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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO

OSCAR IRUEGAS, an individual, on behalf of
himself and others similarly situated,

PLAINTIFF,

v.

BALD EAGLE SECURITY SERVICES,
INC.; and DOES 1 thru 50, inclusive,

DEFENDANTS.

CASE NO. 37-2023-00030158-CU-OE-CTL

[Case Assigned for All Purposes to Hon.
Blaine K. Bowman in Dept. C-74]

**DECLARATION OF KELSEY M.
SZAMET IN SUPPORT OF PLAINTIFF'S
MOTION FOR PRELIMINARY
APPROVAL OF CLASS ACTION AND
PAGA SETTLEMENT**

*[Filed concurrently with Motion for
Preliminary Approval of Settlement and
[Proposed] Order Thereon]*

Date: November 1, 2024

Time: 8:30 A.M.

Dept.: C-74

Complaint Filed:	July 18, 2023
FAC Filed:	September 25, 2023
Trial Date:	None Set

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I, Kelsey M. Szamet, state and declare as follows:

1. I am an attorney admitted before all courts of the State of California and a partner in the law firm of Kingsley Szamet & Ly, counsel of record for Plaintiff in this action. I am completely familiar with the present litigation, including the pleadings, discovery, and filings submitted in this matter. I make this Declaration from my own personal knowledge, and, if called upon, I could and would competently testify to the following.

2. I graduated cum laude from the University of California, San Diego in 2004 with a degree in Human Development. I graduated from the University of California, Los Angeles School of Law in 2008. I am admitted to practice before the following Courts: United States Supreme Court; United States District Court, Northern, Eastern, Southern and Central of California; all California State Courts.

3. I make this Declaration in support of Plaintiff's Motion for Preliminary Approval of the Class Action Settlement in the above-captioned case.

RELEVANT PROCEDURAL HISTORY

4. On July 18, 2023, Plaintiff filed a putative Class Action Complaint for damages against Bald Eagle Security Services, Inc. Defendant in the San Diego County Superior Court, Case No. 37-2023-00030158-CU-OE-CTL, entitled *OSCAR IRUEGAS an individual, on behalf of himself and others similarly situated v. BALD EAGLE SECURITY SERVICES, INC.; and Does 1 thru 50, inclusive*. (“Action”).

5. He alleged causes of action for: (1) Failure to Provide Meal Breaks Pursuant to Labor Code §§ 226.7 and 512; (2) Failure to Provide Rest Breaks Pursuant to Labor Code § 226.7; (3) Failure to Reimburse Expenses Pursuant to Labor Code § 2802; (4) Waiting Time Penalties Pursuant to Labor Code § 203; and (5) Violation of Business & Professions Code § 17200.

6. On July 18, 2023, in compliance with Labor Code § 2699.3(a)(1), written notice was provided via online filing to the LWDA, setting forth the facts and theories of the violations alleged against Defendant.

7. Plaintiff initially brought this class action on behalf of himself and:

1 All persons who are employed or have been employed as a non- exempt employee
2 by BALD EAGLE SECURITY SERVICES, INC., in the State of California since
3 four (4) years prior to the filing of this action to the present. (“Proposed Class”)

4 8. However, in August 2023, Defendant notified Plaintiff of a prior class action, *Diaz*
5 *v. Bald Eagle Security Services Inc.*, Case No. 37-2018-00009703-CU-OR-CTL (San Diego Sup.
6 Ct.), which overlapped with Plaintiff’s action. After learning of the *Diaz* action, Plaintiff agreed
7 to redefine the class definition to encompass only non-exempt security guards from January 1,
8 2021 to the present.

9 9. On September 25, 2023, Plaintiff filed a First Amended Complaint, adding an
10 additional claim for civil penalties pursuant to Labor Code section 2699, et seq. (“PAGA”) based
11 upon the same alleged Labor Code violations at issue in the complaint in addition to a meal record
12 keeping violation. Plaintiff also redefined the class as:

13 All persons who are employed or have been employed as a non- exempt security
14 guard by BALD EAGLE SECURITY SERVICES, INC., in the State of California
15 since January 1, 2021 to the present. (“Proposed Class”)

16 10. Defendant informally produced pay records for mediation. The Parties have not
17 engaged in formal discovery and focused their efforts on resolving this case through early
18 mediation.

19 11. The *Diaz* settlement agreement released the claims alleged in the *Diaz* complaint
20 through to the court’s final approval order, which was on July 8, 2022.

21 12. Defendant informally produced documents from the *Diaz* matter in preparation for
22 mediation, and Plaintiff reviewed them. In Plaintiff’s view, the *Diaz* action impacts the alleged
23 meal/rest break claims and waiting time penalties claim. The *Diaz* action did not allege a claim
24 under Labor Code section 2802, and as such, Plaintiff argued at mediation that this time period for
25 this claim dates back 4 years from July 18, 2023 (the date Plaintiff filed his complaint).

26 13. Defendant denies any liability or wrongdoing of any kind associated with the claims
27 alleged in the Action, disputes the damages and penalties claimed by Plaintiff, and further contends
28 that, for any purpose other than settlement, Plaintiff’s claims are not appropriate for class or
representative action treatment. Defendant contends, among other things, that, at all times, it has
complied with the California Labor Code, and the Industrial Wage Commission Orders.

1 14. Based on their own independent investigation and evaluation, Class Counsel is of
2 the opinion that the Agreement with Defendant is fair, reasonable and adequate, and in the best
3 interest of the settlement classes in light of all known facts and circumstances, including the risk
4 of significant delay, defenses asserted by Defendant, uncertainties regarding a class and
5 representative action trial on the merits, and numerous potential appellate issues. Although
6 Defendant denies any liability, Defendant is agreeing to this Agreement solely to avoid the cost of
7 litigation. Accordingly, the Parties and their counsel desire to fully, finally, and forever settle,
8 compromise and discharge all disputes and claims arising from or relating to the Action on the
9 terms set forth here.

10 **CERTIFICATION FOR SETTLEMENT PURPOSES**

11 15. Here, Plaintiff maintains that the proposed settlement Class is ascertainable for
12 several reasons: First, Defendant has agreed in the Agreement to provide a class list to the
13 Administrator containing the Class Member's name, last-known mailing address, Social Security
14 number, and number of Class Period Workweeks and PAGA Pay Periods for all putative class
15 members after issuance of the preliminary approval order.

16 16. Second, the Class Members and Aggrieved Employees consist of Defendant's non-
17 exempt, hourly security guards, and Defendant is required to keep records of its non-exempt,
18 hourly security guards' names, home addresses, and social security numbers.

19 17. Third and finally, Defendant informally produced Plaintiff's personnel file and pay
20 statements, sampling shift data, pay data, and wage statements for Class Members and the
21 Aggrieved Employees containing class member contact information, which confirms that all Class
22 Members and Aggrieved Employees may be readily identified based on Defendant's records.

23 18. Therefore, Plaintiff is confident she will be able to establish that the proposed
24 settlement Class is ascertainable and sufficiently numerous.

25 19. Here, Plaintiff argues that there are questions of law and fact common to the
26 proposed settlement Class that predominate over any questions affecting only individual Class
27 Members.

28 20. These common questions include:

- 1) Whether Defendant failed to provide lawfully required meal periods and/or failed to compensate employees one (1) hour's wages in lieu thereof;
- 2) Whether Defendant failed to provide lawfully required rest periods and/or failed to compensate employees one (1) hour's wages in lieu thereof;
- 3) Whether Defendant failed to reimburse business-related expenses;
- 4) Whether Defendant failed to pay compensation due and owing upon termination of employment;
- 5) Whether Defendant engaged in unfair competition; and,
- 6) Whether Defendant violated § 2699, et seq. of the Labor Code by engaging in the acts previously alleged.

21. Defendant maintained a company handbook containing uniform meal and rest break policies for all hourly employees.

22. Defendant also argued that an on-duty meal break waiver is provided to all security guards for review and signature at the time of hire, and that this was a common policy and practice for all security guards.

23. Plaintiff's challenge to Defendant's uniform policies and practices involves common factual and legal issues that are amenable to class treatment.

24. Here, Plaintiff maintains that the proposed Class Members suffered the same injuries, in the same manner: (1) Class Members did not receive their meal and rest periods as required; (2) Class Members were not reimbursed for business-related expenses; and (3) Class Members were not paid all wages owed upon termination/resignation.

25. Plaintiff contends that the question of whether or not the on-duty meal agreement signed by Class Members, and whether that agreement is valid, is common to the proposed Class.

26. Accordingly, for purposes of settlement, the evidence reviewed by Class Counsel demonstrates common meal and rest policies and wage policies and practices applied to the proposed Class Members and certification for settlement purposes is appropriate.

27. In addition, nonexempt employees are entitled to paid, uninterrupted, off-duty rest periods of 10-minute rest time for every four hours of work or major fraction of four hours.

28. Plaintiff worked as a non-exempt a security guard for Defendant from

1 approximately January 4, 2021 to April 22, 2021.

2 29. He also alleges that he experienced derivative claims for unfair business
3 competition (B&P Code §17200) and Labor Code §2699, et seq.

4 30. Plaintiff also contends that his claims are typical of those of the settlement Class.

5 31. Plaintiff believes that he is capable of fairly representing and adequately protecting
6 the interests of the proposed Class Members.

7 32. Plaintiff's interests in this litigation are coextensive with the interests of the
8 proposed Class Members.

9 33. The members of the proposed settlement Class all worked for Defendant during the
10 relevant time period and incurred the same type of alleged damages with regard to Defendant's
11 alleged violations of the law.

12 34. Moreover, Plaintiff has agreed to serve as Class Representative and has retained
13 qualified Counsel who is experienced in prosecuting wage and hour class actions.

14 35. This demonstrates his commitment to bringing about the best possible results for
15 the benefit of the proposed settlement Class.

16 36. Plaintiff has provided his Counsel with all necessary and pertinent information.

17 37. He has been a very active participant in the litigation including having frequent
18 contact with Class Members, providing informal discovery, and working closely with Class
19 Counsel to develop the theories of liability.

20 38. In preparation for mediation, Plaintiff provided numerous documents to support his
21 claims.

22 39. As such, Plaintiff has provided his Counsel with all necessary and pertinent
23 information.

24 40. He also made himself available for the full-day mediation in this matter and was
25 informed of and involved in all of the Settlement negotiations.

26 41. Therefore, Plaintiff believes that he has and will continue to adequately represent
27 the proposed Class Members.

28 42. Plaintiff has provided his Counsel with all necessary and pertinent information.

43. In this regard, the superiority of class treatment is evident here because individual pursuit of class members' claims may not be economically viable.

44. The only alternative to certification would be to force over 452 employees to join this action, file individual, uniform actions, or abandon their legal rights altogether.

45. Plaintiff maintains that this economic reality would result in a windfall for Defendant if this case were not certified.

THE PROPOSED SETTLEMENT

46. For purposes of Agreement, the settlement Class is defined as: "All persons who are employed or have been employed as a non-exempt security guard by Defendant in the State of California during the Class Period." ("Class", "Class Members" or "Settlement Class Members").

47. The Class Period is January 1, 2021 to May 23, 2024.

48. As of April 23, 2024 (the date of mediation), and based on documents and other information produced by Defendant, there are approximately 452 Class Members.

49. For purposes of Agreement, the Aggrieved Employees are defined as: "All persons who are employees or have been employed as an hourly employee by Defendant in the State of California during the PAGA Period." ("Aggrieved Employees").

50. The PAGA Period is January 1, 2021 to May 23, 2024.

51. As of April 23, 2024 (the date of mediation), and based on documents and other information produced by Defendant, there are approximately 294 Aggrieved Employees.

52. As detailed fully in the Agreement, the Settlement provides for Defendant to pay a Gross Settlement Amount of \$160,000.00, which includes the sum of the Individual Class Payments, the Class Representative service award, the LWDA PAGA Payment, the Individual PAGA payments, the Class Counsel Award, and the Settlement Administration Costs.

53. The remainder is to be paid to Participating Class Members as Individual Class Payments.

KULLAR ANALYSIS

54. The proposed settlement satisfies each of the *Kullar* factors.

55. This discovery permitted Class Counsel to fairly evaluate the strength of the case

1 and the risks associated with ongoing litigation.

2 56. Class Counsel is experienced in handling wage and hour class actions and, after
3 weighing all of the following factors, supports this Agreement.

4 57. Here, Defendant allegedly required Plaintiff and the Proposed Class to take on-duty
5 meal/rest breaks or miss their meal/rest periods entirely.

6 58. Plaintiff contends that he was the only security guard on the premises he was
7 assigned for each shift, thus no one was there to relieve him for meal or rest breaks.

8 59. Defendant allegedly told Plaintiff that either a supervisor or another employee
9 would come to relieve him for his meal and rest breaks, but no one ever came.

10 60. Plaintiff sustains that he could not leave his post at all to take a meal or rest break,
11 to get food, or even to use the restroom.

12 61. If Plaintiff was able to bring lunch to his shift, he would eat his meals on-duty
13 because no one was around to relieve him of his duties. Plaintiff further alleges that this was
14 Defendant's practice throughout his employment.

15 62. However, prior to and at mediation, Defendant vigorously argued that all security
16 guards signed an on-duty meal break waiver at the time of hire.

17 63. As such, there is a great risk to Plaintiff's meal break claim if many proposed Class
18 Members did indeed sign valid on-duty meal break waivers.

19 64. Nonetheless, Defendant acknowledged that Plaintiff's personnel file does not
20 contain such a meal break waiver.

21 65. As such, Plaintiff would still argue that many proposed Class Members actually did
22 not sign meal break waivers.

23 66. However, Plaintiff has to acknowledge that Defendant's contention that meal break
24 waivers are commonly signed by most Class Members poses a significant risk to his meal periods
25 claim.

26 67. Here, the same circumstances that give rise to the meal periods claim give rise to
27 the rest periods claim.

28 68. As the only security guard on the premises, Plaintiff alleges that he was not

1 permitted to take rest periods because no one came to relieve him.

2 69. As such, there is an inherent risk to Plaintiff's ability to prove the rest periods claim.

3 70. However, Defendant maintains that security guards' activity during their shifts are
4 recorded in detail using company-provided tablets/cell phones through the use of an app called
5 SilverTrac.

6 71. Plaintiff would argue that this is sufficient to show whether rest periods were truly
7 provided based on the detailed reports that Defendant required be submitted through SilverTrac.

8 72. On the contrary, Defendant would argue that these records would show that rest
9 breaks were provided to the proposed Class Members, regardless of whether another employee
10 came to relieve them for a rest break.

11 73. As such, Plaintiff acknowledges there are significant risks in litigating the rest
12 periods claim.

13 74. Plaintiff alleges that Defendant failed to reimburse Plaintiff and the Proposed Class
14 members the cost of using their personal cell phones for business related purposes.

15 75. Specifically, Defendant allegedly required that Plaintiff and the Proposed Class
16 members be available by personal cell phone and answer/use their cell phones for work purposes.

17 76. Plaintiff also alleges that he used an app to clock in and out for each of his shifts.

18 77. Plaintiff further alleges that Defendant texted Plaintiff and the Proposed Class about
19 their work schedules to their personal cell phones, and Plaintiff would respond to confirm.

20 78. Moreover, Plaintiff alleges that Defendant would also text him instructions
21 throughout his shifts and would ask for updates and reports.

22 79. Plaintiff produced numerous documents showing alleged text messages from
23 Defendant sent to his personal cell phone.

24 80. These personal cell phones were not provided by Defendant, nor did Defendant
25 reimburse Plaintiff and the Proposed Class for this use.

26 81. However, Defendant would staunchly argue that there was no need for Plaintiff and
27 the Proposed Class to use their personal cell phones because it provided company tablets/cell
28 phones for business use.

1 82. Defendant would further argue that any texts sent to employees' cell phones were
2 *de minimis* such that it would not give rise to a failure to reimburse claim, and that even if the
3 business use of Plaintiff's personal cell phone was more substantial, that such an inquiry is
4 individualized and uncommon to the class.

5 83. Due to Defendant's alleged failure to pay all wages and meal and rest period
6 premiums as detailed above, Defendant also failed to pay all wages owed and due upon their
7 termination and/or resignation.

8 84. However, Defendant would argue that any failure to pay wages was not willful, and
9 that it is Plaintiff's burden to meet the high standard of willfulness.

10 85. As such, the Agreement's contemplated PAGA payment of \$7,500.00 is
11 appropriate.

12 86. An additional and important issue to consider when evaluating the risks associated
13 with a representative PAGA claim are the recent amendments to the statute.

14 87. On July 1, 2024, Governor Newsom signed AB 2288 and SB 92 which reformed
15 PAGA's penalty structure as well as its standing requirements.¹

16 88. Specifically, the new legislation caps penalties imposed on employers who quickly
17 cure the Labor Code violations after receiving a PAGA notice, and also requires that the
18 representative plaintiff personally experience the alleged Labor Code violations brought in the
19 action.

20 89. While this new legislation is not retroactive, courts may still take these reforms into
21 consideration when adjudicating a PAGA action at trial.

22 90. There is significant expense associated with the class certification process, which
23 the Parties can avoid by entering into the contemplated Agreement now.

24 91. If the Court did eventually certify a meal, rest, reimbursement, or wage statement
25 class, trial of a case involving approximately 452 Class Members would require the retention of
26 expensive expert witnesses, the accrual of extensive litigation costs, and a significant time overlay
27

28 ¹ <https://www.gov.ca.gov/2024/07/01/governor-newsom-signs-paga-reform/>

1 by the parties.

2 92. Moreover, given the complexity and unsettled nature of the issues in this case it is
3 likely that any outcome at trial would have resulted in a lengthy and costly appeal. An appeal
4 would result in further delay for the Class Members who are waiting for a resolution in this matter.

5 93. This case has not been certified to be tried as a class action. While Plaintiff believes
6 there is strong evidence to support certification of several possible subclasses (especially a
7 reimbursement subclass), certification is always hard fought and subject to judicial discretion.
8 Moreover, in class actions, decertification is always a possibility. In attempting to certify a class,
9 the parties would need to conduct multiple depositions, including of the Class Representative and
10 of several person(s) most knowledgeable regarding Defendant's meal and rest policies. There is a
11 risk for both sides as to what these depositions will reveal and whether they will support class
12 certification to the extent expected.

13 94. It was very difficult for the Parties to reach this Settlement of \$160,000.00.

14 95. This Settlement is the result of adversarial, non-collusive, and arms-length
15 negotiations.

16 96. The Parties retained Honorable Leo Papas (Ret.) to mediate the claims as a neutral
17 third-party.

18 97. The Parties arrived at this settlement after extensive investigation and discovery,
19 careful evaluation of the law, risks, and all information substantiating the amount of penalties
20 reasonably likely to be awarded to the class were the trier of fact to find Defendant liable, and the
21 assistance of an experienced mediator, Hon. Leo Papas.

22 98. Plaintiff worked with a third-party expert to analyze the potential damages in this
23 matter.

24 99. Working with the damages expert, Plaintiff assessed the full value of the Meal
25 Period claim, without any discount, at approximately \$123,680 in damages through to the date of
26 mediation.

27 100. This amount was calculated by using 16,446 workweeks to estimate approximately
28 77,296 shifts.

1 101. Plaintiff assumed a 10% violation rate, amounting to approximately 7,730 meal
2 break violations.

3 102. Given that Defendant argued that Class Members largely signed valid meal break
4 waivers, and if Defendant was successful in its argument, then the actual violation rate could be
5 much lower than 10%.

6 103. As such, Plaintiff determined that accepting a discount of the full amount was
7 appropriate.

8 104. The full value of the Rest Period claim, without any discount, was assessed at
9 approximately \$123,680 in damages and interest through to the date of mediation.

10 105. This amount was also calculated by using 16,446 workweeks to estimate
11 approximately 77,296 shifts.

12 106. Again, Plaintiff assumed a 10% violation rate, amounting to approximately 7,730
13 rest break violations.

14 107. Again, because Defendant's time records do not record rest breaks, the actual
15 violation rate will be difficult to determine, and Defendant will likely argue that its written policies
16 provided for complaint rest breaks and even if security guards are single-staffed, there is enough
17 idle time for employees to take their rest periods.

18 108. Thus, the actual rest break violation may actually be lower than 10% and
19 dramatically reduce Defendant's exposure.

20 109. For these reasons, Plaintiff determined that accepting a discount of the full amount
21 was appropriate.

22 110. With regard to the Reimbursement Claim analysis, Plaintiff believed that it was
23 reasonable to value the potential reimbursement at \$10 per month, per employee, for
24 reimbursement of personal cell phone usage.

25 111. This brought the potential exposure for this claim to \$41,115.

26 112. However, Plaintiff acknowledges that Defendant provided company tablets/cell
27 phones to security guards and thus any failure to reimburse is an individualized inquiry, not a class-
28 wide one.

1 113. If Defendant can prove that it provided tablets to all Class Members, this would
2 also dramatically reduce Defendant's exposure on this claim if not zero it out altogether.

3 114. Taking this into account, Plaintiff determined that accepting a discount of the full
4 amount was appropriate.

5 115. Plaintiff determined the maximum potential value of the Waiting Time Claim to be
6 \$1,297,920.

7 116. Considering the derivate nature of Labor Code §203 and the dispute over whether
8 class members were owed any wages due to unpaid meal or rest premiums, Plaintiff determined
9 that accepting a discount on this claim was appropriate.

10 117. Plaintiff determined the maximum potential value of the Wage Statement claim to
11 be \$885,350.

12 118. In the data, there were 267 employees and 8,987 wage statements issued during the
13 relevant liability period for Labor Code § 226(a).

14 119. Again, given the derivative nature of a Labor Code § 226(a) claim, the number of
15 wage statements actually containing a 226(a) violation may be very low.

16 120. Finally, Plaintiff calculated the value of the PAGA claim at \$1,489,650 for Class
17 Members (using \$100 per pay period).

18 121. While there is no caselaw available yet on this issue, a court could conceivably
19 "stack" per pay period violations as Plaintiff has done above, and the recent amendment to the
20 PAGA statute now expressly permits a court to stack penalties if it so chooses. Nonetheless, the
21 main risk taken into account with PAGA is the discretionary nature of the penalty award.

22 122. For example, if a court were to decide not to "stack" the PAGA penalties for
23 multiple violations arising from the same conduct of omission, then the maximum exposure would
24 actually be approximately \$89,870 (\$100 per pay period x 8,987 PAGA pay periods).

25 123. From there, the court could reduce the penalty amount per pay period.

26 124. A judge can award the statutory maximum of \$100 for the initial violation and \$200
27 thereafter or – in theory – one cent per wage statement.

28 125. Thus, Class Counsel also considered the possibility of an outcome similar to the

1 outcome in *Carrington*, where the court awarded a small fraction of the maximum civil penalty
2 because of Starbucks' "good faith attempts" to comply with the Labor Code and minimal
3 violations.

4 126. Here, Defendant would likely argue that in light of the *Diaz* Class Settlement, it has
5 made good faith attempts to comply with the Labor Code thereafter to avoid future wage and hour
6 violations, and that the actual meal and rest break violations are much less than even Plaintiff's
7 10% assumption.

8 127. The assumptions made for the derivative claims for waiting time penalties and wage
9 statement penalties would significantly decrease as well.

10 128. Additionally, while there is a dearth of available authority, in Plaintiff's view, were
11 he to succeed on any of the underlying Labor Code violations, it is not likely that a Judge would
12 also award a large amount of penalties of top of any damages recovered.

13 129. Per Plaintiff's assessment, the maximum potential value of all of Plaintiff's and the
14 Class Members' claims was approximately \$3,990,049.

15 130. However, as a result of the significant risks on the merits, and the impact of the
16 prior *Diaz* Class Settlement, Class Counsel believes the Gross Settlement Amount of \$160,000.00
17 is fair and reasonable under these circumstances.

18 131. One of the main factors affecting settlement of this action was the prior class action
19 settlement in the *Diaz* matter.

20 132. Defendant maintained that it has legally compliant policies in place and consistently
21 enforces its lawful policies. Class Counsel worked closely with Judge Papas (who also mediated
22 the *Diaz* matter) to verify the information and representation made by Defendant regarding its
23 policies, practices, and defenses to potential liability.

24 133. Class Counsel determined that obtaining a settlement on behalf of the Settlement
25 Class now, as opposed to protracted litigation with the uncertainty of Defendant's ability to pay
26 made the most practical sense.

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- a. *Goodman v. Crystal Ventures, Inc.* (No. BC245561, L.A. Super. Ct.) In January 2002, Hon. Anthony Mohr granted final approval of settlement in the gross amount of \$255,000 and the court approved the attorneys' fee request of 33 1/3%.
- b. *Johnston v. The Cheesecake Factory* (No. BC316180, L.A. Super. Ct.) In December 2005, Honorable Rita Miller granted final approval of Settlement in the gross amount of \$4,000,000 and the court granted attorneys' fees request of 30%.
- c. *Tumino v. HOB Entertainment* (No. BC327962, L.A. Super. Ct.) In May 2006, the Honorable Conrad R. Aragon granted final approval of Settlement in the gross amount of \$1,000,000 and the court granted attorneys' fees request of 30%.
- d. *Ryan v. Hilton Hotels Corporation*, (No. BC364260, L.A. Super. Ct.) In March 2008, the Honorable Mary Thornton House granted final approval of Settlement in the gross amount of \$1,675,000.00 and the court granted attorneys' fees request of 33 1/3%.
- e. *Gerritson v. Styles For Less, Inc.*, (No. BC402921, L.A. Super. Ct.) In September 2010, the Hon. Kenneth R. Freeman granted final approval of Settlement in the gross amount of \$2,000,000.00, and the court granted attorneys' fees request of 33.3%.
- f. *Lewis v. Collabrus, Inc., et al.*, (No. 109CV-142927, Santa Clara Super. Ct.) In March 2012, the Honorable James P. Kleinberg granted final approval of Settlement in the gross amount of \$2,000,000.00, and the court granted attorneys' fees request of 33.3%.

- 1 g. *Hirschinger v. Blue Cross of California*, Los Angeles Superior Court (No.
2 BC402739, L.A. Super. Ct.) In June 2013, the Honorable Lee Smally Edmund
3 granted final approval of Settlement in the gross amount of \$4,700,000.00, and the
4 court granted attorneys' fees request of 38%.
- 5 h. *Anderson v. Total Renal Care, Inc.*, (No. BC388335, L.A. Super. Ct.) In January
6 2014, the Honorable William F. Highberger granted final approval of Settlement in
7 the gross amount of \$1,500,000.00 and the court granted attorneys' fees request of
8 33.33%.
- 9 i. *Rojas, et al. v. Sunview Vineyards of California, Inc.*, Eastern District (1:09-cv-
10 00705 AWIJLT). This certified class action was approved for final settlement by
11 the Honorable Anthony W. Ishii in October 2015, in the gross amount of
12 \$4,550,000.00, with attorneys' fees approved in the amount of \$1,137,500.00.
- 13 j. *Westbrook v. International Surfacing Systems*, (No. RG10510015, Alameda Super.
14 Ct.) In August 2015, the Hon. Wynne Carvill granted final approval of Settlement
15 in the gross amount of \$995,000.00, and the court granted attorney's fees request
16 of 33.33%.
- 17 k. *Kane et al. v. Valley Slurry Seal*, (No. CV08-2483, Yolo Super. Ct.) In March 2016
18 after a class trial with a verdict in the class's favor, the Honorable Daniel P.
19 Maguire, awarded Kingsley Szamet & Ly and co-counsel \$996,232.72 in attorney's
20 fees.
- 21 l. *Aparacio v. Abercrombie & Fitch Stores, Inc.*, (No. BC499281, L.A. Super. Ct.) In
22 June 2016, the Hon. Kenneth Freeman granted final approval of Settlement in the
23 gross amount of \$2,000,000.00, and the court granted attorney's fees request of
24 33.33%.
- 25 m. *Isaguirre v. Guess?, Inc., Los Angeles Superior Court (BC357631)*. The matter was
26 proposed for final settlement by the Honorable Richard L. Fruin on February 19,
27 2016, in the gross amount of \$5,250,000.
- 28 n. *Hirschinger v. Blue Cross of California*, Los Angeles Superior Court (BC402739).

1 The matter was approved for final settlement by the Honorable Lee Smally Edmund
2 in June 2013, in the gross amount of \$4,700,000.00, with attorney's fees request of
3 38%.

4 o. *Munoz, et al. v. Giumarra Vineyards Corporation*, United States District Court for
5 the Eastern District of California (Case No.: 1:09-cv-00703 - AWI – JLT). The
6 matter was approved for final settlement by the Honorable Anthony W. Ishii in
7 November 2017, in the gross amount of \$6,100,000.00, plus interest, with
8 attorney's fees benchmark award of \$1,525,000.

9 p. *Pineda, et al. v. Grimmway Enterprises, Inc.*, Kern County Superior Court (BCV-
10 15-101333). The matter was approved for final settlement before the Hon. Stephen
11 D. Schuett, Dept. 10, in January 2018, in the gross amount of \$9,000,000 with
12 attorneys' fees request of 33.33%.

13 135. Kingsley Szamet & Ly filed its first class certification motion in the year 2000 and
14 since that time has been appointed class counsel on dozens of wage and hour class actions that
15 have been approved for class certification. Since 2012, Kingsley Szamet & Ly has moved for
16 class certification in 15 matters and has successfully obtained class certification in 15 of those
17 cases. A brief sampling of which includes:

- 18 a. *Lewis v. Collabrus, Inc., Santa Clara County Superior Court (109CV-142927)*,
19 *approved for Class Certification in 2011.*
- 20 b. *Melendrez v. JK Communications*, No. BC497692, (L.A. Super. Ct., filed
21 December 19, 2012) (court granted contested class certification and appointed
22 Kingsley Szamet & Ly as class counsel).
- 23 c. *Amaro, et al v. Gerawan Farming, Inc.*, No. 1:14-cv-00147-DAD-SAB (E.D. Cal.,
24 filed February 3, 2014) (court granted contested class certification and appointed
25 Kingsley Szamet & Ly as class counsel).
- 26 d. *Suarez v. Mazatlan, Inc.*, No. 37-2015-00002978-CU-OE-CTL (S.D. Super. Ct.,
27 filed January 27, 2015) (court granted contested class certification and appointed
28 Kingsley Szamet & Ly as class counsel).

- e. *Ruiz v. Daniel C. Salas Harvesting, Inc.*, Kings County Superior Court (16 C 0214).
contested class certification granted in June 2020.
- f. *Weldon v. Geo Corrections & Detentions, LLC*, Kern County Superior Court
(BCV-16-102833), contested class certification granted in 2018.
- g. *Patton v. Skyler Electric*, Nevada County Superior Court, (CU17-082544),
contested class certification granted in June 2020.
- h. *Hameister v. Jaco Oil Company*, Kern County Superior Court (BCV-17-102876),
contested class certification granted in August 2020.

136. Class Counsel is experienced in the handling of wage and hour class actions and supports this Settlement. Based on its analysis, Class Counsel believes that this settlement is fair and reasonable and in the best interest of the Class.

137. After factoring in the risks explained above, Class Counsel believes that the proposed settlement is fair and reasonable.

138. This allocation distributes Settlement Agreement funds proportionally to each Class Member's potential damages and should therefore be approved as fair, adequate, and reasonable.

SERVICE AWARD TO THE NAMED PLAINTIFF

139. The Class Representative is entitled to an enhancement for his valiant effort and time expended in this matter. The time spent by Oscar Iruegas is significant and includes researching and retaining competent counsel; providing information to Class Counsel regarding the nature of the work at Defendant; compiling relevant documents; working closely with Class Counsel to develop the theories of liability and martial relevant evidence; regularly discussing the status of the case with Class Counsel; discussing the case via telephone with many Class Members; making himself available for a full-day of mediation; and responding promptly to Class Counsel's communications regarding settlement.

140. As set forth in the Agreement, Plaintiff will also be entering into a general release of liability pursuant to Civil Code Section 1542.

141. Class Counsel considers this to be a fair and reasonable enhancement. The

1 enhancement takes into consideration the time, effort, and expense incurred by Plaintiff in coming
2 forward to litigate this matter on behalf of all Class Members. Plaintiff will provide a detailed
3 declaration with the Final Approval Motion detailing his participation and further justification for
4 the enhancement.

5 **SUBMISSION TO THE LABOR WORKFORCE DEVELOPMENT AGENCY**

6 142. As indicated on the Proof of Service, Plaintiff's Motion for Approval of Class
7 Action Settlement ("Motion") will be concurrently uploaded to the Labor and Workforce
8 Development Agency's ("LWDA") website on the date this Motion is filed as required by statute.
9 Proof of submission of Plaintiff's Motion, all related documents, and copy of the email from the
10 LWDA confirming receipt is attached to the Declaration of Kelsey M. Szamet as Exhibit "2."

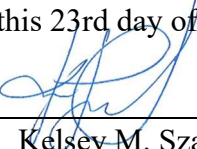
11 **EXHIBITS**

12 143. Attached hereto as Exhibit "1" is a true and correct copy of the fully-executed Class
13 Action and PAGA Settlement Agreement ("Agreement").

14 144. Attached hereto as Exhibit "2" is a true and correct copy of the proof of submission
15 of Plaintiff's Motion, all related documents, and copy of the email from the LWDA confirming
16 receipt.

17 I declare under penalty of perjury under the laws of the State of California that the
18 foregoing is true and correct.

19 This Declaration was executed this 23rd day of July, 2024, in Altadena, California.

20
21 

Kelsey M. Szamet

EXHIBIT "1"

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiff Oscar Iruegas (“Plaintiff”) on behalf of himself, the Proposed Class (defined below), the State of California as private attorney general, and on behalf of all Aggrieved Employees (as defined below) and Defendant BALD EAGLE SECURITY SERVICES, INC. (“Defendant”). The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1. “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against BALD EAGLE SECURITY SERVICES, INC. captioned OSCAR IRUEGAS, an individual on behalf of himself and others similarly situated, PLAINTIFF, v. BALD EAGLE SECURITY SERVICES, INC.; and DOES 1 thru 50, inclusive, DEFENDANTS, Case No. 37-2023-00030158-CU-OE-CTL initiated on July 18, 2023 and pending in Superior Court of the State of California, County of San Diego.
- 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 persons who are employees or have been employed as an hourly employee by Defendant in the State of California during the PAGA Period.
- 1.5. “Class” means: All persons who are employed or have been employed as a non-exempt security guard by Defendant in the State of California during the Class Period.
- 1.6. “Class Counsel” means Kingsley Szamet & Ly.
- 1.7. “Class Counsel Fees Payment” means the amount allocated to Class Counsel for reimbursement of reasonable attorneys’ fees incurred to prosecute the Action, if approved by the Court, which shall be paid from the Gross Settlement Fund as set forth in Section 3.2.2 of this Agreement and shall not exceed one third (33.33%) of the Gross Settlement Amount, or \$53,333.33.
- 1.8. “Class Counsel Litigation Expenses Payment” means the amount allocated to Class Counsel for reimbursement of actual expenses, incurred by Class Counsel to prosecute the Action, if approved by the Court, which shall be paid from the Gross Settlement

Amount as set forth in Section 3.2.2 of this Agreement and shall not exceed twelve thousand dollars and zero cents (\$12,000.00).

- 1.9. “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. This Class Data shall not be shared with Class Counsel, but, instead, will be treated as confidential by the Administrator.
- 1.10. “Class Member” or “Settlement Class Member” means: A member of the Class, either as a Participating Class Member or Non-Participating Class Members.
- 1.11. “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 database, skip traces, and direct contact by the Administrator with Class Members.
- 1.12. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION AND PAGA 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, attached as Exhibit A and incorporated by reference into this Agreement.
- 1.13. “Class Period” means the period from January 1, 2021 to May 23, 2024.
- 1.14. “Class Representative” means Oscar Iruegas.
- 1.15. “Class Representative Service Payment” means the payment approved by the Court to the Class Representative for initiating the Action and providing services in support of the Action. The Class Representative Service Payment shall be paid from the Gross Settlement Amount and shall not exceed Five Thousand Dollars (\$5,000.00).
- 1.16. “Court” means the Superior Court of California, County of San Diego.
- 1.17. “Day” means calendar day, unless expressly stated otherwise in this Agreement. In the event any date or deadline set forth in this Agreement falls on a weekend or court holiday, such date or deadline shall be on the first business day thereafter.
- 1.18. “Defendant” means named Defendant BALD EAGLE SECURITY SERVICES, INC.
- 1.19. “Defense Counsel” means Ferris Britton, APC.
- 1.20. “Effective Date” means the date by when both of the following have occurred:
(a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement;

and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, or if an objection is filed but is withdrawn prior to the Court's Final Approval Hearing, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the later of the following events: (i) the day after the deadline for filing a notice of appeal from the Judgment, if no appeal is filed; (ii) if a timely appeal from the Judgment is filed, and is finally disposed of by ruling, dismissal, denial, or otherwise, the day after the last date for filing a request for further review of the Court of Appeal's decision passes and no further review is requested; if further review of the Court of Appeal's decision is requested, the day after the request for review is denied with prejudice and/or no further review of the order can be requested; or if further review of the Court of Appeal's decision is accepted, the day the Supreme Court of the State of California affirms the Agreement.

- 1.21. "Employment and Payroll Taxes" means all tax withholdings to be made based on the Wage Portion, as defined in Section 1.50, to pay for state and federal employment and payroll taxes by both the Defendant and the Participating Class Member (including but not limited to, Federal and California unemployment insurance tax, California Employment Training Tax, FICA, and Medicare Contributions).
- 1.22. "Final Approval" means the Court's order granting final approval of the Settlement.
- 1.23. "Final Approval Hearing" means the Court's hearing on the Motion for Final Approval of the Settlement.
- 1.24. "Final Judgment" means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.
- 1.25. "Gross Settlement Amount" means \$160,000 which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 9 and 10 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fee Payment, Class Counsel Litigation Expense Payment, Class Representative Service Payment and the Administrator's Expense Payment.
- 1.26. "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 by each Participating Class Member during the Class Period in proportion to the aggregate number of Workweeks worked by all Participating Class Members in the Class Period.
- 1.27. "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 by each individual Aggrieved Employee during the PAGA Period in proportion

to the aggregate number of PAGA Pay Periods worked by all Aggrieved Employees in the PAGA Period.

- 1.28. “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.29. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.30. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.31. “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.
- 1.32. “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.33. “PAGA Pay Period” means any Pay Period during the PAGA Period in which an Aggrieved Employee worked for Defendant for at least one day.
- 1.34. “PAGA Period” means the period from July 18, 2022 to May 23, 2024.
- 1.35. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.36. “PAGA Notice” means Plaintiff’s July 18, 2023 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.37. “PAGA Penalties” means the total amount of PAGA civil penalties of \$7,500 to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$1,875) and the 75% to LWDA (\$5,625) in settlement of PAGA claims asserted in the Action.
- 1.38. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.39. “Pay Period” means Defendant’s standard pay period defined as every two weeks.
- 1.40. “Plaintiff” means Oscar Iruegas, the named plaintiff in the Action.
- 1.41. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.

- 1.42. "Preliminary Approval Order" means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.43. "Released Class Claims" means the claims being released as described in Paragraph 6.2 below.
- 1.44. "Released PAGA Claims" means the claims being released as described in Paragraph 6.2 and 6.3 below.
- 1.45. "Released Parties" means: Defendant and each of its former and present directors, officers, shareholders, owners, partners, members, employees, attorneys, insurers, agents, predecessors, successors, assigns, parents, subsidiaries and affiliates.
- 1.46. "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.
- 1.47. "Response Deadline" means 60 days after the Administrator mails the Class Notice, or 14 days after re-mailing of the Class Notice, if applicable, whichever is later, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail their Objection to the Settlement.
- 1.48. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.
- 1.49. "Wage Portion" means fifteen percent (15%) of the Participating Class Member's Individual Class Payment that is allocated towards the settlement of wage claims and subject to the Employment and Payroll taxes and will be reported on an IRS W-2 Form.
- 1.50. "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 18, 2023, Plaintiff commenced this Action by filing a Complaint alleging causes of action against Defendant for violations of Labor Code §§ 203, 226(a), 226.7, 512, 2802, and violation of Business & Professions Code § 17200. Also on July 18, 2023, in compliance with Labor Code § 2699.3(a)(1), Plaintiff Iruegas gave written notice to Defendant and the Labor and Workforce Development Agency ("LWDA") regarding his intent to seek civil penalties under PAGA for the Labor Code violations alleged previously. On September 25, 2023, Plaintiff filed a First Amended Complaint adding an additional claim for penalties under Labor Code § 2699 et seq., the Private Attorneys General Act ("PAGA"), for the causes of action alleged previously, dismissing the Labor Code 226(a) claim, and revising the proposed class definition. The First Amended Complaint is the operative complaint in the Action. (the "Operative

Complaint.”) Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint and denies any and all liability for the causes of action alleged.

- 2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice. After the 65-day waiting period under Labor Code section 2699.4, LWDA did not notify Plaintiff and his counsel that the agency would investigate the claims set forth in Plaintiff’s PAGA Notice.
- 2.3. On April 23, 2024, the Parties participated in an all-day mediation presided over by the Honorable Leo Papas which led to this Agreement to settle the Action.
- 2.4. Prior to mediation, Plaintiff obtained, through informal discovery, time and payroll data, reports, Defendant’s written policies and procedures and Plaintiff’s personnel file. Plaintiff’s investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 (“*Dunk/Kullar*”).
- 2.5. At all times, Defendant has denied and continues to deny any wrongdoing and deny that it committed, or attempted to commit, any of the wrongful acts or violations of law or duty that are alleged in the Operative Complaint, and instead contend that it has acted in accordance with the law. Defendant also denies that Plaintiff or the Settlement Class are entitled to any form of damages, penalties, or any relief whatsoever based on the conduct alleged in the Operative Complaint and PAGA Notice. In addition, Defendant maintains that it has meritorious defenses to the claims alleged in the Operative Complaint and was prepared to vigorously defend the Action. Nevertheless, taking into account the uncertainty and risks inherent in litigation, Defendant has concluded that defending the claims asserted in the Operative Complaint would be burdensome and expensive, and that it is desirable and beneficial to fully and finally settle and terminate the Action in the manner and upon the terms and conditions set forth in this Agreement.
- 2.6. Plaintiff believes that the claims asserted in the Operative Complaint and PAGA Notice, Notice have substantial merit. Nonetheless, Plaintiff and Class Counsel recognize and acknowledge the expense and length of continued prosecution of the claims against Defendant through trial and any subsequent appeals. Plaintiff and Class Counsel have also taken into account the uncertain outcome and risks of litigation, especially in complex actions, as well as the difficulties and delays inherent in such litigation. Based on their evaluation, Class Counsel have concluded that the terms and conditions of this Agreement are fair, reasonable, and adequate to the Settlement Class, and that it is in the best interests of the Settlement Class to settle the claims alleged in the Operative Complaint and PAGA Notice pursuant to the terms and provisions of this Agreement.

2.7. This Agreement is made and entered into by and between Plaintiff, individually and on behalf of all other individuals alleged to be similarly situated, and Defendant, and is subject to the terms and conditions hereof, and to the Court's approval. The Parties expressly acknowledge that this Agreement is entered into solely for the purpose of compromising significantly disputed claims and that nothing herein is an admission of liability or wrongdoing by Defendant. The Agreement's provisions, and all related drafts, communications and discussions, cannot be construed as or deemed to be evidence of an admission or concession of any point of fact or law by any person or entity and cannot be offered or received into evidence or requested in discovery in this Action or any other action or proceeding as evidence of an admission or concession. In the event that the Court does not issue Final Approval and Final Judgment, or in the event that the associated judgment does not become the Final Judgment for any reason, this Agreement shall be deemed null and void, it shall be of no force or effect whatsoever, it shall not be referred to or used for any purpose whatsoever, and the negotiations, terms, and entry of it shall remain subject to the provisions of California Evidence Code sections 1119 and 1152.

2.8. The Court has not granted class certification in this Action.

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

3. MONETARY TERMS.

3.1. Gross Settlement Amount. Except as otherwise provided by Paragraphs 9 and 10 below, Defendant promises to pay \$160,000.00 and no more as the Gross Settlement Amount and to separately pay any and all employer's share of Employment and Payroll Taxes owed on the Wage Portions of the Individual Class Payments. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the Effective Date of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

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

3.2.1. To Plaintiff: Class Representative Service Payment to the Class Representative of not more than \$5,000.00 (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member). Defendant will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation

Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payment.

- 3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than 33-1/3%, which is currently estimated to be \$53,333.33 and a Class Counsel Litigation Expenses Payment of not more than \$12,000.00. Defendant will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiff 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 Class Counsel Fees Payment and/or 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 Plaintiff's 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 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 and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.
- 3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed \$9,950.00 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 \$9,950.00, the Administrator will reallocate the remainder to 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 Workweeks during the Class Period.
- 3.2.4.1. Tax Allocation of Individual Class Payments. Fifteen percent 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. The remaining 85% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for expense reimbursements, 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 Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$7,500.00 to be paid from the Gross Settlement Amount, with 75% (\$5,625.00) allocated to the LWDA PAGA Payment and 25% (\$1,875.00) 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 (\$1,875.00) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA 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 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Class Workweeks and Aggrieved Employee PAGA Pay Periods. Based on a review of its records through April 19, 2024, Defendant estimates there are 452 Class Members who collectively worked a total of 16,446 Workweeks, and 294 of Aggrieved Employees who worked a total 4,494 of PAGA Pay Periods.

4.2. Class Data. Not later than 15 days after the Court grants Preliminary Approval of the Settlement, Defendant will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. 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 Class Counsel 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.

- 4.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendant's share of payroll taxes, as calculated and communicated by Administrator to Defense Counsel, by transmitting the funds to the Administrator no later than 15 days after the Effective Date.
- 4.4. Payments from the Gross Settlement Amount. Within 14 days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.
 - 4.4.1. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.
 - 4.4.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the 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 whose original check was lost or misplaced, as requested by the Class Member prior to the void date.
 - 4.4.3. For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed after 180 days and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to

the San Diego County Bar Foundation (www.sdcbf.org), a 501(c)(3) IRS tax-exempt entity granting funds to organizations providing legal services to the underserved and impoverished population in San Diego County. If the Court does not approve of such, the Parties will agree upon a Cy Pres recipient within the meaning of C.C.P. §384. The Parties, Class Counsel and Defense Counsel represent that they have no interest or relationship, financial or otherwise, with the intended Cy Pres Recipient. No later than two hundred ten (210) days from the date of mailing of the checks, the Administrator shall provide Class Counsel and Defendant's Counsel with a declaration setting forth the total amount of any uncashed settlement checks and the cy pres. Settlement Class Members and Aggrieved Employees who fail to negotiate their check(s) in a timely fashion shall remain subject to the terms of the Settlement, the release of claims, and Final Approval Order and Final Judgment from the Court.

- 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 (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

6. RELEASES OF CLAIMS. Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer Employment and Payroll Taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff, Participating Class Members, Aggrieved Employees, and Class Counsel will release claims against all Released Parties as follows:

- 6.1 Plaintiff's Release. Plaintiff and his respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims that were alleged, or reasonably could have been alleged, during the Class Period based on facts stated in the Operative Complaint and PAGA Notice, including, (1) Failure to Provide Meal Breaks Pursuant to Labor Code §§ 226.7 and 512; (2) Failure to Provide Rest Breaks Pursuant to Labor Code § 226.7; (3) Failure to Reimburse Expenses Pursuant to Labor Code § 2802; (4) Waiting Time Penalties Pursuant to Labor Code § 203; (5) Violation of Business & Professions Code § 17200; (6) Penalties Pursuant to Labor Code §2699, et seq. as against Defendant based on the facts alleged in the Action during the Class Period. Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiff acknowledges that Plaintiff may discover claims or facts or law different from, or in addition to, those which Plaintiff now knows or believes to be true or exist but Plaintiff expressly agrees, nonetheless, to fully, finally and forever settle and release any and all claims against the Released Parties, known or unknown, suspected or unsuspected, which exist or may exist on behalf of or against the other at the time of execution of this Agreement, including, but not limited to, any and all claims relating to or arising from Plaintiff's employment with Defendant. The Parties further acknowledge, understand

and agree that this representation and commitment is essential to the Agreement and that this Agreement would not have been entered into were it not for this representation and commitment

6.1.1 Plaintiff's Waiver of Rights Under California Civil Code Section 1542.

For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR 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.

6.2 Release by Participating Class Members: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the First Amended Complaint and PAGA Notice, including, (1) Failure to Provide Meal Breaks Pursuant to Labor Code §§ 226.7 and 512; (2) Failure to Provide Rest Breaks Pursuant to Labor Code § 226.7; (3) Failure to Reimburse Expenses Pursuant to Labor Code § 2802; (4) Waiting Time Penalties Pursuant to Labor Code § 203; (5) Violation of Business & Professions Code § 17200; (6) Penalties Pursuant to Labor Code § 2699, et seq. as against Defendant based on the facts alleged in the Action during the Class Period; and (ii) any damages, premiums, penalties, liquidated damages, interest, punitive damages, costs, attorneys' fees, injunctive relief, declaratory relief, or accounting based on the Operative Complaint or PAGA Notice and which occurred during the Class Period. Except as set forth in Sections 6.1 and 6.3 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.

6.3 Release by Non-Participating Class Members Who Are Aggrieved Employees: All Non-Participating Class Members, as well as Class Members, who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from (i) all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint, and the PAGA Notice for alleged violations of Labor Code §§ 201, 202, 203, 226(a), 226.7, 512, and 2802; (ii) and any damages, civil penalties, interest, punitive damages, costs, attorneys' fees, based on the Operative Complaint or PAGA Notice and which occurred during the PAGA Period.

7. **MOTION FOR PRELIMINARY APPROVAL.** Plaintiff will prepare and file a motion for preliminary approval (“Motion for Preliminary Approval”) that complies with the Court’s current checklist for Preliminary Approvals, California Code of Civil Procedure, California Rules of Court, San Diego County Superior Court’s Local Rules, and any other applicable rules.

7.1 Defendant’s Declaration in Support of Preliminary Approval. Within 14 days of the full execution of this Agreement, Defendant will prepare and deliver to Class Counsel a signed Declaration from Defendant and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator and Cy Pres Recipient. In their Declarations, Defense Counsel and Defendant shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

7.2 Plaintiff’s Responsibilities. Plaintiff will prepare and deliver to Defense Counsel at least 30 court days before the hearing date for the Motion for Preliminary Approval all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its “not to exceed” bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members and/or the proposed Cy Pres; and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members; (vi) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (1)(1)), this Agreement (Labor Code section 2699, subd. (1)(2)); and all facts relevant to any actual or potential conflict of interest with Class Members, the Administrator and/or the Cy Pres Recipient. In their Declarations, Plaintiff and Class Counsel Declaration shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement. Defense counsel will provide to Class Counsel any comments and revisions no later than 20 court days before the hearing for the Motion for Preliminary Approval.

7.3 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing the Motion for Preliminary Approval. Class Counsel is responsible for reserving a prompt hearing date for the Motion for

Preliminary Approval within fifteen (15) days of full execution of this Agreement, and for filing the Motion for Preliminary Approval and related paperwork within sixteen (16) court days before the time appointed for the hearing. Class Counsel and Defense Counsel are jointly responsible for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

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

8. SETTLEMENT ADMINISTRATION.

- 8.1 Selection of Administrator. The Parties have jointly selected ILYM Group, Inc. to serve as the Administrator and verified that, as a condition of appointment, ILYM Group, Inc. agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 8.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.
- 8.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.
- 8.4 Notice to Class Members.
- 8.4.1 No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, PAGA Members, Workweeks, and PAGA Pay Periods in the Class Data.
- 8.4.2 Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice with Spanish translation substantially in

the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

8.4.3 Not later than 3 business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time. The Administrator will inform the Class Member of the Response Deadline with the re-mailed Class Notice.

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

8.5 Requests for Exclusion (Opt-Outs).

8.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 60 days after the Administrator mails the Class Notice or 14 days after re-mailing the Class Notice, if applicable, whichever is later. A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

8.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the

Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

8.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 6.2 and 6.3 of this Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

8.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 6.3 of this Agreement and are eligible for an Individual PAGA Payment.

8.5.5 The Class Representative shall not opt-out of the Settlement and shall not submit a Request for Exclusion. The Class Representative agrees, by signing this Agreement, that he is accepting the terms of this Agreement.

8.6 Challenges to Calculation of Workweeks. Each Class Member shall have 60 days after the Administrator mails the Class Notice, or 14 days after re-mailing the Class Notice, if applicable, whichever is later, to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or PAGA Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or PAGA Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination the challenges.

8.7 Objections to Settlement.

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

8.7.2 Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 60 days after the Administrator's mailing of the Class Notice or 14 days after re-mailing of the Class Notice, if applicable, whichever is later..

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

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

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

8.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 5 days after the expiration of the Response Deadline, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

8.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments ("Weekly Report"). The Weekly Reports must include provide the Administrator's assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

- 8.8.4 Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or Pay Periods. The Administrator's decision shall be final and not appealable or otherwise susceptible to challenge.
- 8.8.5 Administrator's Declaration. Not later than 14 days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, 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 Notice, 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 attach the Exclusion List. 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.
- 8.8.6 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 final report detailing its disbursements by employee identification number only 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, 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.

9. CLASS SIZE ESTIMATES and ESCALATOR CLAUSE Based on a review of its records through April 19, 2024, Defendant estimates there are 452 Class Members who collectively worked a total of 16,446 Work Weeks, and 294 of Aggrieved Employees who worked a total 4,494 of PAGA Pay Periods.

9.1 Increase in Class Members. Upon receipt of the Class Data, in the event that the number of Class Members exceeds this estimate by more than 5% through May 23, 2024, the Administrator shall notify the Parties. To the extent the number of Class Members in the Class Period or increases by more than 5% from April 19, 2024 through May 23, 2024, Defendants shall have the option to increase the Gross Settlement Amount by a proportionate amount or to shorten the Class Period. For example, if the number of Class Members increases by 5%, Defendants shall have the option to increase the Gross Settlement Amount by 5% or to shorten the Class Period so that the number of Class Members is within the escalator.

9.2 Increase in Work Weeks. Upon receipt of the Class Data, in the event that the number of Work Weeks exceed this estimate by more than 5% through May 23, 2024, the Administrator shall notify the Parties. To the extent the number of Work Weeks in the Class Period increases by more than 5% from April 19, 2024 through May 23, 2024, Defendants shall have the option to increase the Gross Settlement Amount by a proportionate amount. For example, if the number of Work Weeks increases by 5%, Defendants shall have the option to increase the Gross Settlement Amount by 5% or to shorten the Class Period so that the number of Work Weeks is within the escalator.

10. **DEFENDANT'S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 5% of the total of all Class Members, Defendant may, but is not obligated, elect to withdraw from the Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw not later than fifteen (15) days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.
11. **MOTION FOR FINAL APPROVAL.** Not later than 16 court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiff shall provide drafts of these documents to Defense Counsel not later than seven days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.
 - 11.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.
 - 11.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

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

11.4 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 reflected 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, except as to matters that do not affect the amount of the Net Settlement Amount.

11.5 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, 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.

12. 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.

13. ADDITIONAL PROVISIONS.

13.1 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 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 for purposes of this Settlement only. If, for any reason the Court does grant Preliminary Approval, Final Approval or enter Judgment, Defendant reserves the right to

contest certification of any class for any reasons, 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).

- 13.2 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; (4) in response to a court order or subpoena; or (5) 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, with the exception of the Administrator, 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.
- 13.3 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.
- 13.4 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.
- 13.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

- 13.6 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.
- 13.7 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.
- 13.8 No Tax Advice. Neither Plaintiff, 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.
- 13.9 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.
- 13.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 13.11 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.
- 13.12 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.
- 13.13 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.
- 13.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §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, Plaintiff shall destroy, all paper and

electronic versions of Class Data received from Defendant 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 destructions, of Class Data.

- 13.15 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.
- 13.16 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 court holiday, such date or deadline shall be on the first business day thereafter.
- 13.17 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

KINGSLEY SZAMET & LY
Eric B. Kingsley
Kelsey M. Szamet
Jessica Bulaon
16133 Ventura Blvd., Suite 1200
Encino, CA 91436

To Defendant:

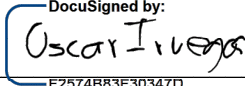
FERRIS & BRITTON
A Professional Corporation
Elyssa K. Kulas
Scott H. Toothacre
501 West Broadway, Suite 1450
San Diego, California 92101

- 13.18 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.

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

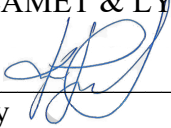
DATED: June 14, 2024

By: 
PLAINTIFF Oscar Iruegas

DATED: _____

By: _____
DEFENDANT Bald Eagle Security Services, Inc.

DATED: June 14, 2024

KINGSLEY SZAMET & LY
By: 
Eric B. Kingsley
Kelsey M. Szamet
Jessica Bulaon
Attorneys for Plaintiff and the proposed class

DATED: _____

FERRIS & BRITTON
By: _____
Elyssa K. Kulas
Scott H. Toothacre
Attorneys for Defendant

admissible in evidence to prove the existence and contents of this Agreement.

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

DATED: _____

By: _____
PLAINTIFF Oscar Iruegas

DATED: 06/17/2024

By: 
DEFENDANT Bald Eagle Security Services, Inc.

DATED: _____

KINGSLEY SZAMET & LY

By: _____
Eric B. Kingsley
Kelsey M. Szamet
Jessica Bulaon
Attorneys for Plaintiff and the proposed class

DATED: 07/10/2024

FERRIS & BRITTON

By: 
Elyssa K. Kulas
Scott H. Toothacre
Attorneys for Defendant

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

*OSCAR IRUEGAS, an individual on behalf of himself and others similarly situated, PLAINTIFF,
v. BALD EAGLE SECURITY SERVICES, INC.; and DOES 1 thru 50, inclusive, DEFENDANTS,
Case No. 37-2023-00030158-CU-OE-CTL*

***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 an employee class action lawsuit (“Action”) against BALD EAGLE SECURITY SERVICES, INC. (“Defendant”) for alleged wage and hour violations. The Action was filed by a former Defendant employee Oscar Iruegas (“Plaintiff”) and alleges that Defendant failed to provide lawful meal and rest periods, failed to reimburse expenses, failed to pay lawful wages upon termination or resignation, engaged in unfair business practices, and is liable for penalties under California’s Private Attorneys General Act of 2004 or “PAGA.” Defendant denies Plaintiff’s claims and asserts that it has complied with all of its legal obligations to its employees.

The class in this lawsuit is defined as all persons who are employed or have been employed as a non-exempt security guard by Defendant in the State of California from January 1, 2021 to May 23, 2024 (“Settlement Class Members”); the aggrieved employees in this lawsuit is defined as all persons who are employed or have been employed as an hourly employee by Defendant, in the State of California since July 18, 2022 to May 23, 2024. (“Aggrieved Employees”).

The proposed settlement has two main parts: (1) a class settlement requiring Defendant to fund Individual Class Payments, and (2) a PAGA settlement requiring Defendant to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency (“LWDA”).

Based on Defendant’s records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$_____ (less withholding) and your Individual PAGA Payment is estimated to be \$_____.** The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to Defendant’s records you are not eligible for an Individual PAGA Payment under the Settlement because you didn’t work during the PAGA Period.)

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

- (1) The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or 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 Plaintiff and Plaintiff's attorneys ("Class Counsel"). The Court will also decide whether to enter a judgment that requires Defendant to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendant.

Defendant will not retaliate against you for any actions you take with respect to the proposed Settlement.

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 and 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 Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is [date]	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. Defendant must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by [date]	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed 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 Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.

You Can Participate in the [date] Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on [date]. 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, by telephone or by using the Court's virtual appearance platform. 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 [date]	The amount of your Individual Class Payment and 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 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 [date]. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former employee of Defendant. The Action accuses Defendant of violating California labor laws by failing to pay reimbursable expenses, failing to pay wages due upon termination, and failing to provide meal periods and rest breaks. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) ("PAGA"). Plaintiff is represented by attorneys in the Action: Eric B. Kingsley and Kelsey M. Szamet of Kingsley Szamet & Ly ("Class Counsel.")

Defendant strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

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

So far, the Court has made no determination whether Defendant or Plaintiff is correct on the merits. In the meantime, Plaintiff and Defendant hired an experienced, neutral mediator, and retired judge in an effort to resolve the Action by negotiating to end 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 settlement agreement ("Agreement") and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff 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.

Plaintiff 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)

resolution 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?

1. Defendant Will Pay \$160,000.00 as the Gross Settlement Amount (Gross Settlement). Defendant has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel Fees and Class Counsel's Litigation Expenses, the Administrator's expenses, and penalties to be paid to the LWDA. Assuming the Court grants Final Approval, Defendant will fund the Gross Settlement not more than 15 days after the Judgment entered by the Court become final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.
2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - A. Up to \$53,333.33 (33-1/3% of the Gross Settlement to Class Counsel for attorneys' fees and up to \$12,000.00 for their litigation expenses actually incurred. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - B. Up to \$5,000.00 as a Class Representative Award for filing the Action, working with Class Counsel and representing the Class. A Class Representative Award will be the only monies Plaintiff will receive other than Plaintiff's Individual Class Payment and any Individual PAGA Payment.
 - C. Up to \$9,950.00 to the Administrator for services administering the Settlement.
 - D. Up to \$7,500.00 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments 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.

3. 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 Gross Settlement (the "Net Settlement") by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.

4. Taxes Owed on Payments to Class Members. Plaintiff 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 penalties, interest, and expense reimbursements (“Non-Wage Portion.”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendant will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiff and Defendant have agreed to these allocations, neither side is giving you any advice on whether your Payments are 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 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.

5. Need to Promptly Cash 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 it by the void date, your check will be automatically cancelled, and the monies will irrevocably lost to you because they will be a paid to the San Diego County Bar Foundation (www.sdcbf.org), a 501(c)(3) IRS tax-exempt entity granting funds to organizations providing legal services to the underserved and impoverished population in San Diego County (“Cy Pres”).

6. Requests for Exclusion from the Class Settlement (Opt-Outs). 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 [date], 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 [date] Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member’s name, present address, 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 Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Defendant based on the PAGA Period facts alleged in the Action.

7. 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 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.

8. Administrator. The Court has appointed a neutral company, ILYM Group, Inc. (the “Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator’s contact information is contained in Section 9 of this Notice.
9. Participating Class Members’ Release. After the Judgment is final and Defendant has fully funded the Gross Settlement and separately paid all employer payroll taxes, 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 any other lawsuit against Defendant or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA 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 representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the First Amended Complaint and PAGA Notice, including, (1) Failure to Provide Meal Breaks Pursuant to Labor Code §§ 226.7 and 512; (2) Failure to Provide Rest Breaks Pursuant to Labor Code § 226.7; (3) Failure to Reimburse Expenses Pursuant to Labor Code § 2802; (4) Waiting Time Penalties Pursuant to Labor Code § 203; (5) Violation of Business & Professions Code § 17200; (6) Penalties Pursuant to Labor Code §2699, et seq. as against Defendant based on the facts alleged in the Action during the Class Period; and (ii) any damages, premiums, penalties, liquidated damages, interest, punitive damages, costs, attorneys’ fees, injunctive relief, declaratory relief, or accounting based on the Operative Complaint or PAGA Notice and which occurred during the Class Period.

10. Aggrieved Employees’ PAGA Release. After the Court’s judgment is final, and Defendant has paid the Gross Settlement (and separately paid the employer-side payroll taxes), all Aggrieved Employees will be barred from asserting PAGA claims against 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 in the Action and resolved by this Settlement.

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

All Participating and Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties, from (i) all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint and the PAGA Notice for alleged violations of Labor Code §§ 201, 202, 203, 226(a), 226.7, 512, and 2802; and (ii) any damages, civil penalties, interest, punitive damages, costs, attorneys' fees, based on the Operative Complaint or PAGA Notice and which occurred during the PAGA Period.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members in the Class Period, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member in the Class Period.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$1,875 by the total number of PAGA Pay Periods worked by all Aggrieved Employees in the PAGA Period and (b) multiplying the result by the number of PAGA Pay Periods worked by each individual Aggrieved Employee in the PAGA Period.
3. 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 [date] 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 Participating Class Members) and Defendant's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a check(s) to every Participating Class Member (i.e., every Class Member who doesn't opt-out)

including those who also qualify as Aggrieved Employees. The check may combine the Individual Class Payment and the Individual PAGA Payment in to one check.

2. 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).

Your check(s) 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?

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as Oscar Iruegas v. Bald Eagle Security Services, Inc., and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by [date], 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. Before deciding whether to object, you may wish to see what Plaintiff and Defendant are asking the Court to approve. At least 16 days before the [date] Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representative Service Award. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website [need details] or the Court's website [need details].

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award 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 [date].** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action Oscar Iruegas v. Bald Eagle Security Services, Inc. and include your name, current

address, telephone number, and approximate dates of employment for Defendant and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain 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 (immediately 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 [date] at [time] in Department C-74 of the San Diego Superior Court, located at 330 West Broadway, San Diego, CA 92101. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via Microsoft Teams (<https://www.sdcourt.ca.gov/sdcourt/civil2/civilvirtualhearings>). Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Court's website [<https://roa.sdcourt.ca.gov/roa/>] beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendant and Plaintiff 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 San Diego Superior Court website at [<https://www.sdcourt.ca.gov/>]. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the San Diego Superior Court website by going to (<https://roa.sdcourt.ca.gov/roa/>) and entering the Case Number for the Action, Case No. 37-2023-00030158-CU-OE-CTL. You can also make an appointment to personally review court documents in the Clerk's Office at the San Diego Superior Court by calling 619-844-2700 or 619-450-7275.

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

Class Counsel:
KINGSLEY SZAMET & LY
Eric B. Kingsley
Kelsey M. Szamet
Jessica Bulaon
16133 Ventura Blvd., Suite 1200

Encino, CA 91436
(818)990-8300

Settlement Administrator:

[Name of Company]

[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 it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void, you will have no way to recover the money.

11. WHAT IF I CHANGE MY ADDRESS?

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

(Proof of Submission to the LWDA)

EXHIBIT "2"

(PROOF OF SERVICE)
[CCP 1013(a)(3)]
STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 years and not a party to the within action. My business address is 16133 Ventura Boulevard, Suite 1200, Encino, California 91436.

On July 23, 2024, I served all interested parties in this action the following documents described as: **DECLARATION OF KELSEY M. SZAMET IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT** by placing a true copy thereof enclosed in a sealed envelope addressed as follows:

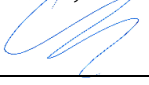
FERRIS & BRITTON A Professional Corporation Elyssa K. Kulas Scott H. Toothacre Michael R. Weinstein Debra L. Barker 501 West Broadway, Suite 1450 San Diego, California 92101 ekulas@ferrisbritton.com stoothacre@ferrisbritton.com mweinstein@ferrisbritton.com dbarker@ferrisbritton.com <i>Attorneys for Defendant</i>	ABRAMSON LABOR GROUP WILLIAM ZEV ABRAMSON Wza@abramsonlabor.com 11846 Ventura Blvd., Suite 100 Studio City, CA 91604 <i>Attorneys for Plaintiff</i>
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[XX] (BY ELECTRONIC SERVICE) I caused a true and correct copy thereof to be electronically filed using the Labor and Workforce Development Agency Electronic Filing ("EF") System (<https://dir.tfaforms.net/315>) and service was completed by electronic means by transmittal of the documents referenced herein on the EF System.

[XX] (BY ELECTRONIC MAIL TRANSMISSION) I caused the document to be sent to the persons at the e-mail address(es) listed on the attached service list. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful. A pdf copy of which was sent via email to the above email address(es).

[XX] (STATE) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on July 23, 2024, at Woodland Hills, California.



Michelle Tanzer