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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF KERN

RILEY J. SMALL, individually, and SHARESE
CASEY, individually, and on behalf of all others
similarly situated,

Plaintiffs,

vs.

RIDGECREST REGIONAL HOSPITAL, a
California corporation; and DOES 1 through 10,
inclusive,

Defendants.

Case No.: BCV-23-102418

[Assigned for All Purposes to Hon. Thomas S.
Clark, Dept. 17]

CLASS ACTION

**DECLARATION OF H. SCOTT LEVIANT
IN SUPPORT OF PLAINTIFFS SMALL AND
CASEY'S MOTION FOR PRELIMINARY
APPROVAL OF CLASS AND
REPRESENTATIVE ACTION
SETTLEMENT**

Date: February 24, 2025

Time: 8:30 a.m.

Courtroom: Dept. 17

Action Filed: July 26, 2023

Trial Date: Not Set

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DECLARATION OF H. SCOTT LEVIANT

I, H. Scott Leviant, declare as follows:

1. I am admitted, in good standing, to practice as an attorney in the State of California, the United States Supreme Court, the Eighth Circuit Court of Appeals, the Ninth Circuit Court of Appeals, and the United States District Courts for the Central, Eastern, Northern and Southern Districts of California. I have never been subject to discipline by the State Bar of California. I am a fully qualified, adult resident of the State of California, and, if called as a witness herein, I would testify truthfully to the matters set forth herein. All of the matters set forth herein are within my personal knowledge, except those matters that are stated to be upon information and belief. As to such matters, I believe them to be true.

2. I am employed as a Senior Counsel at the law firm of Moon Law Group, PC (formerly Moon & Yang, APC). My business address is 725 S. Figueroa St., 31st Floor, Los Angeles, California 90017 (formerly 1055 W. 7th Street, Suite 1880, Los Angeles, California 90017) and my business telephone number is (213) 232-3128. I am counsel for Plaintiff Riley J. Small, and I am proposed counsel for the Settlement Class.

3. This Declaration is submitted in support of Plaintiffs Small and Casey's Notice of Motion and Motion for Preliminary Approval of Class and Representative Action Settlement.

BACKGROUND

4. On July 26, 2023, Plaintiff Small commenced this Action by filing a Complaint alleging causes of action against Defendant for failure to pay minimum and regular rate wages, failure to pay overtime compensation, failure to provide meal periods, failure to authorize and permit rest breaks, failure to indemnify necessary business expenses, failure to timely pay final wages at termination, failure to provide accurate itemized wage statements, and unfair business practices. On October 4, 2023, Plaintiff Casey filed her Complaint alleging that Defendant failed to pay all overtime wages, pay all minimum wages, provide all lawful meal periods, authorize and permit all lawful rest periods, issue accurate itemized wage statements, pay all wages due at the time of separation, and comply with California's unfair competition laws. Defendant provides healthcare services at several facilities.

1 5. Pursuant to Labor Code section 2699.3(a), Plaintiffs gave timely written notice to
2 Defendant and the LWDA by sending the PAGA Notices. The LWDA did not indicate that it intended
3 to investigate the alleged violations referenced in the letters, and the 65-day time period permitted for the
4 LWDA to provide such a notification expired. On September 29, 2023, Plaintiff Small filed a First
5 Amended Complaint alleging an additional cause of action against Defendant for violation of PAGA.
6 (*Id.*) On December 11, 2023, Plaintiff Casey filed her First Amended Complaint to include a cause of
7 action for civil penalties under PAGA. On January 23, 2024, the Court deemed the *Small* and *Casey*
8 cases related. On October 23, 2024, Plaintiff Small filed a Second Amended Complaint, adding Plaintiff
9 Casey as a second-class representative to the Action and incorporating all claims and factual allegations
10 alleged by Casey in her prior Complaints. The Second Amended Complaint is the operative complaint
11 in the Action (the “Operative Complaint.”). On November 4, 2024, Plaintiff Casey requested dismissal
12 of the separate but related *Casey* case, Kern County Superior Court Case No. BCV-23-103337. (*Id.*)
13 Defendant denies the allegations in the PAGA Notices and each and all of the aforementioned
14 Complaints, including the Operative Complaint, denies any failure to comply with the laws identified in
15 any Complaint including the Operative Complaint and denies any and all liability for the causes of action
16 alleged.

17 6. The Parties conducted extensive informal discovery and investigation of the facts and
18 law. The Parties have analyzed time clock, pay and other data pertaining to Plaintiffs and the Class
19 during the relevant Class Period, including but not limited to the numbers of former and current members
20 of the Class, average workweeks and pay periods, and average rate of hourly pay. Time and pay data
21 were used for Plaintiffs’ pre-mediation analysis. In addition, Defendant also provided other data
22 pertaining to Plaintiffs and the Class during the relevant Class Period, including but not limited to
23 documents reflecting wage and hour policies and practices during the Class Period.

24 7. After reviewing documents regarding Defendant’s wage and hour policies and practices
25 and other information obtained during the exchange of informal discovery, Class Counsel were able to
26 evaluate the probability of class certification, success on the merits, and the reasonably obtainable
27 maximum monetary exposure for all claims. Class Counsel reviewed these records and prepared a
28 damage analysis prior to mediation. Class Counsel also investigated the applicable law regarding the

1 claims and defenses asserted in the litigation.

2 8. On July 9, 2024, the Parties participated in an all-day mediation presided over by the
3 experienced and highly-regarded wage and hour class and representative PAGA action mediator, Steven
4 Rottman, Esq., which led to this Agreement to settle the Action. The Parties discussed at length the
5 burdens and risks of continuing with the litigation as well as the merits of claims and defenses. (*Id.*)
6 After the mediation, and the eventual settlement, the Parties then signed a long-form Class Action and
7 PAGA Settlement Agreement (the “Agreement”).

8 9. Plaintiffs and Class Counsel are aware of the burdens of proof necessary to establish
9 liability for the claims asserted in the Action, both generally and in response to Defendant’s defenses
10 thereto. Plaintiffs and Class Counsel have also taken into account Defendant’s agreement to enter into a
11 Settlement that confers substantial relief upon the Class.

12 10. Based on the foregoing, Plaintiffs and Class Counsel have determined that the Settlement
13 set forth in the Agreement is a fair, adequate, and reasonable Settlement and is in the best interests of the
14 Class. Solely for the purpose of settling this case, the Parties agree that the requirements for establishing
15 class action certification with respect to this Class have been met and are met. If this Settlement is not
16 approved by the Court for any reason, Defendant reserves the right to contest class certification. This
17 Settlement, if approved, will result in termination of the litigation through the entry of the Judgment and
18 the release of all Released Class Claims for all Class Members, including all within the class definition
19 who have not elected to exclude themselves from the Class. If approved, it will also result in the release
20 of all Released PAGA Claims.

21 22 SUMMARY OF THE SETTLEMENT TERMS

23 11. A summary of the principal terms of the proposed Settlement is as follows:

- 24 (a) Defendant agrees not to oppose certification for purposes of Settlement only
25 (Settlement, ¶ 12.1);
- 26 (b) Class: All non-exempt, hourly employees who, during the Class Period, worked
27 for or were deployed to work for Defendant in California (the “Class Period” is
28 the period from August 20, 2020 to October 9, 2024). “Participating Class

Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Class portion of the Settlement. (Settlement, ¶¶ 1.5, 1.9, 1.12, 1.34)

(c) Settlement Amount: Defendant will pay a maximum of **\$2,780,000.00**, referred to as the Gross Settlement Amount (or GSA herein), resulting in an estimated average **gross** benefit per Class Member of about **\$1,597.70** (Settlement, ¶¶ 1.21, 3.1; Leviant Decl., ¶ 17);

(d) Funding of Gross Settlement Amount: Defendant shall fund half of the Gross Settlement Amount within 30 days of the Effective Date, and fund the remainder of the Gross Settlement Amount and the employer’s share of any payroll taxes due on the Wage Portion of the Individual Class Payments within 6 months after the first payment. (Settlement, ¶ 4.3.)

(e) Class Size: About **1,740** individuals who worked about 173,918 workweeks (Settlement, ¶ 8.);

(f) PAGA Group Size: An estimated **1,140** aggrieved employees who worked about 38,700 pay periods during the PAGA Period (Settlement, ¶ 8);

(g) PAGA Period: October 4, 2022 to October 9, 2024 (Settlement, ¶ 1.30);

(h) Kullar/Munoz Analysis: Plaintiffs address the claims analysis in the Motion, at Part V.B.3, and below, at Paragraph 18;

(i) No Reversion: The Settlement is a ***non-reversionary*** settlement (Settlement, ¶ 3.1);

(j) Certification: Plaintiffs address certification requisites in the Motion, at Part V.A., and below, at Paragraphs 34-40;

(k) No Claim Form: No claim form is required (Settlement., ¶ 3.1);

(l) Class Release: In sum, the Settlement will release wage-and-hour claims for Participating Class Members (those Class Members who do not opt out of the Settlement) all claims that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint (Settlement, ¶ 5.2);

- (m) PAGA Release: Aggrieved Employees and the LWDA will release all PAGA penalties that were alleged, or could have been alleged, based on the facts stated in the PAGA Notice and respective complaints, regardless of whether they opt out of the class portion of the Settlement (Settlement, ¶ 5.3);
- (n) Net Settlement Amount Available to the Class: After deducting Class Counsels’ attorneys’ fees and costs, service payments to Plaintiffs, administration costs, and the PAGA penalty, the remainder will be available for distribution to Class Members who do not opt out, with each Class Member receiving a share based on the number of Workweeks each Class Member worked for Defendant within the Class Period. The Net Settlement Amount is estimated to be at least **\$1,507,000.00**, resulting in an average **net** payment per Class Member of approximately **\$866.09**, before any tax withholdings (Settlement, ¶ 1.27.);
- (o) Tax Allocation: The amounts distributed to Class Members will be characterized as 15% alleged unpaid wages, 85% to interest and penalties, and PAGA Settlement payments to Aggrieved Employees will be allocated as 100% penalties (Settlement, ¶¶ 3.2.4.1, 3.2.5.);
- (p) Employer’s Portion of Payroll Taxes Paid Separately: Defendant’s portion of payroll taxes (e.g., FICA, FUTA, etc.) owed on any settlement payments to Class Members that constitute wages will be paid separate and apart from the GSA (Settlement, ¶ 3.1);
- (q) Settlement Administrator: The notice portion of the Settlement will be administered by a third-party Administrator, ILYM Group, Inc. (“ILYM”), with the costs of administration at a flat rate of up to \$40,000.00. ILYM’s estimate for settlement administration services in the amount of **\$40,000.00** was selected as the lowest bid from a competitive bidding process (Settlement, ¶ 3.2.3; Mullins Decl.);
- (r) Class Data for Administration: The Settlement Administrator will receive the Class Data within 15 calendar days of Preliminary Approval, use the National

Change of Address (“NCOA”) database to update the Class Data, and then use skip tracing on returned Class Notices (Settlement, ¶¶ 4.2; 1.10);

- (s) Class Notice: The Class Notice will issue within 14 days of receipt of the Class Data (Settlement, ¶ 7.4.2). The Class Notice describes how to dispute workweeks, submit an objection in writing, in person, or through an attorney, or request exclusion (Settlement, ¶¶ 7.5 – 7.7);
- (t) Class Notice Language: Class Notice will issue in English and Spanish (Settlement, ¶ 1.11; 7.4.2);
- (u) Objections: Objections can be submitted in person, by attorney, or in writing to the Administrator, with no pre-requisite to being heard (Settlement, ¶¶ 7.7.1 – 7.7.3);
- (v) Exclusion Requests: The procedure for exclusion requests, mailing a request to the Settlement Administrator, is the same as the procedure for submitting a written objection (Settlement, ¶¶ 7.5.1 and 7.7.2);
- (w) PAGA Allocation: From the GSA, **\$200,000.00** will be allocated to settle claims brought pursuant to the California Private Attorneys General Act, Labor Code § 2699 *et seq.* (“PAGA”), and seventy-five percent (75%) of the PAGA allocation, or **\$150,000.00**, will be paid to the California Labor & Workforce Development Agency. (Settlement, ¶ 1.33; 3.2.5);
- (x) Notice to LWDA: Notice was provided prior to the filing of this Motion. Evidence is attached to the Leviant Declaration;
- (y) Enhancement/Service Award to Plaintiffs: Defendant will not oppose the application for Class Representatives Service Payments of up to **\$10,000.00** for Plaintiffs Riley J. Small and Sharese Casey (for a combined total of \$20,000.00), to be paid from the GSA (Settlement, ¶ 3.2.1);
- (z) Fees and Costs: Defendant will not oppose Class Counsel’s application for fees not to exceed 35% of the GSA (**\$973,000.00**), and actual costs, in an amount not to exceed **\$40,000.00**, to be paid out of the GSA (Settlement, ¶ 3.2.2);

- (aa) Check Void Period: Settlement checks will be valid for 180 days (Settlement, ¶ 4.4.1);
- (bb) Uncashed Checks: Any settlement checks that are mailed to the Class Members (or PAGA settlement member) and remain uncashed after 180 days of the date of issuance will be cancelled, and the moneys represented by such checks will be sent to the California Controller's Unclaimed Property Division in the name of the Class Member (or PAGA settlement member) failing to cash the check (Settlement, ¶ 4.4.3);
- (cc) Judgment Notice: Judgment will be posted on the Settlement Administrator's website after entry (Settlement, ¶ 7.8.1);
- (dd) Confidentiality Provisions: The Settlement permits Class Counsel to discuss the Settlement with Class Members (Settlement ¶ 12.2).

12. A true and correct copy of the CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE is attached hereto as Exhibit "1."

THE SETTLEMENT IS FAIR, JUST AND REASONABLE

13. Plaintiffs and counsel have diligently investigated the claims of the Class Members. Plaintiffs and Class Counsel concluded, after taking into account the disputed factual and legal issues involved in this Action, the substantial risks attending further prosecution, including risks related to the outcome of certification and possible summary judgment efforts, and the substantial benefits to be received pursuant to the compromise and settlement of the Action as set forth in the Settlement, that settlement on the terms agreed to are in the best interest of Plaintiffs and the putative Class and are fair and reasonable. Plaintiffs' counsel brought to bear a great deal of experience with class actions in negotiating the settlement of this case.

14. One fundamental purpose of the class action device is to promote efficiency. Resolution at this time will forestall the need for additional expensive and time-consuming litigation that could very well result in an outcome less satisfactory than that proposed under this settlement. But, before any other consideration, we have agreed to this settlement because it is objectively reasonable. The potential

1 for resolution benefits the class members, since they do not have to wait additional years for a similar
2 recovery. The efficiency of this litigation benefits the Court, the parties and their counsel. A class-wide
3 resolution is the most realistic method for addressing the claims raised in this matter.

4 15. We have engaged in the necessary investigation in this case that made it possible for us
5 to exercise informed judgment in those aspects of the settlement process in which we were involved.
6 The exchange of time and wage data, wage and hour policy documents, and data about the composition
7 of the Class, were sufficient to permit us counsel to adequately evaluate the settlement. We had more
8 than enough information upon which to evaluate a fair and reasonable settlement amount.

9 16. In addition to disputing the merits of Plaintiffs' claims at trial, Defendant intended to
10 aggressively challenge the case at the certification stage. Defendant contends that Plaintiffs could not
11 prevail on a certification motion. We believe that the case was viable through to a trial. However, while
12 Plaintiffs assert a belief that this is a viable case for trial, we realize that there are always very
13 significant risks associated with certification and trials, and those risks cannot be eliminated in this
14 case. Continued litigation of this lawsuit presented Plaintiffs and Defendant with substantial legal risks
15 and costs that were (and continue to be) difficult to assess. The risks in this matter include:

- 16 • the risk that Plaintiffs would be unable to establish liability for allegedly unpaid straight
17 time or overtime wages, *see Duran v. US Bank Nat'l Ass'n*, 59 Cal. 4th 1, 39 & fn. 33
18 (2014) ("*Duran*"), *citing Dilts v. Penske Logistics, LLC* 2014 WL 205039 (S.D. Cal. 2014)
19 (dismissing certified off-the-clock claims based on proof at trial);
 - 20 • the risk that Defendant's challenged employment policies might not ultimately support class
21 certification or a class-wide liability finding, *see, Duran*, 59 Cal. 4th at 14 & fn. 28 (citing
22 Court of Appeal decisions favorable on class certification issue without expressing opinion
23 as to ultimate viability of proposition);
 - 24 • the risk that uncertainties pertaining to the legality of Defendant's policies and practices
25 could preclude class-wide awards of penalties under Labor Code §§ 203 and 226(e);
 - 26 • the risk that individual differences between Class Members could be construed as
27 pertaining to liability, and not solely to damages, *see, Duran*, 59 Cal. 4th at 19;
- 28

- the risk that any civil penalties award under the PAGA could be reduced by the Court in its discretion, see Labor Code § 2699(e)(1);
- the risk that lengthy trial or appellate litigation could ensue;
- the risk violation rate estimates could prove lower than expected; and,
- the risk that Wage Order provisions unique to healthcare workers could preclude class treatment of some or all claims.

These risks are non-exhaustive. While we remain confident that we possess credible strategies for responding to the legal and factual risks facing them, those risks cannot be disregarded. We carefully considered the risks created by all of these uncontrollable factors when evaluating the reasonableness of this proposed settlement. This Settlement provides a benefit to the Class Members that is very reasonable in light of these particular risks.

17. The Settlement is the product of arm's-length negotiations between the Parties occurring throughout the litigation. In light of the uncertainties of protracted litigation and the state of the law regarding the legal positions of the Parties, the settlement amount reflects the best feasible recovery for the Class Members. The settlement amount is, of course, a compromise figure. By necessity it took into account risks related to liability, damages, and the defenses asserted by Defendant. Moreover, each Class Member will be given the opportunity to opt-out of the Settlement, allowing those who feel they have claims that are greater than the benefits they can receive under this Settlement to pursue their own claims. For the approximately **1,740** members of the Class, the average **gross** benefit is **\$1,597.70** per class member, and the estimated average **net** recovery for each Class Member would be approximately **\$866.09**. Given that Defendant could potentially defeat certification, this is a significant sum to have achieved in settlement. Moreover, a Class Member who worked a greater number of weeks for Defendant will receive a larger share of the Settlement than a Class Member who worked for a shorter amount of time during the class period.

18. After analyzing the claims in this matter, Plaintiffs have concluded that the value of this Settlement is fair, adequate, and reasonable. The Gross Settlement Amount of **\$2,780,000.00** is about 90% of the **\$3,077,325.57** estimate of *risk-adjusted* recovery (excluding interest) at this stage in the litigation. On that basis, it would be unwise to pass up this settlement opportunity. This assessment is

1 based on a carefully constructed model of the current fair value of the case, using estimated risks,
2 average wage rates, numbers of employees, and the amount of time covered by the class period. While
3 Plaintiffs would certainly have preferred to recover more (and Defendant would have preferred to pay
4 less), this outcome is in line with a carefully constructed estimate of the current fair value of the case. On
5 that basis, it would be unwise to pass up this settlement opportunity. The risk-adjusted value of each
6 claim, on a claim-by-claim basis, is as follows:

- 7 • A reasonably estimated exposure for unpaid off-the-clock wages was calculated, with the
8 assistance of an expert, to be approximately **\$1,899,238.00**, based on an assumption of
9 four minutes of off-the-clock work for every shift for every Class Members. However,
10 with the high risk factor discounts for certification and liability proof, the value of that
11 claim is estimated by Plaintiffs' counsel to be approximately **\$227,908.56**, assuming
12 certification probability of 30% and merits success at 40%. The off-the-clock time
13 resulted from timeclock line delays and COVID temperature checks, a claim that was
14 disputed by Defendant. Here, a \$227,908.56 exposure has a value of about 12% of its
15 maximum, given a likelihood of success on both certification and the merits, which is an
16 approximation of the chain probability of certification multiplied by merits chances: $0.3 \times$
17 $0.4 = 0.12$. This theory of recovery has a high degree of risk because it depends on Class
18 Member estimates of the frequency and duration and is testimony dependent.
- 19 • A reasonably estimated exposure for unpaid wages due to rounding was estimated, with
20 the assistance of an expert, to be approximately **\$12,500.00**. However, with the risk factor
21 discounts for certification and liability proof, the value of that claim is estimated by
22 Plaintiffs' counsel to be approximately **\$6,125.00**, assuming certification probability of
23 70% and merits success at 70%. The rounding resulted from a timeclock system that
24 adjusted time punches. Here, a \$6,125.00 exposure has a value of about 49% of its
25 maximum, given a likelihood of success on both certification and the merits, which is an
26 approximation of the chain probability of certification multiplied by merits chances: $0.7 \times$
27 $0.7 = 0.49$. While rounding claims are now more potent following *Camp v. Home Depot*
28 *U.S.A., Inc.*, 84 Cal. App. 5th 638 (2022), pet. for rev. granted (Feb. 1, 2023), the true
value of a rounding claim arises from derivative penalties, and Defendant has a strong
argument that it believed, in good faith, that rounding was permissible.
- A reasonably estimated exposure for rest break violations over the class period was
calculated at **\$2,510,109.20**, but with chances of certification and proof of liability (20%
and 20% respectively) for a risk-adjusted exposure of **\$100,404.33**. This claim is based
entirely on class member testimonials that rest breaks were sometimes missed due to
work demands, Plaintiffs asserted value for settlement purposes, while understanding that
this theory carries the potential for high risk given that employees were often allowed to
determine when to take rest breaks. The exemption defense Defendant intended to assert
presented a serious merits risk, and certification of rest break claims based on testimony
is extremely difficult. The exposure assumes every class member missed one rest break
every pay period.
- A reasonably calculated exposure for meal break violations over the class period was
calculated at **\$2,414,553.50**, with chances of certification and liability risks (40% and
40% respectively) resulting in a risk-adjusted exposure of **\$386,328.56**. This exposure is
based upon facial violations. Employee choice is a serious issue in the context of a meal
period claim. So long as an employee has the opportunity to take a lawful meal period, an
employee can choose to take it late, cut it short, or skip it.

- The risk-adjusted penalty recovery for Labor Code § 203 penalties was estimated to be approximately **\$1,198,085.28**, on a maximum exposure of **\$4,278,876.00** (with certification and merits success chances of 70% and 40% respectively, based on all theories of unpaid wages, adjusted for the additional risk of needing to prove other elements in addition to the underlying wage claim). The need to show a knowing and intentional violation constitutes an additional risk factor.
- The risk-adjusted penalty recovery for wage statement penalties were estimated to be approximately **\$594,468.00**, on a maximum exposure of **\$2,123,100.00** (with certification and merits success chances of 70% and 40% respectively, based on all theories of unpaid wages, adjusted for the additional risk of needing to prove other elements in addition to the underlying wage claim). The value of this claim was just dealt a severe blow by the recent California Supreme Court decision of *Naranjo v. Spectrum Security Services, Inc.* (May 6, 2024), which significantly strengthened the good faith defense to Section 226 penalties.
- Performing risk-adjusted valuations for all claims yields a total value in the range of **\$2,595,733.07**, excluding PAGA.¹
- Plausible PAGA penalties exposure was calculated to be **\$4,815,925.00**. But, assuming issues with proof and cooperation of aggrieved employees, along with the Court’s power to reduce penalties, the realistic exposure was calculated to be **\$481,592.50**.

19. The \$2,780,000.00 settlement here is fully supportable. Many risks are eliminated through settlement. And, with respect to those risks, certification rates in California are **lower** than conventional wisdom holds. The Judicial Council’s Class Certification in California: SECOND INTERIM REPORT FROM THE STUDY OF CALIFORNIA CLASS ACTION LITIGATION - FEBRUARY 2010 (“Second Interim Report”), at page 5, states that “less than a quarter of disposed cases in the study sample were certified, either through a litigated motion for certification **or** as part of a classwide settlement agreement.” *See*, Second Interim Report, at 5 (emphasis added).² That “**or**” is significant. The certification rate of less than 25% identified in the study includes **both** contested certifications and settlement certifications, which are the majority of certifications. In other words, one must assume in any wage and hour class action prior to certification that a contested certification motion

¹ It is difficult to assign specific percentages to future events, but it does provide a method for attempting to reduce the concept of “very high risk” or “high risk” to a quantifiable amount. Certification of a claim is typically a binary event. One does not obtain a 20% certification; a claim is either certified or it is not. But the current expected value is best quantified by applying a risk reduction, based on the total experience of counsel. The numbers explain with math what can also be described conceptually in words.

² The report is available at <https://www.courts.ca.gov/documents/classaction-certification.pdf> (last viewed March 12, 2024).

1 will have a success rate of well under 25%, and probably closer to 10% as a starting point for risk
2 evaluation. The facts of each case have significant bearing on these percentages. But it cannot be
3 disputed that certification is an exceptionally difficult procedural hurdle to successfully overcome. Thus,
4 it is not unreasonable to start from the proposition that a pre-certification settlement that is 10% to 15%
5 of the maximum plausible exposure is a valid starting point for valuation. If roughly 10% of class
6 actions are certified on a contested basis, then, on average, 90% of the time a class will not be certified
7 and the result for the class is *zero* dollars. Here, the estimated certification probabilities are *above* the
8 average rate at which cases were certified in California over the study years, based upon data available
9 through the California Courts websites. In sum, well *under* 20% of all cases filed as proposed class
10 actions are ultimately certified by way of a *contested* motion. Here, the recovery falls within the
11 expected outcome range under the likelihood of success metric.³ It would also be appropriate to evaluate
12 the result by examining only the premium wages at issue (approximately \$6,836,399.70, *with no risk*
13 *reduction*), excluding penalties and interest; the settlement is about 41% of the premium wages (unpaid
14 wages, meal period premiums, and rest break premiums) at maximum realistic exposure value.⁴ Because
15 the total Settlement amount and the proportion of the Settlement allocated to PAGA penalties fall within
16 the range of what is reasonable, the Settlement should be approved.

17 20. To the best of my knowledge there are no other like claims asserted or filed by Class
18 Members. To the best of my knowledge, no Class Member has refrained from bringing an action with
19 claims similar to those raised in the Action, whether in reliance on the Action or otherwise, and who
20 thus might be prejudiced by dismissal of the Action.

21
22
23 ³ See, e.g., *Ferrell v. Buckingham Property Mgmt.* (E.D. Cal. Jan. 21, 2020) Case No. 1:19-cv-
24 00332-LJO-SAB, 2020 WL 291042, *17-20 (granting preliminary approval of settlement that
25 represented 5.2% of the original valuation of the claims); *Thomas v. Cognizant Tech. Sols. U.S. Corp.*
(C.D. Cal. June 24, 2013) No. SACV111123JSTANX, 2013 WL 12371622, at *6 (granting final
approval of settlement that encompassed between 4.4% and 5% of the maximum estimated liability).

26 ⁴ The exclusion of interest and penalties from the fairness evaluation is proper because, first, PAGA
27 penalties are discretionary (see Lab. Code § 2699(e)(2) (the court in its discretion “may award a lesser
28 amount than the maximum civil penalty amount specified by this part...”)), and, second, courts evaluate
the strength of a proposed settlement without taking potential penalties or interest into consideration. See
Rodriguez v. West Publishing Corp., 563 F.3d 948, 955 (9th Cir. 2000); see also *Miller v. CEVA*
Logistics U.S.A., Inc., 2015 WL 729638, at *7 (E.D. Cal. Feb. 19, 2015).

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22. Mr. Kane Moon received a B.A. in History in 1998 from UCLA. He received his J.D. from Loyola Marymount Law School in 2006. He became an Active Member of the State Bar of California in June 2007 and has been an Active Member in good standing continuously since then. He is a current member of the California Employment Lawyers Association (CELA).

Case No.: BCV-23-102418 Page 13 *Small, et al. v. Ridgcrest Regional Hospital*

DECLARATION OF H. SCOTT LEVIANT IN SUPPORT OF PLAINTIFFS SMALL AND CASEY'S MOTION FOR PRELIMINARY APPROVAL OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT

1 *Brulee, et al. v. DAL Global Services, LLC* (C.D. Cal. Dec. 20,2018) No. CV 17-6433 JVS(JCGx),
2 2018 WL 6616659 (class size approx. 2,650; lead counsel) (In approving my \$650 hourly rate, the
3 Court found: “Class Counsel's declarations show that the attorneys are experienced and successful
4 litigators. Other courts have approved the attorneys' current rates for the Moon & Yang, APC
5 attorneys.” (*Id.* at *10.); *Sison v. Cha Hollywood Medical Center, L.P.*, LASC BC6441 29 (class size
6 approx. 2,100; co-counsel); *Jones v. Fitness Alliance, LLC*, Riverside Superior Court PSC1404079
7 (class size approx. 1,000; lead counsel); *Gomez v. H Mart Companies, Inc.*, LASC BC671525 (class
8 size approx. 2,500; co-counsel); *Montoya v. Golden 1 Credit Union*, Sacramento Superior Court 34-
9 2018-00228252 (class size approx. 1,900; lead counsel); *Campa v. Bloomingdeals, Inc.*, LASC
10 BC700366 (class size approx. 1,500; lead counsel); *Black v. Mission Healthcare Services, Inc.*,
11 LASC 19STCV04602 (class size approx. 1,000; lead counsel); *Onofre v. Caitac Garment*
12 *Processing, Inc.*, LASC BC702283 (class size approx. 750; lead counsel); *Martinez v. Bail Hotline*
13 *Bail Bonds, Inc.*, LASC BC700131 (class size approx. 173; lead counsel); *Jones v. Citiguard, Inc.*,
14 LASC BC664890 (class size approx. 587; lead counsel); *Slaughter v. ACA Security Stems, LP*, LASC
15 BC699137 (class size approx. 300; lead counsel); *Taylor v. Sherman’s Delicatessen & Bakery, LLC*,
16 LASC BC722765 (class size approx. 515; lead counsel); *Vertti v. Bagcraft Papercon III, LLC*, LASC
17 19STCV12729 (class size approx. 260; lead counsel); *Rodriguez v. Rossmoyne, Inc.*, LASC
18 BC699137 (class size approx. 220; lead counsel); *Vargas v. AMS Paving, Inc.*, LASC BC722767
19 (case size approx. 260; lead counsel); *Garcia v. Comfy U.S.A. Apparel, Inc.*, LASC BC709630 (class
20 size approx. 210; lead counsel); *Lagos v. ThyssenKrupp Elevator Corporation*, LASC BC682972
21 (\$750,000 for 79 Class Members; lead counsel); *Aparicio v. Lineage Logistics, LLC*, LASC
22 BC722764 (class size approx. 155; lead counsel). Mr. Moon’s experience is and has been invaluable
23 in assessing the reasonableness of settlements such as the one at issue here.

24 24. I received my undergraduate degree from Occidental College. Graduating cum laude, I
25 majored in economics and received a “minor” emphasis in mathematics. Along with my study of
26 economics and mathematics, I also had an emphasis in physics. This combination of scientific and
27 economic education has been of assistance during my litigation of complex civil actions. I received my
28 Juris Doctor degree from the University of Southern California Law Center.

25. My experience relevant to class action litigation includes the following:

(a) I have been involved in the litigation of class actions since 1997, working as a law clerk on a number of class action matters. Since 1999, I have participated as an attorney in the litigation of hundreds of class actions, in California Superior Courts and in federal courts in California, Illinois, and Louisiana. I emphasized litigation of wage and hour class actions beginning in 2005, but I have focused on complex litigation of different types at all times since 1999.

(b) Dating back to 1999, some of the earliest cases in which I contributed to my then-firm's efforts as co-lead/liaison counsel include:

1) *In re Paradise Memorial Park Litigation*, Los Angeles Superior Court Lead Case No. BC130375; and,

2) *In re Lincoln Memorial Park Litigation*, Los Angeles Superior Court Lead Case No. BC133643.

(c) I have litigated contested class certification motions multiple times, prevailing on many. Examples include the following:

1) In 2023, I certified a rest break claim against SMS Transportation, in the matter of *Beard v. SMS Transportation*. Rest break claims are notably difficult to certify.

2) In 2023, I certified a regular rate claim against Downtown Women's Center, in the matter of *Evans v. Downtown Women's Center*.

3) In 2018, I certified wage and hour claims against Home Depot, in the matter of *Utne v. Home Depot*, in the United States District Court, Northern District of California. The contested certification resulted in a certified class of roughly 140,000 individuals.

4) In 2019, I certified a Fair Credit Reporting Act claim related to employment background checks against Wal-Mart Stores, Inc., in the matter of *Pitre v. Wal-Mart Stores, Inc.*, in the United States District

1 Court, Central District of California. The contested certification
2 resulted in a certified class of over 5,000,000 individuals.

- 3 5) In 2018, I fully briefed a contested class certification motion in the
4 matter of *Harelson v. U.S. Aviation*, in the United States District Court,
5 Northern District of California. After certification was fully briefed, the
6 matter successfully settled.
- 7 6) In 2013, I certified an investment fraud suit, in the matter of *Larsen v.*
8 *Coldwell Banker*, in the United States District Court, Central District of
9 California.
- 10 7) In 2012, I fully briefed a contested class certification motion, in the
11 wage and hour matter of *Gillings v. Time Warner*, in the United States
12 District Court, Central District of California. In that matter, summary
13 judgment was granted against my clients and the certification motion
14 was deemed moot. I appealed to the Ninth Circuit and obtained a
15 reversal of the District Court's decision. Upon remand, the matter
16 settled.
- 17 8) In approximately 2011, I fully briefed a contested class certification
18 motion, in the wage and hour matter of *Gomez v. Lincare, Inc.*, in the
19 Superior Court of California, County of Orange. Certification was
20 denied. The result was appealed, and a partial reversal was obtained.
- 21 9) In approximately 2008, I fully briefed a contested class certification
22 motion, in the wage and hour matter of *Ghazaryan v. Diva Limousine,*
23 *LTD.*, Superior Court of California, County of Los Angeles.
24 Certification was denied. I appealed, handling all briefing, and, in
25 *Ghazaryan v. Diva Limousine, LTD.*, 169 Cal.App.4th 1524 (2009), pet.
26 for rev. denied, I obtained a decision directing the trial court to certify
27 the class. *Ghazaryan* is now widely cited, including by the California
28

Supreme Court, as a comprehensive source for the standards applied to certification motions in California.

10) In approximately 2006, I fully briefed a contested class certification motion, in the wage and hour matter of *Laliberte v. Pacific Mercantile Bank*, Superior Court of California, County of Orange. Certification was denied. I appealed, handling all briefing. The published opinion of *Laliberte v. Pacific Mercantile Bank*, 147 Cal.App.4th 1 (2007), rev. denied, pet. for cert. den. resulted, and I petitioned for a Writ of Certiorari related to certification due process issues.

11) In approximately 2008, I assisted with briefing of a contested class certification motion, in the wage and hour matter, against the Automobile Club of Southern California (AAA). A class was certified and the matter tried.

(d) I have prosecuted appeals in more than 20 class action matters alone, arguing before the United States Court of Appeals for the Ninth Circuit Court and several of California's Courts of Appeal. I have taken several appeals through to Petitions for Writs of Certiorari to the United States Supreme Court. In connection with the appeals I have handled, I have participated in appeals resulting in decisions concerning or relating to class actions or wage and hour issues. Among others, those include:

- 1) *Camp v. Home Depot, U.S.A., Inc.*, 84 Cal. App. 5th 638 (October 24, 2022), rev. granted (February 1, 2023);
- 2) *Donohue v. AMN Services, Inc.*, (February 25, 2021) (amicus counsel)
- 3) *Gilberg v. California Check Cashing Stores, LLC*, 913 F.3d 1169 (9th Cir. Jan. 29, 2019), pet. for rehearing and pet. for *en banc* rehearing den.;
- 4) *Troester v. Starbucks Corporation*, 5 Cal. 5th 829 (2018), as modified on denial of reh'g (Aug. 29, 2018);
- 5) *Gillings v. Time Warner Cable LLC*, 583 Fed.Appx. 712 (9th Cir. 2014);

- 6) *Ghazaryan v. Diva Limousine, LTD.*, 169 Cal. App. 4th 1524 (2009), pet. for rev. denied;
- 7) *Laliberte v. Pacific Mercantile Bank*, 147 Cal. App. 4th 1 (2007), rev. denied, pet. for cert. denied;
- 8) *Alvarez v. May Dept. Stores Co.*, 143 Cal. App. 4th 1223 (2006), rev. denied, pet. for cert. denied;
- 9) *Johnson v. Glaxosmithkline, Inc.*, 166 Cal. App. 4th 1497 (2008), rev. denied;
- 10) *Howard, et al. v. America Online, Inc.*, 208 F.3d 741 (9th Cir. 2000), pet. for cert. denied;
- 11) *Brown v. Ralphs Grocery Company*, 197 Cal. App. 4th 489 (2011) (amicus counsel);
- 12) *D. R. Horton, Inc. and Michael Cuda*, Case 12–CA–25764, 357 NLRB No. 184 (January 3, 2012) (amicus counsel). This NLRB matter is of particular note, as it is at the center of a dispute regarding the interplay between the Federal Arbitration Act (FAA) and two labor relations laws, the National Labor Relations Act (NLRA) and Norris-LaGuardia Act. Cases highlighting that issue have been accepted by the United States Supreme Court.

- (e) I was the lead appellate author in a matter before the California Supreme Court that generated substantial interest in the field of wage and hour litigation. That matter, *Troester v. Starbucks Corporation*, resolved a significant issue of whether, under California law, a *de minimis* defense exists to the employer's obligation to pay all wages for all compensable time worked by an employee.
- (f) I was the lead appellate counsel in a matter before the California Court of Appeal (Sixth Appellate District) that generated substantial interest in the field of wage and hour litigation. That matter, *Camp v. Home Depot, U.S.A., Inc.*, held that prior jurisprudence erroneously concluded that, under California law,

underpayment of wages as a result of rounding of time clock punches is lawful so long as the rounding was neutral on its face and as applied. *Camp* is now pending before the California Supreme Court but remains citable as authority pursuant to an Order of the California Supreme Court.

(g) In addition to my work on complex litigation matters and class actions, I have authored published articles and columns on issues related to class actions and other litigation issues, including:

- 1) H. Scott Leviant, *Unintended Consequences*, 6 U.C. Davis Bus. L.J. 18 (2006), at <http://blj.ucdavis.edu/article.asp?id=636> (May 1, 2006);
- 2) H. Scott Leviant and Lilit Ter-Astvatsatryan, *Where Troester Stops Not Even Troester Knows*, DAILY JOURNAL (Los Angeles), July 2, 2019;
- 3) H. Scott Leviant and Lilit Ter-Astvatsatryan, *Unaccounted Time: Reading the Tea Leaves of Troester*, DAILY JOURNAL (Los Angeles), September 12, 2018;
- 4) Dennis F. Moss and H. Scott Leviant, *Class Actions: One step forward after two steps back*, DAILY JOURNAL (Los Angeles), January 11, 2012;
- 5) H. Scott Leviant, *Arbitration: A Look Back, a Look Ahead*, DAILY JOURNAL (Los Angeles), December 28, 2010;
- 6) H. Scott Leviant, *Witnesses Cannot Hide*, Daily Journal (Los Angeles), April 21, 2010;
- 7) H. Scott Leviant, *Divide and Conquer: The New Paradigm of Class Action Defense?*, FORUM, January/February 2009
- 8) H. Scott Leviant, *Class Action Appellate Report*, FORUM, 2009-2010 (Ongoing series);
- 9) H. Scott Leviant & Linh Hua, *Legislature Using Purse Strings to Bind Judiciary*, Daily Journal (San Francisco), March 15, 2010;
- 10) H. Scott Leviant, *Wrongfully Recused?*, DAILY JOURNAL (Los Angeles), December 2, 2009;

- 11) H. Scott Leviant, *Cutting Class*, DAILY JOURNAL (Los Angeles), April 15, 2008;
- 12) H. Scott Leviant, *Leveling The Playing Field*, DAILY JOURNAL (Los Angeles), May 4, 2007;
- 13) H. Scott Leviant, *A Bad Meal Deal: 'Brinker' Gets the Incentive Question Wrong*, DAILY JOURNAL (Los Angeles), August 6, 2008;
- 14) H. Scott Leviant & Jason E. Barsanti, *Maximize Recovery in Unpaid Wage Cases*, FORUM, January/February 2008;
- 15) H. Scott Leviant, et al., *Electronic Evidence: No Longer an Optional Element in a Comprehensive Litigation Plan*, ADVOCATE, April 2006;
- 16) H. Scott Leviant, *Improving Rule 12(b)(6) survival odds: Some considerations for effective RICO pleading*, CIVIL RICO REPORT, Volume 15, Number 22, April 26, 2000 (LRP Publications).

- (h) In addition to publications in industry newspapers, periodicals and journals, I am the Supervising Editor, primary author and founder of the legal blog The Complex Litigator (<http://www.thecomplexlitigator.com>). The Complex Litigator reports and comments on news and topics relevant to class action and complex litigation practice, with a primary emphasis on wage and hour litigation issues. Through my blog, I have also, on occasion, published podcasts of round table discussions with preeminent members of the wage and hour practice bar on both the plaintiff and defense sides. My blog has been cited to the California Supreme Court in at least one Petition for Review. The Complex Litigator has been in existence since 2008, having outlasted many other legal blogs, and it has a unique readership that numbers in the tens of thousands.
- (i) I have also lectured on issues related to class actions and complex litigation, including the following educational seminars:

- 1) *Strategies for Settlement of Individual and Wage & Hour Class Actions*, Bridgeport's Eighth Annual Wage & Hour Litigation Conference

(December 16, 2011)

- 2) *The Year in Review – Staying Abreast of Current Cases*, Consumer Attorneys of San Diego Class Action Symposium (October 14, 2011)
- 3) *Concepcion v. AT&T and Derivative Wage & Hour Claims*, Bridgeport's Mid Year Wage & Hour Litigation Conference (June 3, 2011)
- 4) *Advanced Principles: UCL Remedies and Defenses*, 20th Annual Golden State Antitrust and Unfair Competition Law Institute (October 21, 2010)
- 5) *Refining Your Wage and Hour Practice*, 2010 CELA Annual Conference (October 2, 2010)
- 6) *Word v. WordPerfect Software, Tips, Tools and Tricks*: Legal Technology for Plaintiffs Employment Lawyers (September 30, 2010)
- 7) *California's 17200 -- Its Use and Abuse*, Federalist Society (May 19, 2010)
- 8) *20 Tips for Successful Navigation of e-Discovery Requirements*, Los Angeles County Bar Association's Thirtieth Annual Labor and Employment Law Symposium (March 31, 2010)
- 9) *Social Networking for Lawyers: A Roadmap to Success*, Los Angeles County Bar Association's 2nd Annual two-day 2009 Small Firm and Solo Practitioners Conference: MISSION POSSIBLE (June 25, 2009)
- 10) *A Seminar Overview of the Current State of Employment Law*, The Westchester/LAX/Marina Del Rey Chamber of Commerce (February 23, 2006)

- (j) I served three consecutive years as an elected member of the Board of Governors of the Consumer Attorneys of California. In that capacity, I worked to preserve the right of California's consumers and employees to bring proposed class actions. For example, I provided assistance to CAOC in its successful effort to defeat AB 298, which would have substantially impaired the ability of plaintiffs to prosecute class actions in California. More recently, on behalf of

CAOC, I co-authored several requests for publication of unpublished class action decisions, including one such request in *Jaimez v. Daiohs USA, Inc.*, 181 Cal. App. 4th 1286 (2010), and authored amicus briefs for CAOC in the Eighth Circuit matter entitled *Avritt v. Reliastar Life. Ins. Co.*, Case No. 09-2843, the California Supreme Court matter entitled *Californians for Disability Rights v. Mervyn's, LLC*, 39 Cal. 4th 223 (2006), and the California Court of Appeal matter entitled *Brown v. Ralphs Grocery Company*, 197 Cal. App. 4th 489 (2011).

26. My current contingent billing rate is consistent with my practice area, legal market and accepted hourly rates:

- (a) In the December 8, 2008 article “Billable Hours Aren’t the Only Game in Town Anymore,” *NATIONAL LAW JOURNAL*, the following hourly billing rates were reported by Sheppard Mullin Richter & Hampton, a leading firm in the defense of wage-and-hour class actions that I have frequently opposed when litigating wage-and-hour class actions: Partners: \$475-\$795; Associates: 1st Year - \$275, 2nd Year - \$310, 3rd Year - \$335, 4th Year - \$365, 5th Year - \$390, 6th Year - \$415, 7th Year - \$435, 8th Year - \$455.
- (b) In 2009 I was retained as appellate counsel in the appeal of a denial of class certification. For the specialized work on that appeal, I charged an hourly rate of \$650.00 per hour, a rate the hiring co-counsel accepted.
- (c) The 2023-24 Adjusted Laffey Matrix states that an attorney with 20 or more years experience can reasonably charge \$1,057 per hour.
<http://www.laffeymatrix.com/see.html>.⁵ That rate is derived from the Washington, D.C. area and requires a costs of living evaluation for use in Los Angeles. Using federal statistics for average attorney salaries, attorney pay is 8.7% lower in Los Angeles, compared to Washington, D.C., indicating an 8.7% downward adjustment

⁵Last viewed January 30, 2024.

to the Laffey Matrix may be appropriate.

<https://www.bls.gov/oes/current/oes231011.htm>.⁶ However, using federal employee pay tables, federal employee wages are 0.13% higher when Los Angeles is compared to Washington, D.C., indicating almost no adjustment to the Laffey Matrix is appropriate. <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2024/general-schedule>.⁷ And, using Schedule 9 of 5 U.S.C. § 5332, there is a 3% differential favoring Los Angeles. Thus, something in the range of a 8.7% locality reduction to a 3.0% locality increase appears appropriate here. Thus, applying an adjustment factor of 0.0%, the locality corrected Adjusted Laffey Matrix hourly rate for attorneys with 20 or more years of experience is \$1,057. The complete Adjusted Laffey Matrix is set forth below.

- (d) The full 2023-2024 Adjusted Laffey Matrix provides for the following hourly rates for paralegal/law clerks and attorneys falling into various ranges of years of experience:

Year	Adj. Factor**	Paralegal Clerk	1-3	4-7	8-10	11-19	20+
6/01/23-5/31/24	1.059295	\$239	\$437	\$538	\$777	\$878	\$1,057

- (e) I have been selected to Super Lawyers from 2012-2024, achieving that professional recognition for more than a decade. I was selected for the Rising Stars edition of Super Lawyers in 2009.

- (f) Based upon my practice area, geographic market, experience, including all of the above information, reputation, and generally accepted hourly rates, my current, regular hourly billing rate is now \$975.00, which is well below the presumptively appropriate hourly rate of \$1,057 for attorneys with 20 or more years of

⁶Last viewed January 30, 2024.

⁷ Last viewed January 30, 2024.

1 experience.

2
3 REASONABLENESS OF THE REQUESTED FEE AWARD

4 27. When this case was taken on a contingent fee basis, with the firm agreeing to assume
5 responsibility for litigation costs, the ultimate result was far from certain. In the course of this litigation,
6 Moon Law Group, PC, paid filing fees, copy charges, Westlaw fees, and mailing, telephone and express
7 mail charges. There was never a guarantee that Moon Law Group, PC, would recoup those expenditures.
8 The firm took on this case, which necessarily required the firm to forego other opportunities, given finite
9 resources to devote to cases.

10 28. Because of the uncertainty of the outcome in this and other wage and hour litigation
11 undertaken by Moon Law Group, PC, we took this case with the expectation that a risk enhancement,
12 either in the form of a lodestar multiplier or a percentage of the fund award equivalent thereto, would be
13 available if we prevailed. This expectation stems from the fact that many cases we undertake as putative
14 class actions do not resolve successfully.

15 29. Class Counsel's experience in employment class actions was integral in evaluating the
16 strengths and weaknesses of the case against Defendant and the reasonableness of the settlement.
17 Practice in the narrow fields of wage and hour litigation requires skill and knowledge concerning the
18 rapidly evolving substantive law (state and federal), as well as the procedural law of class action
19 litigation.

20 30. In the past 5 years, Moon Law Group, PC, has settled hundreds of wage & hour class
21 actions. Just as the Court in *Chavez v. Netflix, Inc.*, 162 Cal. App. 4th 43, 66, n.11 (2008) observed, it
22 has been the experience at Moon Law Group, PC, that attorney fee awards of one-third of a common
23 settlement fund are the rule, rather than the exception. Here, Class Counsel agrees that they will seek
24 no more than one third of the settlement amount in fees. This is consistent with common practice,
25 consistent with Ninth Circuit practice, consistent with California law approving the percentage of the
26 fund method to award fees from a common fund, *Laffitte v. Robert Half Intern. Inc.*, 1 Cal. 5th 480, 503
27 (2016), and not inappropriate in light of the many hours expended by attorneys and paralegals
28 performing work for Plaintiff before and after the filing of this matter. That work includes:

- (a) Numerous interviews with the client, and review of documents provided by Plaintiff Small;
- (b) Legal research and investigation regarding the Defendant's practices at numerous points in the litigation;
- (c) Preparation of multiple drafts of the original class action complaint and finalization and filing of the original class action complaint;
- (d) Review of the first amended complaint, and finalization of that complaint;
- (e) Extensive "meet and confer" efforts with Defendant's counsel to obtain relevant documents and information through informal discovery;
- (f) Contacting witnesses;
- (g) Review of data and documents produced by Defendant;
- (h) Analysis of the audit results and preparation of a damages model with the aid of a statistics expert;
- (i) Research and preparation of Plaintiffs' mediation brief;
- (j) Revisions to mediation brief with co-counsel;
- (k) Attendance at mediation;
- (l) Drafting, negotiating, and reviewing multiple drafts of the Settlement and attachments; and
- (m) Preparation of the initial motion for preliminary approval and multiple revisions thereafter.

31. I anticipate that Class Counsel will spend an additional 50 hours on this matter, appearing at the hearing of preliminary approval, answering class member calls, working with the administrator to finalize documents in mailing format, conferring with counsel over any notice issues, drafting the final approval motion and motion for fees and costs, appearing at the final approval hearing, and resolving any post-approval issues that may arise, and appearing at a final accounting hearing. Class Counsel intends to request up to \$973,000.00 in attorneys' fees, as authorized under the Agreement. Class Counsel has also incurred costs in this matter that will be detailed at the time final approval is sought. Class Counsel has agreed to a cap on recoverable costs of \$40,000.00, and if total

1 incurred costs exceed the cap, Class Counsel will request no more than the agreed-upon cap. Costs
2 incurred to date are currently below the cap.

3
4 THE CONTRIBUTION OF PLAINTIFF AND THE REASONABLENESS OF THE REQUESTED
5 INCENTIVE AWARD

6 32. Here, Plaintiffs seek Service Payments of up to **\$10,000.00** each for the significant result
7 achieved. This amount is very reasonable given the risks undertaken by Plaintiffs for involvement in the
8 Action. Taking the risk of filing a lawsuit against an employer deserves recognition, especially in light
9 of the settlement achieved by Plaintiffs. Additionally, Plaintiffs were actively involved in the litigation
10 and settlement negotiations of this Action, expending considerable effort in advancing the interest of the
11 Class. Plaintiffs provided information to counsel before the filing of this matter; assisted with the
12 settlement process (with included conferring with counsel during the preparation of Plaintiffs' mediation
13 brief); and, regularly conferred with counsel regarding the case whenever questions arose. Plaintiffs'
14 Declarations also confirms that Plaintiffs were active participants in the settlement of this case.

15
16 THE THIRD-PARTY ADMINISTRATOR QUALIFICATIONS AND STATEMENT OF NO
17 CONFLICTS OR AFFILIATION

18 33. The parties have agreed that administration will be handled by a third-party
19 administrator. In counsel's experience as class counsel in similar wage-and-hour actions with a similar
20 number of employees, ILYM Group, Inc., is fully capable of administering the settlement at a
21 competitive and reasonable cost and should be approved by the Court to administer the settlement
22 notice process. ILYM Group, Inc., was selected because it submitted a low bid in the amount of
23 **\$40,000.00** for administration services. ILYM Group, Inc., has also provided a declaration confirming
24 its experience and its implementation of measures designed to protect Class Member data and Class
25 Settlement funds. Finally, this firm has no relationship with ILYM Group, Inc., other than as a client
26 retaining a vendor of services via an arms-length transaction. We have no ownership interest in ILYM
27 Group, Inc.

1 CLASS CERTIFICATION

2 34. The class is ascertainable by objective criteria. The class is: All non-exempt, hourly
3 employees who, during the Class Period, worked for or were deployed to work for Defendant in
4 California (the “Class Period” is the period from August 20, 2020 to October 9, 2024). “Participating
5 Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion
6 from the Class portion of the Settlement. (Settlement, ¶¶ 1.5, 1.9, 1.12, 1.34)

7 35. The class is sufficiently numerous. Based upon Defendant’s records and discovery,
8 there are about 1,740 Class Members. Plaintiffs’ counsel believe that the data is reliable.

9 36. Plaintiffs are typical of the Class. Plaintiffs were employed by Defendant. Plaintiffs
10 worked during the Class Period. Plaintiffs’ claims are typical of the claims of the Class proposed in
11 this settlement. Like other class members, Plaintiffs experienced work under policies and procedures
12 impacting wage and hour compliance. No unique defenses applicable to Plaintiffs have been identified
13 that do not also exist as to other Class Members.

14 37. Common *issues* exist. Here, Class Members have shared a common interest in
15 determining whether Defendant violated wage and hour requirements under state and related federal
16 law, including the following issues: i. Whether or not Defendant paid proper wages to the Class; ii.
17 Whether or not Defendant provided meal periods to the Class; iii. Whether or not Defendant provided
18 rest periods to the Class; iv. Whether or not Defendant paid compensation timely upon separation of
19 employment to former Class Members; v. whether or not Defendant paid compensation timely
20 throughout Class Members’ employment; vi. Whether or not Defendant provided accurate itemized
21 wage statements to the Class; vii. Whether or not waiting-time penalties are available to the Class for
22 violation of California Labor Code § 203; and, viii. Whether or not Defendant engaged in unlawful or
23 unfair business practices affecting the Class in violation of California Business and Professions Code
24 §§ 17200-17208.

25 38. From our review of the documentation provided, we determined that for purposes of
26 these claims, Defendant’s policies and practices are either identical, or sufficiently similar, to raise the
27 same questions of liability, and applied to all Class Members. Because Class Members would have to
28 prove the same issues of law and fact to prevail, and because their potential legal remedies are identical,

1 it would be preferable to resolve all Class Members' claims by means of the Settlement than to require
2 each Class Member to litigate his or her individual claims. Therefore, common questions predominate
3 over any questions that may be unique to individual Class Members, and class-wide settlement is
4 superior to any other method of resolution.

5 39. My Declaration, in Paragraphs above, summarizes the firm's experience that establishes
6 its adequacy to represent the Class. We have no known conflicts of interest with absent Class
7 Members. Plaintiffs have demonstrated, through participation in this action, a willingness to serve as
8 representatives for the Class. Plaintiffs have no known conflicts of interest with absent Class Members
9 and have agreed to place the class's interests above Plaintiffs' own. Plaintiffs' actions also demonstrate
10 adequacy.

11 40. By consolidating all of these potential individual actions into one proceeding, this
12 Court's use of the class action device enables it to manage this litigation in a manner that serves the
13 economics of time, effort and expense for the litigants and the judicial system. Absent class treatment,
14 similarly-situated employees with small but potentially meritorious claims for damages would, as a
15 practical matter, have no means of redress because of the time, effort and expense required to prosecute
16 individual actions. Moreover, in the context of settlement, superiority concerns are almost non-
17 existent, since case management is controlled and a methodology for trial need not be identified.

18 EXHIBITS

19 41. As noted above, a true and correct copy of the CLASS ACTION AND PAGA
20 SETTLEMENT AGREEMENT AND CLASS NOTICE is attached hereto as **Exhibit "1."** The
21 Settlement includes Exhibit A (the "Notice").

22 42. Attached hereto as **Exhibit "2"** is a true and correct copy of confirmation of the
23 submission of the settlement to the Department of Industrial Relations, through its online submission
24 portal.
25

26 PAGA SETTLEMENT NOTIFICATION TO DIR

27 43. Counsel for Plaintiff provided notice of the requested approval of the PAGA settlement
28

1 through the online submission portal.

2 I declare under penalty of perjury, under the laws of the State of California, that the foregoing is
3 true and correct. Executed January 22, 2025, at Los Angeles, California.

4 

5 _____
H. Scott Leviant, "Declarant"

Exhibit “1”

Kane Moon (SBN 249834)
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H. Scott Leviant (SBN 200834)
hsleviant@moonlawgroup.com
Mariam Ghazaryan (SBN 341119)
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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF KERN

RILEY J. SMALL, individually, and SHARESE
CASEY, individually, and on behalf of all others
similarly situated,

Plaintiffs,

vs.

RIDGECREST REGIONAL HOSPITAL, a
California corporation; and DOES 1 through 10,
inclusive,

Defendants

Case No.: BCV-23-102418-TSC

CLASS & PAGA ACTION

*(Related to: BCV-23-103337-TSC Casey et al.
vs. Ridgecrest Regional Hospital)*

[Hon. Thomas S. Clark, Dept. 17]

**CLASS ACTION AND PAGA SETTLEMENT
AGREEMENT AND CLASS NOTICE**

Complaint filed: July 26, 2023
Trial date: Not set

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiffs Riley J. Small and Sharese Casey (“Plaintiffs”) and defendant Ridgecrest Regional Hospital (“Defendant”). The Agreement refers to Plaintiffs and Defendant collectively as “Parties.”

1. **DEFINITIONS.**

- 1.1. “Action” means the Plaintiffs’ lawsuit alleging wage and hour violations against Defendant captioned *Riley J. Small, et. al., v. Ridgecrest Regional Hospital, et al.* initiated on July 26, 2023 and pending in Superior Court of the State of California, County of Kern.
- 1.2. “Administrator” means ILYM Group, Inc., 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 to the Court in connection with Preliminary Approval of the Settlement.
- 1.4. “Aggrieved Employee” means all non-exempt, hourly employees who, during the PAGA Period, worked for or were deployed to work for Defendant in California.
- 1.5. “Class” means all non-exempt, hourly employees who, during the Class Period, worked for or were deployed to work for Defendant in California.
- 1.6. “Class Counsel” means Moon Law Group, PC and Haines Law Group, APC.
- 1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action and the related action *Casey et al. vs. Ridgecrest Regional Hospital*, Kern County Superior Court Case No.: BCV-23-103337-TSC.
- 1.8. “Class Data” means Class Member identifying information in Defendant’s possession including the Class Member’s name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.
- 1.9. “Class Member” or “Settlement Class Member” means a member of the Class, as either a

Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).

1.10. “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address (“NCOA”) database, skip traces, and direct contact by the Administrator with Class Members.

1.11. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English with a Spanish translation in the form, without material variation unless otherwise agreed by the Parties, attached as Exhibit A and incorporated by reference into this Agreement. The Parties, through counsel, may agree to modifications to the Class Notice required to correct errors or effectuate changes required by the Court without the need to amend this Agreement, and the revised Class Notice shall be incorporated herein in place of the original Exhibit A.

1.12. “Class Period” means the period from August 20, 2020 to October 9, 2024.

1.13. “Class Representatives” means the named Plaintiffs, Riley J. Small and Sharese Casey, in the operative complaint in the Action seeking Court approval to serve as Class Representatives.

1.14. “Class Representatives Service Payment” means the payment to the Class Representatives for initiating the Action and providing services in support of the Action.

1.15. “Court” means the Superior Court of California, County of Kern.

1.16. “Defendant” means named Defendant, Ridgecrest Regional Hospital.

1.17. “Defense Counsel” means LightGabler LLP.

1.18. “Effective Date” means the date by when the following have occurred: (a) the date the Court enters an Order finally approving the Settlement if no objections are asserted and no individual seeks to intervene in the matter; or (b) 65 days after the date of entry of the Order of the Court finally approving the Settlement if any objections are asserted or any individual seeks to intervene in the matter but no appeal is filed; or (c) if a timely appeal is

made, ten (10) business days after the final resolution of that appeal, if the appeal is rejected, the Settlement is upheld, and the Settlement approval order is no longer subject to further judicial review.

1.19. “Final Approval” means the Court’s order granting final approval of the Settlement.

1.20. “Final Approval Hearing” means the Court’s hearing on the motion for final approval of the Settlement.

1.21. “Gross Settlement Amount” means \$2,780,000 which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraphs 3.1 and 8 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payment and the Administration Expenses Payment.

1.22. “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.

1.23. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.

1.24. “Judgment” means the judgment entered by the Court based upon the Final Approval.

1.25. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699(i).

1.26. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699(i).

1.27. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

- 1.28. “Non-Participating Class Member” means any Class Member who opts out of the Class portion of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.29. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.
- 1.30. “PAGA Period” means the period from October 4, 2022 to October 9, 2024.
- 1.31. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698, *et seq.*).
- 1.32. “PAGA Notices” means Plaintiff Riley J. Small’s July 26, 2023 letter to Defendant and the LWDA, and Plaintiff Sharese Casey’s October 4, 2023 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3(a).
- 1.33. “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 the 75% to LWDA in settlement of PAGA claims.
- 1.34. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Class portion of the Settlement.
- 1.35. “Plaintiffs” means Riley J. Small (“Plaintiff Small”) and Sharese Casey (“Plaintiff Casey”), the named plaintiffs in the Action.
- 1.36. “Preliminary Approval” means the Court’s order granting preliminary approval of the Class portion of the Settlement.
- 1.37. “Preliminary Approval Order” means the order granting preliminary approval of the Class portion of the Settlement.
- 1.38. “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.
- 1.39. “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.
- 1.40. “Released Parties” means: Defendant and any of its former and present predecessors, successors, subsidiaries, parents, divisions, and affiliates as defined by Corporations Code section 150, and each of its respective current and former supervisory/ managerial

employees, managing agents, shareholders, directors, officers, owners, board members, partners, administrators, predecessors, successors, investors, assigns, attorneys, insurers, agents, representatives, independent contractors, any entities with whom Defendant could share a joint employer, relationship under any legal theory, joint venturers and staffing companies.

1.41. "Request for Exclusion" means a Class Member's submission of a written request to be excluded from the Class Settlement signed by the Class Member.

1.42. "Response Deadline" means 30 days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Class portion of the Settlement, or (b) fax, email, or mail their Objection to the Settlement. The Response Deadline for Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall be extended by 14 calendar days beyond the original Response Deadline.

1.43. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.

1.44. "Workweek" means any week during which a Class Member worked for Defendant for at least one day, during the Class Period.

2. RECITALS.

2.1. On July 26, 2023, Plaintiff Small commenced this Action by filing a Complaint alleging causes of action against Defendant for failure to pay minimum and regular rate wages, failure to pay overtime compensation, failure to provide meal periods, failure to authorize and permit rest breaks, failure to indemnify necessary business expenses, failure to timely pay final wages at termination, failure to provide accurate itemized wage statements, and unfair business practices. On October 4, 2023, Plaintiff Casey filed her Complaint alleging that Defendant failed to pay all overtime wages, pay all minimum wages, provide all lawful meal periods, authorize and permit all lawful rest periods, issue accurate itemized wage statements, pay all wages due at the time of separation, and comply with California's

1 unfair competition laws. On September 29, 2023, Plaintiff Small filed a First Amended
2 Complaint alleging an additional cause of action against Defendant for violation of PAGA.
3 On December 11, 2023, Plaintiff Casey filed her First Amended Complaint to include a
4 cause of action for civil penalties under PAGA. On January 23, 2024, the Court deemed
5 the *Small* and *Casey* cases related. On October 23, 2024, Plaintiff Small filed a Second
6 Amended Complaint, adding Plaintiff Casey as a second-class representative to the Action
7 and incorporating all claims and factual allegations alleged by Casey in her prior
8 Complaints. The Second Amended Complaint is the operative complaint in the Action (the
9 “Operative Complaint.”). On November 4, 2024, Plaintiff Casey requested dismissal of
10 the separate but related *Casey* case, Kern County Superior Court Case No. BCV-23-
11 103337. Defendant denies the allegations in the PAGA Notices and each and all of the
12 aforementioned Complaints, including the Operative Complaint, denies any failure to
13 comply with the laws identified in any Complaint including the Operative Complaint and
14 denies any and all liability for the causes of action alleged.

15 2.2. Pursuant to Labor Code section 2699.3(a), Plaintiffs gave timely written notice to
16 Defendant and the LWDA by sending the PAGA Notices.

17 2.3. On July 9, 2024, the Parties participated in an all-day mediation presided over by Steven
18 Rottman, Esq., which led to this Agreement to settle the Action.

19 2.4. Prior to mediation, Plaintiffs obtained through informal discovery, electronic time and pay
20 records, policy documents, and data about the Class. Plaintiffs’ investigation was sufficient
21 to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.*, 48
22 Cal. App. 4th 1794, 1801 (1996) and *Kullar v. Foot Locker Retail, Inc.*, 168 Cal. App. 4th
23 116, 129-130 (2008) (“*Dunk/Kullar*”).

24 2.5. The Court has not granted class certification.

25 2.6. The Parties, Class Counsel and Defense Counsel represent that they are not aware of any
26 other pending matter or action asserting claims that will be extinguished or affected by the
27 Settlement.
28

1 **3. MONETARY TERMS.**

2 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant
3 promises to pay \$2,780,000 and no more as the Gross Settlement Amount and to separately
4 pay any and all employer payroll taxes owed on the Wage Portions (as defined below) of
5 the Individual Class Payments. Defendant has no obligation to pay the Gross Settlement
6 Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this
7 Agreement. The Administrator will disburse the entire Gross Settlement Amount without
8 asking or requiring Participating Class Members or Aggrieved Employees to submit any
9 claim as a condition of payment. None of the Gross Settlement Amount will revert to
10 Defendant.

11 3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the
12 following payments from the Gross Settlement Amount, in the amounts specified by the
13 Court in the Final Approval:

14 3.2.1. To Plaintiffs: Class Representative Service Payments to the Class Representatives
15 of not more than a total of \$20,000 (\$10,000 per Class Representative), in addition
16 to any Individual Class Payment and any Individual PAGA Payment the Class
17 Representatives are entitled to receive as a Participating Class Member and/or
18 Aggrieved Employee. Defendant will not oppose Plaintiffs' request for Class
19 Representative Service Payments that do not exceed this amount. As part of the
20 motion for Class Counsel Fees Payment and Class Litigation Expenses Payment,
21 Plaintiffs will seek Court approval for any Class Representative Service Payments
22 no later than 16 court days prior to the Final Approval Hearing. If the Court
23 approves Class Representative Service Payments less than the amount requested,
24 the Administrator will retain the remainder in the Net Settlement Amount. The
25 Administrator will pay the Class Representative Service Payment using IRS Form
26 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on
27 the Class Representative Service Payments.

28 3.2.2. To Class Counsel: A collective Class Counsel Fees Payment of not more than 35%

of the Gross Settlement Amount, which is currently estimated to be \$973,000.00 and a collective Class Counsel Litigation Expenses Payment of not more than \$40,000.00. Defendant will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiffs' Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment. Plaintiffs and Class Counsel hold Defendant and all Released Parties harmless, and indemnify Defendant and all Released Parties, from any dispute or controversy regarding any division or sharing of any of the Class Counsel Fees Payment or Class Counsel Litigation Expenses Payment as between the two named Class Counsel law firms, including any attorneys who do or have worked on behalf of Plaintiffs at either firm. Other than as provided in Paragraph 12.19 regarding actions to enforce the Settlement or as a result of the operation of the escalator provision in Paragraph 8, Plaintiffs and Class Counsel expressly agree and acknowledge that other than the aforementioned Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment which will be paid out of the Gross Settlement Amount, Plaintiffs and Class Counsel are not entitled to any additional attorneys' fees or costs from Defendant or Released Parties.

3.2.3. To the Administrator: An Administration Expenses Payment not to exceed

\$40,000.00 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 \$40,000.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4. To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's respective Workweeks.

3.2.4.1. Tax Allocation of Individual Class Payments. 15% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. 85% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Workweeks of Non-Participating Class Members are not included in the calculation of payments to Participating Class Members and therefor have no effect on the calculation of Individual Class Payments paid from the Net Settlement Amount.

3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$200,000.00 to be paid from the Gross Settlement Amount, with 75% allocated to the LWDA PAGA Payment and 25% allocated to the Individual PAGA Payments.

3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a)

dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's respective PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.5.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099-MISC Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendant estimates there are approximately 1,740 Class Members who collectively worked a total of 173,918 Workweeks, and approximately 1,150 Aggrieved Employees who worked a total of 38,649 PAGA Pay Periods.

4.2. Class Data. Not later than 15 days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet(s). To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify the Administrator if it discovers that the Class Data omitted Class Member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class 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 Class Data.

1 4.3. Funding of Gross Settlement Amount. Defendant shall fund half of the Gross Settlement
2 Amount within 30 days of the Effective Date, and fund the remainder of the Gross
3 Settlement Amount and the employer's share of any payroll taxes due on the Wage Portion
4 of the Individual Class Payments within 6 months after the first payment.

5 4.4. Payments from the Gross Settlement Amount. Prior to the disbursement of any settlement
6 funds, the Administrator will prepare and provide a proposed distribution summary and
7 timeline to Class Counsel and Defense Counsel for approval. Within 14 days after
8 Defendant fully funds the Gross Settlement Amount, and after Class Counsel and Defense
9 Counsel have approved the distribution summary and timeline, the Administrator will mail
10 checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA
11 PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment,
12 the Class Counsel Litigation Expenses Payment, and the Class Representative Service
13 Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation
14 Expenses Payment and the Class Representative Service Payment shall not precede
15 disbursement of Individual Class Payments and Individual PAGA Payments.

16 4.4.1. The Administrator will issue checks for the Individual Class Payments and/or
17 Individual PAGA Payments and send them to the Class Members via First Class
18 U.S. Mail, postage prepaid. The face of each check shall prominently state the
19 date (180 days after the date of mailing) when the check will be voided. The
20 Administrator will cancel all checks not cashed by the void date. The
21 Administrator will send checks for Individual Settlement Payments to all
22 Participating Class Members (including those for whom Class Notice was returned
23 undelivered). The Administrator will send checks for Individual PAGA Payments
24 to all Aggrieved Employees including Non-Participating Class Members who
25 qualify as Aggrieved Employees (including those for whom Class Notice was
26 returned undelivered). The Administrator may send Participating Class Members a
27 single check combining the Individual Class Payment and the Individual PAGA
28 Payment. Before mailing any checks, the Settlement Administrator must update

the recipients' mailing addresses using the NCOA database.

4.4.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without a United States Postal Service ("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 Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member and/or Aggrieved Employee whose original check was lost or misplaced, requested by the Class Member and/or Aggrieved Employee prior to the void date.

4.4.3. For any Class Member whose Individual Class Payment check or 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 Division in the name of the Class Member or Aggrieved Employee.

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

5. RELEASES OF CLAIMS.

Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs, Class Members, and Class Counsel will release claims against all Released Parties as follows:

5.1. Plaintiffs' Release.

5.1.1. Scope of Plaintiffs' Release. As a condition of the Settlement and the Class Representatives Service Payment, Plaintiffs and their respective former and present spouses, representatives, agents, attorneys (including but not limited to Class

Counsel), heirs, administrators, successors, and assigns generally, release and forever discharge Released Parties from any and all claims, transactions, occurrences, obligations, demands, actions, rights, causes of action, damages and liabilities, of whatever kind and nature, character, and description, whether in law or equity, whether sounding in tort, contract, federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law or contract, whether known or unknown, and whether anticipated or unanticipated to the broadest extent possible, arising at any time up to and including the date on which the Court enters the order of Final Approval. The Plaintiffs' Release includes, but is not limited to, any claims that were, or reasonably could have been, alleged, based on the facts contained, in any PAGA Notice or Complaint filed against Defendant by Plaintiffs, or either of them, including the Operative Complaint. The Plaintiffs' Release further includes without limitation and without limiting the generality of the foregoing, any claims (whether state, federal, or administrative), for compensation, salaries, wages, premium pay, bonuses, commissions, overtime, benefits, sick pay, holiday pay, vacation, paid time off, severance pay, paid leave benefits, penalties, interest, damages, back or front pay, costs, expenses, attorneys' fees and costs (except as otherwise provided in this Agreement), employee benefits, promises on any and all of the above, remedies of any other type, breach of contract or duty, fraud, misrepresentation, defamation, discrimination or harassment in any form, retaliation, breach of the implied covenant of good faith and fair dealing, wrongful or tortious discharge in violation of statute or public policy, negligent or intentional interference with contract or prospective economic advantage, assault, battery, invasion of privacy, intentional or negligent infliction of emotional distress, or any other claims arising under any federal, state, local or other governmental statute or ordinance, including without limitation, the National Labor Relations Act; Title VII of the Civil Rights Act of 1964; the Civil Rights Act of 1991; the Americans with Disabilities Act of 1990; the Fair Labor Standards Act; the Occupational Safety

1 and Health Act; the Consolidated Omnibus Budget Reconciliation Act of 1985; the
2 Age Discrimination in Employment Act (“ADEA”); the Older Workers Benefit
3 Protection Act; the Worker Adjustment and Retraining Notification Act
4 (“WARN”); the Employee Retirement Income Security Act of 1974; the Family
5 and Medical Leave Act of 1993; the Rehabilitation Act of 1973; the Internal
6 Revenue Code of 1986, as amended; the California Fair Employment and Housing
7 Act; the California Family Rights Act; the California Labor Code; the California
8 Civil Code; the California Government Code; the California Constitution; and all
9 claims for penalties, general damages, compensatory damages, liquidated damages,
10 punitive damages, exemplary damages, interest, restitution, equitable and
11 declaratory relief, attorneys’ fees and costs (except as otherwise provided in this
12 Agreement), as well as any other statutes, laws regulations or damages of similar
13 effect. Plaintiffs’ Release does not extend to any claims or actions to enforce this
14 Agreement, or to any claims for vested benefits, unemployment benefits, disability
15 benefits, social security benefits, or workers’ compensation benefits that arose at
16 any time. Plaintiffs acknowledge that Plaintiffs may discover facts or law different
17 from, or in addition to, the facts or law that Plaintiffs now know or believe to be
18 true but agree, nonetheless, that Plaintiffs’ Release shall be and remain effective in
19 all respects, notwithstanding such different or additional facts or Plaintiffs’
20 discovery of them.

21 5.1.2. Plaintiffs’ Waiver of Rights Under California Civil Code § 1542. For purposes of
22 Plaintiffs’ Release, Plaintiffs expressly waive and relinquish the provisions, rights,
23 and benefits, if any, of Section 1542 of the California Civil Code, which reads:

24 **“A general release does not extend to claims that the creditor or**
25 **releasing party does not know or suspect to exist in his or her favor**
26 **at the time of executing the release, and that if known by him or her**
would have materially affected his or her settlement with the debtor
or released party.”

27 5.2. Release by Participating Class Members: All Participating Class Members, on behalf of
28 themselves and their respective former and present spouses, representatives, agents,

attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims that have been asserted or could have been asserted based on the allegations by either or both Plaintiffs in their respective PAGA Notices, any amended PAGA notice letters sent to the LWDA, original complaints and amended complaints, including but not limited to the Operative Complaint, which shall include but not be limited to claims for failure to provide meal periods, failure to provide rest periods, failure to pay meal and/or rest period premium pay, unpaid overtime, unpaid minimum wage and off-the-clock work, unreimbursed business expenses, untimely payment of wages, failure to keep accurate payroll and/or other employment records, wage statement violations, sick pay, vacation pay, paid time off, violation of any applicable Industrial Welfare Commission (“IWC”) Wage Order(s), failure to pay the appropriate regular rate of pay, unfair business practices and PAGA claims pled or which could have been pled based on factual allegations in Plaintiffs’ respective complaints, amended complaints including but not limited to the Operative Complaint, or PAGA letters to the LWDA. Except as set forth in Sections 5.1 and 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period.

5.3. Release by Aggrieved Employees: All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the PAGA Notices and respective complaints and amended complaints, including but not limited to the Operative Complaint.

6. MOTION FOR PRELIMINARY APPROVAL.

The Parties agree that Plaintiffs and/or Class Counsel will prepare and file a motion for preliminary approval (“Motion for Preliminary Approval”) that complies with the Court’s current checklist for preliminary approvals, to the extent the Court maintains such a checklist.

1 6.1. Defendant’s Declaration in Support of Preliminary Approval. Within 14 days of the full
2 execution of this Agreement, Defendant will prepare and deliver to Class Counsel a signed
3 declaration from Defendant and/or Defense Counsel disclosing all facts relevant to any
4 actual or potential conflicts of interest with the Administrator, *if any such actual or*
5 *potential conflicts exist.* Similarly, if any other pending matter or action asserting claims
6 will be extinguished or adversely affected by the Settlement, Defendant shall prepare and
7 deliver to Class Counsel a signed declaration from Defendant and/or Defense Counsel
8 identifying any other pending matter or action asserting claims that will be extinguished or
9 adversely affected by the Settlement. Alternatively, if such other actions are filed between
10 the execution of this Agreement and the filing of the Motion for Preliminary Approval and
11 become known to Defendant and/or Defense Counsel, Defense Counsel will advise Class
12 Counsel. If there are no actual or potential conflicts of interest with the Administrator to
13 disclose, or any pending matters to disclose, no declaration from Defendant and/or Defense
14 Counsel is required.

15 6.2. Plaintiffs’ Responsibilities. At least seven court days before filing the same, Plaintiffs will
16 prepare and deliver to Defense Counsel for review and input documents necessary for
17 obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in
18 support, of the Motion for Preliminary Approval that includes an analysis of the Settlement
19 under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code
20 section 2699(f)(2)); (ii) a draft proposed order granting preliminary approval and approval
21 of PAGA settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the
22 Administrator attaching its “not to exceed” bid for administering the Settlement and
23 attesting to its willingness to serve; competency; operative procedures for protecting the
24 security of Class Data; amounts of insurance coverage for any data breach, defalcation of
25 funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest
26 with Class Members; and the nature and extent of any financial relationship with Plaintiff,
27 Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiffs confirming
28 willingness and competency to serve and disclosing all facts relevant to any actual or

1 potential conflicts of interest with Class Members, and the Administrator; and, (vi) a
2 signed declaration from each Class Counsel firm attesting to its competency to represent
3 the Class Members; its timely transmission to the LWDA of all necessary PAGA
4 documents; and, all facts relevant to any actual or potential conflict of interest with Class
5 Members, and the Administrator. Class Counsel shall aver that they are not aware of any
6 other pending matter or action asserting claims that will be extinguished or adversely
7 affected by the Settlement or disclose the existence of any such pending matters.

8 Alternatively, if such other actions are filed between the execution of this Agreement and
9 the filing of the Motion for Preliminary Approval and become known to Class Counsel,
10 Class Counsel will advise Defense Counsel.

11 6.3. Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible
12 for expeditiously finalizing the Motion for Preliminary Approval no later than 30 days after
13 the full execution of this Agreement and will work cooperatively together so Class Counsel
14 can promptly file the same, obtain a prompt hearing date for the Motion for Preliminary
15 Approval, and collectively advocate in favor of the Motion for Preliminary Approval.
16 Class Counsel is responsible for delivering the Court's Preliminary Approval to the
17 Administrator.

18 6.4. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for
19 Preliminary Approval and/or the supporting declarations and documents, Class Counsel
20 and Defense Counsel will expeditiously work together on behalf of the Parties by meeting
21 in person, via email or by telephone, and in good faith, to resolve the disagreement. If the
22 Court does not grant Preliminary Approval or conditions Preliminary Approval on any
23 material change to this Agreement, Class Counsel and Defense Counsel will expeditiously
24 work together on behalf of the Parties by meeting in person, via email or by telephone, and
25 in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

26 **7. SETTLEMENT ADMINISTRATION.**

27 7.1. Selection of Administrator. The Parties have jointly selected ILYM Group, Inc., to serve
28 as the Administrator and verified that, as a condition of appointment, ILYM Group, Inc.,

1 agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in
2 this Agreement in exchange for payment of Administration Expenses. The Parties and
3 their respective counsel represent that they have no interest or relationship, financial or
4 otherwise, with the Administrator other than a professional relationship arising out of prior
5 experiences administering settlements.

6 7.2. Employer Identification Number. The Administrator shall have and use its own Employer
7 Identification Number for purposes of calculating payroll tax withholdings and providing
8 reports state and federal tax authorities.

9 7.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets
10 the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation
11 section 468B-1.

12 7.4. Notice to Class Members.

13 7.4.1. No later than five (5) business days after receipt of the Class Data, the
14 Administrator shall notify Class Counsel and Defense Counsel that the list has
15 been received and state the number of Class Members, Aggrieved Employees,
16 Workweeks, and Pay Periods in the Class Data.

17 7.4.2. Using best efforts to perform as soon as possible, and in no event later than 14 days
18 after receiving the Class Data, the Administrator will send to all Class Members
19 identified in the Class Data, via first-class USPS mail, the Class Notice with
20 Spanish translation substantially in the form attached to this Agreement as Exhibit
21 A. The first page of the Class Notice shall prominently estimate the dollar amounts
22 of each Individual Class Payment and/or Individual PAGA Payment payable to the
23 Class Member and/or Aggrieved Employee, and the number of Workweeks and
24 PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing
25 Class Notices, the Administrator shall update Class Member addresses using the
26 NCOA database.

27 7.4.3. Not later than 3 business days after the Administrator’s receipt of any Class Notice
28 returned by the USPS as undelivered, the Administrator shall re-mail the Class

1 Notice using any forwarding address provided by the USPS. If the USPS does not
2 provide a forwarding address, the Administrator shall conduct a Class Member
3 Address Search, and re-mail the Class Notice to the most current address obtained.
4 The Administrator has no obligation to make further attempts to locate or send
5 Class Notice to Class Members whose Class Notice is returned by the USPS a
6 second time.

7 7.4.4. The deadlines for Class Members' written objections, challenges to Workweeks
8 and/or PAGA Pay Periods, and Requests for Exclusion will be extended an
9 additional 14 days beyond the 30 days otherwise provided in the Class Notice for
10 all Class Members whose notices are re-mailed. The Administrator will inform the
11 Class Member of the extended deadline with the re-mailed Class Notice.

12 7.4.5. If the Administrator, Defendant or Class Counsel is contacted by or otherwise
13 discovers any persons who believe they should have been included in the Class
14 Data and should have received Class Notice but did not, the Parties will
15 expeditiously meet and confer in person, via email or by telephone, and in good
16 faith, in an effort to agree on whether to include them as Class Members. If the
17 Parties agree, such persons will be Class Members entitled to the same rights as
18 other Class Members, and the Administrator will send, via email or overnight
19 delivery, a Class Notice requiring them to exercise options under this Agreement
20 not later than 14 days after receipt of Class Notice, or the deadline dates in the
21 Class Notice, whichever are later.

22 7.5. Requests for Exclusion (Opt-Outs).

23 7.5.1. Class Members who wish to exclude themselves (opt-out of) the Class portion of
24 the Settlement must send the Administrator, by fax, email, or mail, a signed written
25 Request for Exclusion not later than 30 days after the Administrator mails the Class
26 Notice (plus an additional 14 days for Class Members whose Class Notice is re-
27 mailed). A Request for Exclusion is a letter from a Class Member or their
28 representative that reasonably communicates the Class Member's election to be

1 excluded from the Class portion of the Settlement and includes the Class Member's
2 name, social security number, address and email address or telephone number. To
3 be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by
4 the Response Deadline.

5 7.5.2. The Administrator may not reject a Request for Exclusion as invalid because it
6 fails to contain all the information specified in the Class Notice. The Administrator
7 shall accept any Request for Exclusion as valid if the Administrator can reasonably
8 ascertain the identity of the person as a Class Member and the Class Member's
9 desire to be excluded. The Administrator's determination shall be final and not
10 appealable or otherwise susceptible to challenge. If the Administrator has reason to
11 question the authenticity of a Request for Exclusion, the Administrator may
12 demand additional proof of the Class Member's identity. The Administrator's
13 determination of authenticity shall be final as to the Parties, but a Class Member
14 whose Request for Exclusion is rejected by the Administrator may present a
15 challenge to that determination to the Court.

16 7.5.3. Every Class Member who does not submit a timely and valid Request for
17 Exclusion is deemed to be a Participating Class Member under this Agreement,
18 entitled to all benefits and bound by all terms and conditions of the Settlement,
19 including the Participating Class Members' Releases under Paragraphs 5.2 and 5.3
20 of this Agreement, regardless whether the Participating Class Member actually
21 receives the Class Notice or objects to the Settlement.

22 7.5.4. Every Class Member who submits a valid and timely Request for Exclusion is a
23 Non-Participating Class Member and shall not receive an Individual Class
24 Payment or have the right to object to the class action components of the
25 Settlement. Because future PAGA claims are subject to claim preclusion upon
26 entry of the Judgment, Non-Participating Class Members who are Aggrieved
27 Employees are deemed to release the claims identified in Paragraph 5.3 of this
28 Agreement and are eligible for an Individual PAGA Payment.

1 7.6. Challenges to Calculation of Workweeks. Each Class Member shall have 30 days after the
2 Administrator mails the Class Notice (plus an additional 14 days for Class Members whose
3 Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay
4 Periods (if any) allocated to the Class Member in the Class Notice. The Class Member
5 may challenge the allocation by communicating with the Administrator via phone, fax,
6 email or mail. The Administrator must encourage the challenging Class Member to submit
7 supporting documentation. In the absence of any contrary documentation, the
8 Administrator is entitled to presume that the Workweeks contained in the Class Notice are
9 correct so long as they are consistent with the Class Data. The Administrator's
10 determination of each Class Member's allocation of Workweeks and/or PAGA Pay
11 Periods shall be final as to the Parties (although Defendant shall retain the right to correct
12 erroneous Class Data if subsequently discovered), but a Class Member whose Workweek
13 and/or PAGA Pay Period challenge is rejected by the Administrator may present the same
14 evidence supporting the Workweek and/or Pay Period challenge to the Court for review.
15 The Administrator shall promptly provide copies of all challenges to calculation of
16 Workweeks and/or PAGA Pay Periods to Defense Counsel and Class Counsel and the
17 Administrator's determination regarding the challenges.

18 7.7. Objections to Settlement.

19 7.7.1. Only Participating Class Members may object to the class action components of
20 the Settlement and/or this Agreement, including contesting the fairness of the
21 Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class
22 Counsel Litigation Expenses Payment and/or Class Representative Service
23 Payment.

24 7.7.2. Participating Class Members may send written objections to the Administrator, by
25 fax, email, or mail. In the alternative, Participating Class Members may appear in
26 Court (or hire an attorney to appear in Court on their behalf) to present verbal
27 objections at the Final Approval Hearing. A Participating Class Member who
28 elects to send a written objection to the Administrator must do so not later than 30

1 days after the Administrator's mailing of the Class Notice (plus an additional 14
2 days for Class Members whose Class Notice was re-mailed).

3 7.7.3. Non-Participating Class Members have no right to object to any of the class action
4 components of the Settlement.

5 7.8. Administrator Duties. The Administrator has a duty to perform or observe all tasks to be
6 performed or observed by the Administrator contained in this Agreement or otherwise.

7 7.8.1. Website, Email Address and Toll-Free Number. The Administrator will establish
8 and maintain and use an internet website to post information of interest to Class
9 Members including the date, time and location for the Final Approval Hearing and
10 copies of the Settlement Agreement, Motion for Preliminary Approval, the
11 Preliminary Approval Order, the Class Notice, the motion for final approval, the
12 Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses
13 Payment and Class Representative Service Payment, the Final Approval Order and
14 the Judgment. The Administrator will also maintain and monitor an email address
15 and a toll-free telephone number to receive Class Member calls, faxes and emails.

16 7.8.2. Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will
17 promptly review on a rolling basis Requests for Exclusion to ascertain their
18 validity. Not later than 5 days after the expiration of the deadline for submitting
19 Requests for Exclusion, the Administrator shall email a summary to Class Counsel
20 and Defense Counsel containing the total number of Class Members who have
21 timely submitted valid Requests for Exclusion and the date on which each Request
22 for Exclusion was mailed and received by the Administrator ("Exclusion List") and
23 separately summarizing the total number of Class Members who have submitted
24 invalid Requests for Exclusion including the date each invalid request was mailed
25 and received by the Administrator.

26 7.8.3. Weekly Reports. The Administrator must, on a weekly basis, provide written
27 reports to Class Counsel and Defense Counsel that, among other things, tally the
28 number of: Class Notices mailed or re-mailed, Class Notices returned undelivered,

1 Requests for Exclusion received (whether valid or invalid) received, objections
2 received, and challenges to Workweeks and/or PAGA Pay Periods received and/or
3 resolved (“Weekly Report”). The Weekly Reports must include the
4 Administrator’s assessment of the validity of Requests for Exclusion and attach
5 copies of all objections received.

6 7.8.4. Payment Schedule for All Settlement Payments. Prior to disbursing any portion of
7 the Gross Settlement Amount, the Administrator will provide a disbursement
8 breakdown to Class Counsel and Defense Counsel and will not disburse any funds
9 until the breakdown is approved by both counsels. Any disputes regarding
10 disbursement will be resolved by the Court.

11 7.8.5. Event Notifications. In addition to the Weekly Reports, the Administrator shall
12 report to the Parties through their respective counsel when it has completed its
13 initial mailing of the Class Notices and when it has completed the initial
14 distribution of the Individual Class Payments and Individual PAGA Payments to
15 all individuals with valid addresses.

16 7.8.6. Workweek and/or Pay Period Challenges. The Administrator has the authority to
17 address and make decisions consistent with the terms of this Agreement on all
18 Class Member challenges over the calculation of Workweeks and/or PAGA Pay
19 Periods. The Administrator’s determination of each Class Member’s allocation of
20 Workweeks and/or PAGA Pay Periods shall be final as to the Parties (although
21 Defendant shall retain the right to correct erroneous Class Data if subsequently
22 discovered), but a Class Member whose Workweek and/or Pay Period challenge is
23 rejected by the Administrator may present the same evidence supporting the
24 Workweek and/or Pay Period challenge to the Court for review.

25 7.8.7. Administrator’s Declaration. Not later than 14 days before the date by which
26 Plaintiff is required to file the Motion for Final Approval of the Settlement, the
27 Administrator will provide to Class Counsel and Defense Counsel, first an initial
28 draft for counsel’s input and approval and then a signed declaration suitable for

filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notices, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and a list of Class Members who have validly excluded themselves from the Class. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

7.8.8. Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a summary report detailing its disbursements of all payments made under this Agreement. At least 15 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, first an initial draft for counsel's input and approval and then a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

8. CLASS SIZE ESTIMATES and ESCALATOR CLAUSE.

Based on its records, Defendant estimates that, as of the date of this Settlement Agreement, there are 1,740 Class Members and 173,918 total Workweeks during the Class Period. If the number of total Workweeks worked by Class Members as reported to the Settlement Administrator following Settlement approval is more than 10% greater than this figure (*i.e.*, if there are 191,310 or more total Workweeks), Defendant will increase the Gross Settlement Amount on a proportional basis above the 10% threshold (*i.e.*, if there was 15% increase in workweeks, Defendant would increase the Gross Settlement Amount by 5%).

9. DEFENDANT'S RIGHT TO WITHDRAW.

If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 7.5% of the total of all Class Members, Defendant may, but is not obligated to, withdraw from the Settlement. The Parties

1 agree that, if Defendant withdraws, the Settlement shall be void *ab initio*, have no force or effect
2 whatsoever, and that neither Party will have any further obligation to perform under this Agreement;
3 provided, however, Defendant will remain responsible for paying all Settlement administration expenses
4 incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw not
5 later than ten calendar days after the Administrator sends the final Exclusion List to Defense Counsel; late
6 elections will have no effect.

7 **10. MOTION FOR FINAL APPROVAL.**

8 Not later than 16 court days before the calendared Final Approval Hearing, Plaintiffs will file in Court, a
9 Motion for Final Approval of the Settlement that includes a request for approval of the PAGA settlement
10 under Labor Code section 2699(l), a Proposed Final Approval Order and a Proposed Judgment
11 (collectively “Motion for Final Approval”). Plaintiffs shall provide drafts of these documents to Defense
12 Counsel not later than seven days prior to filing the Motion for Final Approval. Class Counsel and
13 Defense Counsel will expeditiously meet and confer in person, via email or by telephone, and in good
14 faith, to resolve any disagreements concerning the Motion for Final Approval.

15 10.1. Response to Objections. Each Party retains the right to respond to any objection raised by
16 a Participating Class Member, including the right to file responsive documents in Court no
17 later than five court days prior to the Final Approval Hearing, or as otherwise ordered or
18 accepted by the Court.

19 10.2. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final
20 Approval on any material change to the Settlement (including by way of example, but not
21 limited to, the scope of release to be granted by Class Members), the Parties will
22 expeditiously work together in good faith to address the Court’s concerns by revising the
23 Agreement as necessary to obtain Final Approval. The Court’s decision to award less than
24 the amounts requested for the Class Representative Service Payment, Class Counsel Fees
25 Payment, Class Counsel Litigation Expenses Payment and/or Administration Expenses
26 Payment shall not constitute a material modification to the Agreement within the meaning
27 of this paragraph.

28 10.3. Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the

Court will retain jurisdiction pursuant to California Code of Civil Procedure section 664.6 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.

10.4. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment as set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, 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 an objector 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.

10.5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including by way of example, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

11. AMENDED JUDGMENT.

If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work

together in good faith to jointly submit and a proposed amended judgment.

12. ADDITIONAL PROVISIONS.

12.1. No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the PAGA Notices, any Complaint filed by Plaintiffs, or either of them, including but not limited to the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that class certification and representative treatment is appropriate for purposes of this Settlement only. If, for any reason the Court does not grant Preliminary Approval, Final Approval or enter Judgment, Defendant reserves the right to contest certification of any class for any reasons, Defendant reserves the right to challenge representative PAGA treatment on manageability or for any other reason, and Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

12.2. Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendant and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to

appropriate taxing authorities or to disclose in any required financial audit or other financial reports; (4) in response to a court order or subpoena; (5) to the Court and LWDA in connection with the Parties' efforts to seek the Court's approval of this Settlement; or (6) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendant and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, with any third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

12.3. No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

12.4. 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.

12.5. Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

12.6. 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.

12.7. 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.

12.8. No Tax Advice. Neither Plaintiffs, Class Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

12.9. 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.

12.10. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

12.11. 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.

12.12. 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.

12.13. 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.

12.14. Use and Return of Class Data. Information provided to Class Counsel pursuant to

Evidence Code section 1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a declaration confirming the final pay out of all Settlement funds, Plaintiffs and Class Counsel shall destroy, all paper and electronic versions of Class Data received from Defendant and Defense Counsel unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destruction, of Class Data.

12.15. 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.

12.16. 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.

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 Plaintiffs:

Kane Moon
kmoon@moonlawgroup.com
H. Scott Leviant
hsleviant@moonlawgroup.com
Mariam Ghazaryan
mghazaryan@moonlawgroup.com
MOON LAW GROUP, PC
725 S. Figueroa St., Suite 3100
Los Angeles, California 90017

Telephone: (213) 232-3128
Facsimile: (213) 232-3125

HAINES LAW GROUP, APC

Paul K. Haines
phaines@haineslawgroup.com
Fletcher W. Schmidt
fschmidt@haineslawgroup.com
Andrew J. Rowbotham
arowbotham@haineslawgroup.com
Susan J. Perez
sperez@haineslawgroup.com
2155 Campus Drive, Suite 180
El Segundo, California 90245
Tel: (424) 292-2350
Fax: (424) 292-2355

To Defendant:

LIGHTGABLER LLP

Chandra A. Beaton
cbeaton@lightgablerlaw.com
Kathleen M. Fellows
kfellows@lightgablerlaw.com
760 Paseo Camarillo, Suite 300
Camarillo, CA 93010
Telephone: (805) 248-7208
Facsimile: (805) 248-7209

12.17. 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.

12.18. 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 Code of Civil Procedure section 583.330 to extend the date to bring a case to trial under Code of Civil Procedure section 583.310 for the entire period of this settlement process.

12.19. Enforcement Action. In the event that one more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this

Agreement or to declare rights and/or obligations under this Agreement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

Plaintiffs & Class Representatives:

Dated: November __, 2024
11/4/2024

By: _____

DocuSigned by:
RILEY SMALL
A266D5E4DF51491...

RILEY J. SMALL

Dated: November __, 2024

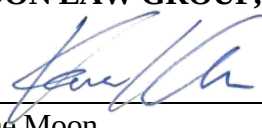
By: _____

SHARESE CASEY

Plaintiffs' Counsel:

Dated: November 4, 2024

MOON LAW GROUP, PC

By: 

Kane Moon
H. Scott Leviant
Mariam Ghazaryan

Attorneys for Plaintiffs

Dated: November __, 2024

HAINES LAW GROUP, APC

By: _____

Paul K. Haines
Fletcher W. Schmidt
Andrew J. Rowbotham
Susan J. Perez

Attorneys for Plaintiffs

Defendant:

Dated: November __, 2024

RIDGECREST REGIONAL HOSPITAL

By: _____

Print Name

Signature

Title

Defendant's Counsel:

Dated: November __, 2024

LIGHTGABLER LLP

By: _____

Chandra A. Beaton
Kathleen M. Fellows

Attorneys for Defendant

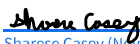
1 Agreement or to declare rights and/or obligations under this Agreement, the successful
2 Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable
3 attorneys' fees and costs, including expert witness fees incurred in connection with any
4 enforcement actions.
5

6 **Plaintiffs & Class Representatives:**

7 Dated: November __, 2024

By: _____
RILEY J. SMALL

9
10 Dated: 11/12/24

By: 
Sharese Casey (Nov 12, 2024 14:19 PST)
SHARESE CASEY

Plaintiffs' Counsel:

Dated: November __, 2024

MOON LAW GROUP, PC

By: _____

Kane Moon
H. Scott Leviant
Mariam Ghazaryan

Attorneys for Plaintiffs

Dated: November 12, 2024

HAINES LAW GROUP, APC

By:  _____

Paul K. Haines
Fletcher W. Schmidt
Andrew J. Rowbotham
Susan J. Perez

Attorneys for Plaintiffs

Defendant:

Dated: November __, 2024

RIDGECREST REGIONAL HOSPITAL

By: _____

Print Name

Signature

Title

Defendant's Counsel:

Dated: November __, 2024

LIGHTGABLER LLP

By: _____

Chandra A. Beaton
Kathleen M. Fellows

Attorneys for Defendant

Plaintiffs' Counsel:

Dated: November ___, 2024

MOON LAW GROUP, PC

By: _____

Kane Moon
H. Scott Leviant
Mariam Ghazaryan

Attorneys for Plaintiffs

Dated: November ___, 2024

HAINES LAW GROUP, APC

By: _____

Paul K. Haines
Fletcher W. Schmidt
Andrew J. Rowbotham
Susan J. Perez

Attorneys for Plaintiffs

Defendant:

Dated: November 21, 2024

RIDGECREST REGIONAL HOSPITAL

Michelle Schwanhauser
By: _____

Print Name

Signed by:



E680F7DCC4D242B...

Signature

Administrator of HR

Title

Defendant's Counsel:

Dated: November 21, 2024

LIGHTGABLER LLP

By:  _____

Chandra A. Beaton
Kathleen M. Fellows

Attorneys for Defendant

Exhibit “A”

COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL

Riley J. Small, et al. v. Ridgecrest Regional Hospital, et al., Kern County Superior Court Case No. BCV-23-102418-TSC

*The Superior Court for the State of California authorized this Notice. Read it carefully!
It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.*

You may be eligible to receive money from the Settlement in the above-referenced employee class action lawsuit (“Action”) that was filed against defendant Ridgecrest Regional Hospital (“Defendant”)¹ for alleged wage and hour violations. The Action was filed by former employees Riley J. Small, and Sharese Casey (“Plaintiffs”), and sought payment of: (1) back wages and other relief for a class of all hourly non-exempt employees (“Class Members”) who worked for Defendant during the Class Period (August 20, 2020 to October 9, 2024); and, (2) penalties under the California Labor Code Private Attorneys General Act (“PAGA”) for all hourly non-exempt employees who worked for Defendant during the PAGA Period (October 4, 2022 to October 9, 2024) (the “Aggrieved Employees”). The Plaintiffs and Defendant are referred to as the “Parties.”

The Settlement was entered into between the Parties on behalf of the Class Members and Aggrieved Employees, as defined above, in order to minimize future litigation expenses, mitigate risk and bring the Action to a close. The Court has not made any findings regarding the merits of Plaintiffs’ claims or Defendant’s defenses. The proposed Settlement has two main parts: (1) a Class Settlement that will result in the payment of Individual Class Payments; and (2) a PAGA Settlement that will result in the payment of Individual PAGA Payments and penalties to the California Labor and Workforce Development Agency (“LWDA”).

YOUR ESTIMATED SETTLEMENT PAYMENT

Individual Class Payment:	Based on Defendant’s records, and the Parties’ current assumptions, your Individual Class Payment is estimated to be \$ [REDACTED] (less tax withholdings)
Individual PAGA Payment:	Based on Defendant’s records, and the Parties’ current assumptions, your individual share of the Individual PAGA Payment is estimated to be \$ [REDACTED]

The actual amount you may receive might be slightly different and will depend on a number of factors, including the amount of various payments approved by the Court. (If no amount is stated for your Individual PAGA Payment, then according to Defendant’s records you are not eligible for such a payment under the Settlement because you didn’t work during the covered PAGA Period.)

The above payment estimates are based on Defendant’s records showing you worked [REDACTED] workweeks during the Class Period, and you worked [REDACTED] pay periods during the PAGA Period. If you believe you worked more workweeks or pay periods during either of the respective periods, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval of the Settlement. Your legal rights are affected whether you act or do not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiffs and Plaintiffs’ attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires Defendant to make payment as agreed in the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendant.

If you worked for Defendant during the Class Period, you have options under the Settlement. Those options are discussed in the chart below. Defendant will not retaliate against you for any actions you take with respect to the proposed Settlement.

¹ All key terms herein are further defined in the Parties’ CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a "Participating Class Member," eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendant that are covered by this Settlement (Released Class Claims and Released PAGA Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Individual PAGA Payments will be issued to all Aggrieved Employees (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by	All Class Members who do not opt-out (i.e., Participating Class Members) can object to any aspect of the proposed Settlement except with respect to the PAGA Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiffs who pursued the Action on behalf of the Class, among other payments. You are not personally responsible for any payments to Class Counsel or Plaintiffs, but every dollar paid to Class Counsel and Plaintiffs reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on . You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person or remotely through the Court's remote access system. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by	The amount of your Individual Class Payment and Individual PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period, and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number of Class Period Workweeks and number of PAGA Pay Periods you worked according to Defendant's records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by . See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiffs are former employees of Defendant. The Action alleges that Defendant violated California labor laws by failing to pay overtime wages, minimum and regular rate wages, wages due upon termination, business expense reimbursements, and failing to provide meal periods, rest breaks, and accurate itemized wage statements. Based on the same claims, Plaintiffs have also asserted a claim for civil penalties under the PAGA ("PAGA Claims"). Plaintiffs are represented by attorneys in the Action: Moon Law Group, PC and Haines Law Group, APC ("Class Counsel").

Defendant denies all liability arising from the Action and is confident it has strong legal and factual defenses to Plaintiffs' claims. Defendant contends that, at all relevant times, Defendant properly compensated all employees and fully complied with all applicable laws. Defendant also denies that the Action is appropriate to maintain as a class or representative action.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the Court has made no determination whether Defendant or Plaintiffs are correct on the merits. In the meantime, Plaintiffs and Defendant hired highly-experienced and well-respected, neutral mediator Steven Rottman, Esq., to resolve the Action by negotiating an end to the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written Class Action and PAGA Settlement Agreement ("Agreement") and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiffs and Defendant have negotiated a proposed Settlement that is subject to the Court's Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendant does not admit any violations or concede the merit of any claims whatsoever.

Plaintiffs and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendant has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

A. Defendant will pay \$2,780,000 as the Gross Settlement Amount (“GSA”). Defendant has agreed to deposit the GSA into an account controlled by the Administrator of the Settlement. The Administrator will use the GSA to pay the Individual Settlement Payments, Individual PAGA Payments, Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, the Administration Expenses Payment, and penalties to be paid to the LWDA. Assuming the Court grants Final Approval, Defendant will fund the first half of the GSA not more than 30 days after the Judgment entered by the Court becomes final (“Effective Date”), and the remainder within six months of the first payment. The Judgment will be final the day that the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.

B. Court Approved Deductions from GSA. At the Final Approval Hearing, Plaintiffs and/or Class Counsel will ask the Court to approve the following deductions from the GSA, the amounts of which will be decided by the Court at the Final Approval Hearing:

- i. Up to \$973,000.00 (35% of the GSA) to Class Counsel for attorneys’ fees and up to \$40,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
- ii. Up to \$20,000.00 for the Class Representative Service Payments (\$10,000.00 to each Plaintiff) for filing the Action, working with Class Counsel and representing the Class.
- iii. Up to \$40,000.00 to the Administrator for services related to administering the Settlement.
- iv. \$200,000.00 for PAGA Penalties, allocated 75% to the LWDA (\$150,000.00) and 25% to Individual PAGA Payments (\$50,000.00) to the Aggrieved Employees based on their PAGA Pay Periods.

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

C. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the GSA (the “Net Settlement”) by making Individual Settlement Payments to Participating Class Members based on their Workweeks worked during the Class Period.

D. Taxes Owed on Payments to Class Members. Plaintiffs and Defendant are asking the Court to approve an allocation of 15% of each Individual Class Payment to taxable wages (“Wage Portion”) and 85% to interest and penalties (“Non-Wage Portion”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendant will separately pay employer’s portion of the payroll taxes it owes on the Wage portion. The Individual PAGA Payments are considered penalties rather than wages for tax purposes. The Administrator will report any Individual PAGA Payments and the Non-Wage Portions of the Individual Class Settlement Payments on IRS 1099 Forms.

Although Plaintiffs and Defendant have agreed to these allocations, neither side is giving you any advice on whether your Individual Class Payment and/or Individual PAGA Payment is taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Individual Class and/or PAGA Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

E. Need to Promptly Cash or Deposit Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don’t cash or deposit it by the void date, your check will be automatically voided, and the monies will be sent to the California Controller’s Unclaimed Property Division in the name of the individual who failed to cash or deposit the check.

F. Requests for Exclusion from the Class Settlement (Opt-Out Request). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than [REDACTED], that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the [REDACTED] Response Deadline. The Request for Exclusion should be a signed letter from a Class Member or their authorized representative setting forth a Class Member’s name, Social Security number, address and email address or telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments but will preserve their rights to personally pursue wage and hour claims against Defendant.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class (Non-Participating Class Members) remain eligible for an Individual PAGA Payment and are required to give up their right to assert PAGA Claims against Defendant based on the alleged PAGA violations in the Action.

G. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and Defendant have agreed that, in either case, the Settlement will be void: Defendant will not pay any money and Class Members will not release any claims against Defendant.

H. Administrator. The Court has appointed a neutral company, ILYM Group, Inc. (the “Administrator”) to send this Notice, calculate and make payments, process Class Members’ Requests for Exclusion, and process any objections. The Administrator will also decide Class Member challenges over Workweeks and/or Pay Periods, mail and re-mail settlement checks and tax forms, and perform other tasks to administer the Settlement. The Administrator’s contact information is in Section 9 below.

I. Participating Class Members’ Release. Effective on the date when Defendant fully funds the entire GSA and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of another lawsuit against Defendant or any Released Parties for wages based on the Class Period facts, as alleged in the Action and resolved by this Settlement.

The Participating Class Members will be bound by the following release:

All Participating Class Members, on behalf of themselves and their respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims that have been asserted or could have been asserted based on the allegations by either or both Plaintiffs in their respective PAGA Notices, any amended PAGA notice letters sent to the LWDA, original complaints and amended complaints, including but not limited to the Operative Complaint, which shall include but not be limited to claims for failure to provide meal periods, failure to provide rest periods, failure to pay meal and/or rest period premium pay, unpaid overtime, unpaid minimum wage and off-the-clock work, unreimbursed business expenses, untimely payment of wages, failure to keep accurate payroll and/or other employment records, wage statement violations, sick pay, vacation pay, paid time off, violation of any applicable Industrial Welfare Commission (“IWC”) Wage Order(s), failure to pay the appropriate regular rate of pay, unfair business practices and PAGA claims pled or which could have been pled based on factual allegations in Plaintiffs’ respective complaints, amended complaints including but not limited to the Operative Complaint, or PAGA letters to the LWDA. Except as set forth in Sections 5.1 and 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period.

J. Aggrieved Employees’ PAGA Release. Effective on the date when Defendant fully funds the entire GSA and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, all Aggrieved Employees will be barred from asserting the released PAGA claims against the Released Parties, including Defendant, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against Defendant or its related entities based on the PAGA Period facts alleged, or that could have been alleged, in the Action and resolved by this Settlement.

The Aggrieved Employees’ Releases for Participating and Non-Participating Class Members are as follows:

All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the PAGA Notices and respective complaints and amended complaints, including but not limited to the Operative Complaint.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

A. Individual Class Payments. The Individual Class Payments will be calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.

B. Individual PAGA Payments. The Individual PAGA Payments will be calculated by (a) dividing \$50,000.00 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Pay Periods worked by each individual Aggrieved Employee.

C. **Workweek/Pay Period Challenges.** The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendant's records, are stated in the first page of this Notice. You have until [REDACTED] to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendant's calculation of Workweeks and/or Pay Periods based on Defendant's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Class Members) and Defense Counsel.

5. HOW WILL I GET PAID?

A. **Participating Class Members.** The Administrator will send, by U.S. mail, a check to every Participating Class Member (i.e., Class Members who don't opt-out) and all Class Members who also qualify as Aggrieved Employees. The check may combine the Individual Class Payment and the Individual PAGA Payment.

B. **Non-Participating Class Members.** The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member who is eligible as an Aggrieved Employee).

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Send the Administrator, by fax, email, or mail, a written and signed letter with your name, Social Security number, address, email address or telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on your written communication of your request to be excluded. Be sure to personally sign your request and identify the Action in a way that is clear. You must make the request yourself or through an authorized representative. You must send the Administrator your request to be excluded by [REDACTED], or it will be invalid. Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement, and they can do so in writing, in person at Court, or through an attorney (at your own cost). A Participating Class Member who disagrees with any aspect of the Settlement, the motion for final approval and for awards of fees, litigation expenses and service awards may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. The deadline for sending written objections to the Administrator is [REDACTED]. If you choose to submit a written objection, be sure to tell the Administrator in your written objection what you object to, why you object, and any facts that support your objection. If you submit a written objection, make sure you identify the Action (by including the case name and case number) and print your name, Social Security number, address and email address or telephone number and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally hire a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on [REDACTED] at [REDACTED] in Department 17 of the Kern County Superior Court, located at 1215 Truxtun Ave., Bakersfield, CA 93301. At the Final Approval Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the GSA will be paid to Class Counsel, Plaintiffs, the LWDA, and the Administrator. The Court will invite comments from objectors, Class Counsel, and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend at your own cost).

It's possible the Court will reschedule the Final Approval Hearing. You should contact the Administrator or Class Counsel to verify the date and time of the Final Approval Hearing if you are planning to attend the hearing or have your own lawyer attend.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendant and Plaintiffs have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to the Administrator's website at [REDACTED]. You can also telephone or send an email to the Administrator or counsel using the contact information listed below, or consult the Kern County Superior Court website.

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

Class Counsel:

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Camarillo, CA 93010
Tel: (805) 248-7208

Settlement Administrator:

Name of Company: ILYM Group, Inc.
Email Address:
Mailing Address:
Telephone:
Fax Number:

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your Settlement check before cashing or depositing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or change your mailing address.

12. WHAT IS A PAGA PENALTY?

The Net Settlement is money paid to settle claims for Participating Class Members. But the PAGA claim is different. PAGA penalties were originally penalties that only the State of California could collect through an enforcement action brought by the State against an employer. In 2004, the State enacted PAGA, a law that allows employees to try to recover those penalties on behalf of the State. Under the version of PAGA governing this case, the State agrees to share 25% of its penalties with the affected employees (here, the Aggrieved Employees). The PAGA portion of this proposed Settlement is a negotiated settlement of the State's PAGA claim. Like the Class claims, Defendant has denied the PAGA allegations and there has been no decision on the merits of this claim.

Exhibit “2”

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PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the State of California, County of Los Angeles. I am over the age of 18 and not a party to the within suit; my business address is 725 S. Figueroa St., Suite 3100, Los Angeles, CA 90017.

On the date indicated below, I served the document described as: **DECLARATION OF H. SCOTT LEVIANT IN SUPPORT OF PLAINTIFFS SMALL AND CASEY'S MOTION FOR PRELIMINARY APPROVAL OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT** on the interested parties in this action by sending ☐ the original [or] ☒ a true copy thereof ☒ to interested parties as follows [or] ☐ as stated on the attached service list:

LIGHTGABLER LLP
Chandra A. Beaton
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Kathleen M. Fellows
kfellows@lightgablerlaw.com
760 Paseo Camarillo, Suite 300
Camarillo, CA 93010
Facsimile: (805) 248-7209

Counsel for Defendant

☐ **BY MAIL (ENCLOSED IN A SEALED ENVELOPE):** I deposited the envelope(s) for mailing in the ordinary course of business at Los Angeles, California. I am "readily familiar" with this firm's practice of collection and processing correspondence for mailing. Under that practice, sealed envelopes are deposited with the U.S. Postal Service that same day in the ordinary course of business with postage thereon fully prepaid at Los Angeles, California.

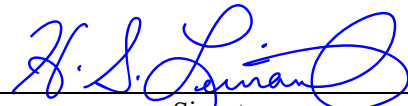
☒ **BY E-MAIL:** I hereby certify that this document was served from Los Angeles, California, by e-mail delivery on the parties listed herein at their most recent known e-mail address or e-mail of record in this action.

☐ **BY PERSONAL SERVICE:** I delivered the document, enclosed in a sealed envelope, by hand to the offices of the addressee(s) named herein.

☐ **BY OVERNIGHT DELIVERY:** I am "readily familiar" with this firm's practice of collection and processing correspondence for overnight delivery. Under that practice, overnight packages are enclosed in a sealed envelope with a packing slip attached thereto fully prepaid. The packages are picked up by the carrier at our offices or delivered by our office to a designated collection site.

I declare under penalty of perjury under the laws of the State of California and the United States that the foregoing is true and correct. Executed on **January 22, 2025**, at Los Angeles, California.

H. Scott Leviant
Type or Print Name


Signature