pay Periods, which was on August 30, 2024.

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

9.1 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees and Costs Payment, the Parties and their respective counsel waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If another party appeals the Judgment, the Parties’ obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the PAGA Penalty Fund.

10. **ADDITIONAL PROVISIONS.**

10.1 No Admission of Liability or Representative Manageability for Other Purposes.

This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by SDI that any of the allegations in the Operative Complaint have merit or that SDI has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that SDI’s defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If, for any reason the Court does not approve this Settlement, SDI reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to contest SDI defenses. The Settlement, this Agreement

and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

- 10.2 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 10.3 Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and SDI, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 10.4 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 10.5 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 10.6 No Tax Advice. Neither Plaintiff, PAGA Counsel, SDI nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 10.7 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 10.8 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

10.9 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.

10.10 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

10.11 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

10.12 Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the PAGA Data provided to PAGA Counsel by SDI in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the Administrator discharges its obligation to pay out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Aggrieved Employee Data received from SDI unless, prior to the Administrator's payment of Settlement Funds, SDI makes a written request to PAGA Counsel for the return, rather than the destructions, of Aggrieved Employee Data.

10.13 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.

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

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

To Plaintiff:

Larry W. Lee
Simon Yang
Diversity Law Group, P.C.
515 South Figueroa Street, Ste 1250
Los Angeles, CA 90071
lwlee@diversitylaw.com

sly@diversitylaw.com

To Defendant:

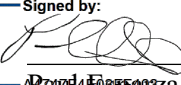
Mollie Burks
Joshua Wagner
John Ricca
GORDON REE SCULLY MANSUKHANI, LLP
633 West Fifth Street, 52nd Floor
Los Angeles, CA 90071
mburks@grsm.com
jwagner@grsm.com
jricca@grsm.com

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

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

PLAINTIFF PAUL ESPARZA

DATED: 11/25/2024

Signed by:


Paul Esparza

**DEFENDANT SCIENTIFIC DRILLING
INTERNATIONAL, INC., a Texas corporation**

DATED: _____

By: Dan Carter
Its: Senior VP & General Counsel

sly@diversitylaw.com

To Defendant:

Mollie Burks
Joshua Wagner
John Ricca
GORDON REE SCULLY MANSUKHANI, LLP
633 West Fifth Street, 52nd Floor
Los Angeles, CA 90071
mburks@grsm.com
jwagner@grsm.com
jricca@grsm.com

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PLAINTIFF PAUL ESPARZA

DATED: _____

Paul Esparza

**DEFENDANT SCIENTIFIC DRILLING
INTERNATIONAL, INC., a Texas corporation**

DATED: 12/10/2024 _____

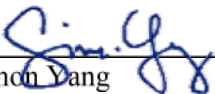
Signed by:
Daniel P. Carter
By: Dan Carter
Its: Senior VP & General Counsel

APPROVED AS TO FORM AND CONTENT:

DATED: November 25, 2024

DIVERSITY LAW GROUP, P.C.

By:

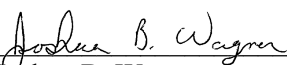


Simon Yang
Attorney for Plaintiff

DATED: December 10, 2024

GORDON REES SCULLY MANSUKHANI, LLP

By:



Joshua B. Wagner
Attorneys for Defendant

Exhibit 1

<<Mailing Date>>

To: <<First Name>><<Last Name>>
<<Address>>
<<City>> <<State>> <<Zip>>

Re: Individual PAGA Payment from *Paul Esparza v. Scientific Drilling International, Inc.*
Kern County Superior Court, Case No. BCV-23-101895-TMS

Dear <<First Name>><<Last Name>>:

Please find enclosed a check in the amount of <<**amount of payment**>> (“Individual PAGA Payment”). This check is your payment from the settlement of a lawsuit entitled *Paul Esparza v. Scientific Drilling International, Inc.*, Case No. BCV-23-101895-TMS (“Action”), pending in the Superior Court of California for the County of Kern (“Court”)

The lawsuit was filed by Paul Esparza (“Plaintiff”), a former employee of SDI (“Defendant”), on behalf of the State of California with respect to himself and other alleged aggrieved employees, to seek recovery of civil penalties pursuant to the California Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq.* (“PAGA”). Plaintiff alleged that Defendant violated the California Labor Code and Industrial Welfare Commission Wage Orders by failing to properly pay all overtime wages, provide lawful meal periods, authorize or permit lawful rest periods, provide accurate itemized wage statements, and timely pay all wages during employment and upon separation of employment. Defendant denies these allegations and denies any wrongdoing of any kind associated with these allegations.

A settlement was reached between Plaintiff and Defendant, on behalf of Plaintiff as a proxy for the State of California for the benefit of “Aggrieved Employees”: persons employed by SDI in California as a field employee and classified as a non-exempt hourly employee who worked for SDI at any time from June 8, 2022 to June 28, 2024.

On <<Approval Date>>, the settlement was approved by the Court, with a portion to be paid to the State of California and a portion to be paid to the Aggrieved Employees. You are receiving a portion of the settlement (the enclosed Individual PAGA Payment) because you have been identified as an Aggrieved Employee. Your Individual PAGA Payment is based on the total number of pay periods that you worked as a PAGA Employee during the period between June 8, 2022 to August 30, 2024 (the “PAGA Period”). The Individual Settlement Check is considered to be 100% penalties, which will be reported on an IRS Form 1099. You are responsible for paying any and all taxes that may be due as a result of any payment issued to you under the settlement and should consult a tax advisor regarding the tax consequences of such payment.

By way of the settlement, you are deemed to fully release and forever discharge the Released Parties from the Released Claims. The “Released Parties” means SDI and each of its parent companies, predecessors, successors, assigns, subsidiaries, and affiliates and their respective former and present directors, officers, shareholders, owners, members, attorneys, insurers, agents, accountants, insurers, reinsurers, and management-level employees.. The “Released Claims” means and refers to all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in either the Operative Complaint and/or the PAGA Notice, including for failure to properly pay overtime wages, provide lawful meal periods, authorize or permit lawful rest periods, and failure to provide accurate itemized wage statements.

Exhibit 1

Your check is valid for 180 calendar days from the date of issuance, and if you do not cash, deposit, or otherwise negotiate the check within the 180-day timeframe, your Individual PAGA Payment will be cancelled and the funds will be transmitted to the State Controller's Office Unclaimed Property Fund in the name of the PAGA Employee whose check is voided.

Do not call or write the Court or Office of the Clerk of the Court to ask questions about the settlement. If you have any questions concerning the settlement, you may contact the Settlement Administrator at <<INSERT CONTACT INFORMATION>>.

EXHIBIT 2

12/17/2024
9:42 AM

DIVERSITY LAW GROUP
Slip Listing

Page 1

Selection Criteria

Slip.Classification Open
Client (hand select) Include: Esparza, Paul v. Scientific
Slip.Transaction Ty 2 - 2

Rate Info - identifies rate source and level

Slip ID		Timekeeper	Units	Rate	Slip Value
Dates and Time		Activity	DNB Time	Rate Info	
Posting Status		Client	Est. Time	Bill Status	
Description		Reference	Variance		
75414	EXP	Mariana Becerra	1	75.00	75.00
6/8/2023		Court fees			
WIP		Esparza, Paul v. Scientific			
LWDA					
75501	EXP	Olympia	1	1481.66	1481.66
6/16/2023		Court fees			
WIP		Esparza, Paul v. Scientific			
Odyssey - Complaint					
75578	EXP	Olympia	26	0.25	6.50
6/30/2023		Photocopies			
WIP		Esparza, Paul v. Scientific			
Photocopies					
75579	EXP	Olympia	1	9.70	9.70
6/30/2023		Postage			
WIP		Esparza, Paul v. Scientific			
Postage					
75729	EXP	Olympia	1	3.60	3.60
7/21/2023		Court fees			
WIP		Esparza, Paul v. Scientific			
Odyssey - POS of Summons & N&A					
75811	EXP	Olympia	1	3.60	3.60
8/4/2023		Court fees			
WIP		Esparza, Paul v. Scientific			
Odyssey - POS of Summons (resubmitted)					
75887	EXP	Erika Mejia	1	3.60	3.60
8/11/2023		Court fees			
WIP		Esparza, Paul v. Scientific			
Odyssey - FAC					
76899	EXP	Erika Mejia	1	14.68	14.68
12/4/2023		Court fees			
WIP		Esparza, Paul v. Scientific			
ACE E Filing - CMS					

12/17/2024
9:42 AM

DIVERSITY LAW GROUP
Slip Listing

Page 2

Slip ID		Timekeeper	Units	Rate	Slip Value
Dates and Time		Activity	DNB Time	Rate Info	
Posting Status		Client	Est. Time	Bill Status	
Description		Reference	Variance		
76895	EXP	Erika Mejia	1	14.68	14.68
12/4/2023		Court fees			
WIP		Esparza, Paul v. Scientific			
Odyssey - CMS					
78020	EXP	Olympia	1	14.68	14.68
4/8/2024		Court fees			
WIP		Esparza, Paul v. Scientific			
ACE E Filing - CMS					
78088	EXP	Olympia	1	14.68	14.68
4/18/2024		Court fees			
WIP		Esparza, Paul v. Scientific			
Odyssey - Notice of CMC					
78300	EXP	Olympia	1	8500.00	8500.00
5/17/2024		Arbitrators			
WIP		Esparza, Paul v. Scientific			
Momentum ADR Mediation					
78679	EXP	Olympia	1	14.68	14.68
7/3/2024		Court fees			
WIP		Esparza, Paul v. Scientific			
ACE E Filing - CMS					
78828	EXP	Olympia	1	14.68	14.68
7/18/2024		Court fees			
WIP		Esparza, Paul v. Scientific			
ACE E Filing - Notice of CMC					
79269	EXP	Erika Mejia	1	4.50	4.50
9/26/2024		Court fees			
WIP		Esparza, Paul v. Scientific			
Odyssey - CMS					
79892	EXP	Erika Mejia	1	4.50	4.50
11/26/2024		Court fees			
WIP		Esparza, Paul v. Scientific			
Odyssey - CMS					
79893	EXP	Erika Mejia	1	4.50	4.50
11/26/2024		Court fees			
WIP		Esparza, Paul v. Scientific			
Odyssey - CMS					
80061	EXP	Simon Yang	1	300.00	300.00
12/17/2024		Court fees			
WIP		Esparza, Paul v. Scientific			
Costs					

12/17/2024
9:42 AM

DIVERSITY LAW GROUP
Slip Listing

Page 3

Slip ID	Timekeeper	Units	Rate	Slip Value
Dates and Time	Activity	DNB Time	Rate Info	
Posting Status	Client	Est. Time	Bill Status	
Description	Reference	Variance		
Grand Total				
	Billable	0.00		10485.24
	Unbillable	0.00		0.00
	Total	0.00		10485.24

EXHIBIT 3

Time and Task Summary
for Esparza v. Scientific Drilling International, Inc.
Simon L. Yang

Description of Work	Hours
Review Plaintiff's wage statements and other documents	2.6
Review LWDA notice and related documents	0.6
Draft and revise complaint; confer with co-counsel on litigation strategy	4.3
Review court's notice of assignment, case management orders	0.9
Draft first amended complaint	0.6
Prepare and respond to various case management correspondences with defendant, co-counsel, and plaintiffs	3.9
Review arbitration agreement, meet and confer with defendant regarding same, draft and revise joint stipulation to dismiss class claims	3.6
Draft pre-mediation requests for information	0.8
Conduct pre-mediation calls with mediator	0.4
Review defendant's production of documents and information for mediation	3.8
Analyze, prepare, and revise exposure model for mediation	1.7
Draft and revise mediation brief	5.8
Prepare for and attend mediation	8.0
Revise settlement documents, including joint stipulation of PAGA settlement, and review administration bids	6.3
Draft and revise approval documents, including motion, declarations, and proposed order	7.8
TOTAL	51.1

EXHIBIT 4