

Jonathan M. Genish (State Bar No. 259031)
jgenish@blackstonepc.com
Barbara DuVan-Clarke (State Bar No. 259268)
BDC@blackstonepc.com
Alexander K. Spellman (State Bar No. 250398)
aspellman@blackstonepc.com
P.J. Van Ert (State Bar No. 234858)
pjvanert@blackstonepc.com
Annabel Blanchard (State Bar No. 258135)
ablanchard@blackstonepc.com
BLACKSTONE LAW, APC
8383 Wilshire Boulevard, Suite 745
Beverly Hills, California 90211
Telephone: (310) 622-4278
Facsimile: (855) 786-6356

Attorneys for Plaintiffs,
CHRISTA MORTON and CINDY BRAVO

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF FRESNO**

CHRISTA MORTON and CINDY
BRAVO, on behalf of Aggrieved
Employees pursuant to the California
Private Attorneys General Act,

Plaintiffs,

v.

PSI SERVICES, LLC; and DOES 1
through 25, inclusive,

Defendants.

CASE NO.: 24CECG00039

*Assigned for all purposes to the
Honorable Jon M. Skiles, Dept. 403*

**DECLARATION OF JONATHAN M.
GENISH IN SUPPORT OF PLAINTIFFS'
MOTION FOR APPROVAL OF PAGA
SETTLEMENT AND AWARD OF PAGA
COUNSEL FEES PAYMENT, PAGA
COUNSEL LITIGATION EXPENSES
PAYMENT, AND ADMINISTRATION
EXPENSES PAYMENT**

Date: October 8, 2024
Time: 3:27 p.m.
Dept.: 403

Complaint: January 2, 2024
Trial Date: None

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1. I am a shareholder and the founder of Blackstone Law, APC (“PAGA Counsel”), attorneys of record for the named Plaintiffs Christa Morton and Cindy Bravo, who filed this action on behalf of the aggrieved employees subject to the settlement agreement. I am an attorney admitted to practice in all Courts of the State of California. I submit this declaration in support of Plaintiffs’ Motion for Approval of PAGA Settlement and Award of PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and Administration Expenses Payment (“Motion”). I have personal knowledge of the facts contained herein, and, if called to testify I could and would competently do so.

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1 firm focused on other complex general litigation matters.

2 5. I have considerable experience in handling class and representative action lawsuits
3 throughout my career and have been approved as counsel in a number of cases, including, most
4 recently:

- 5 • *Anthony DiRico v. Seek Capital, LLC*, Los Angeles Superior Court, Case No.
6 BC698076, a wage and hour class action brought on behalf of a class of hourly-paid
7 employees working the State of California.
- 8 • *Consumer Protection Group, LLC v. A. D. Sutton & Sons, Inc.*, Los Angeles Superior
9 Court, Case No. 19STCV29979, a private attorney general action for penalties
10 pursuant to Health and Safety Code section 25249.7.
- 11 • *Consumer Protection Group, LLC v. Shaxon Industries, Inc., et al.*, Los Angeles
12 Superior Court, Case No. 19STCV30306, a private attorney general action for
13 penalties pursuant to Health and Safety Code section 25249.7.
- 14 • *Consumer Protection Group, LLC v. Home Depot U.S.A., Inc.*, Los Angeles Superior
15 Court, Case No. 19STCV30445, a private attorney general action for penalties
16 pursuant to Health and Safety Code section 25249.7.
- 17 • *Eric Savoy v. Collector's Universe, Inc., et al.*, Central District Court of California,
18 Case No.: 8:20-cv-00632-DOC-ADS (recently remanded to Orange County Superior
19 Court, Case No. 30-2020-01130892-CU-RI-CXC), a consumer fraud class action.
- 20 • *Anthony DiRico v. Seek Capital, LLC*, Los Angeles County Superior Court, Case No.
21 BC698076, a wage and hour class action brought on behalf of a class of hourly-paid
22 employees working the State of California.
- 23 • *Consumer Protection Group, LLC v. A. D. Sutton & Sons, Inc.*, Los Angeles County
24 Superior Court, Case No. 19STCV29979, a private attorney general action for
25 penalties pursuant to Health and Safety Code section 25249.7.
- 26 • *Consumer Protection Group, LLC v. Shaxon Industries, Inc., et al.*, Los Angeles
27 County Superior Court, Case No. 19STCV30306, a private attorney general action
28 for penalties pursuant to Health and Safety Code section 25249.7.

- *Consumer Protection Group, LLC v. Home Depot U.S.A., Inc.*, Los Angeles County Superior Court, Case No. 19STCV30445, a private attorney general action for penalties pursuant to Health and Safety Code section 25249.7.
 - *Eric Savoy v. Collector's Universe, Inc., et al.*, Central District Court of California, Case No.: 8:20-cv-00632-DOC-ADS (recently remanded to Orange County Superior Court, Case No. 30-2020-01130892-CU-RI-CXC), a consumer fraud class action.
6. I was counsel of record on several class action and PAGA actions that have since been resolved, the most recent of which are as follows:
- *Maria Ayala, et al. v. SDH Services West, LLC*, Kern County Superior Court, Case No. BCV-21-101933, approved as class counsel in final settlement of wage and hour class action.
 - *Alfredo Sanchez v. Greenworld, Inc.*, Riverside County Superior Court, Case No. CVRI2105756, approved as class counsel in final settlement of wage and hour class and PAGA action.
 - *Michael Bravo v. Michels Pacific Energy, Inc.*, Santa Clara County Superior Court, Case No. 22CV403427, preliminarily approved as class counsel in settlement of wage and hour class and PAGA action.
 - *Oscar Bryant v. Midwest Construction Services, Inc. dba Trillium*, San Bernardino County Superior Court, Case No. CIVSB2121529, approved as class counsel in final settlement of wage and hour class action.
 - *Bobby Birdi v. Lucid USA, Inc.*, Alameda County Superior Court, Case No. 21CV003541, preliminarily approved as class counsel in settlement of wage and hour class and PAGA action.
 - *David Williams v. Rancho Nicasio, LLC*, Marin County Superior Court, Case No. CIV2203067, preliminarily approved as class counsel in settlement of wage and hour class and PAGA action.
 - *Matthew Savattieri v. AMI Expeditionary Healthcare, LLC, et al.*, Los Angeles County Superior Court, Case No. 21STCV33372, approved as class counsel in

1 final settlement of wage and hour class and PAGA action.

- 2 • *Lexy Barajas, et al. v. H. W. Hunter, Inc.*, Los Angeles County Superior Court,
3 Case No. 22STCV01892, approved as counsel in settlement of representative wage
4 and hour action pursuant to PAGA.
- 5 • *Alejandro Valdez v. C.H.I. Automart, Inc.*, Los Angeles County Superior Court,
6 Case No. 21STCV40168, approved as class counsel in final settlement of wage and
7 hour class and PAGA action.
- 8 • *Sheizan Bawa v. Meathead Movers, Inc.*, Orange County Superior Court, Case No.
9 30-2021-01211895-CU-OE-CXC, approved as counsel in settlement of
10 representative wage and hour action pursuant to PAGA.
- 11 • *Tanisha Lopez, et al. v. Restorix Health, Inc.*, Los Angeles County Superior Court,
12 Case No. 21STCV33067, approved as class counsel, in association with other
13 counsel, in final settlement of wage and hour class and PAGA action.
- 14 • *Perla Soto, et al. v. Nippon Express U.S.A., Inc.*, Los Angeles Superior Court, Case
15 No. 21STCV24902, approved as class counsel in final settlement of wage and hour
16 class and PAGA action.
- 17 • *Angel Garcia, et al. v. J&B Investments, Inc., et al.*, San Bernardino Superior
18 Court, Case No. CIVSB2208601, approved as class counsel, in association with
19 other counsel, in final settlement of wage and hour class and PAGA action.
- 20 • *Sindy Aviles, et al. v. Freeway Insurance Services America, LLC*, Los Angeles
21 County Superior Court, Case No. 21STCV34864, approved as counsel, in
22 association with other counsel, in settlement of representative wage and hour action
23 pursuant to PAGA.
- 24 • *Alexander Gnaedig, et al. v. Favorite Healthcare Staffing, Inc.*, Los Angeles County
25 Superior Court, Case No. 21STCV20904, approved as Class Counsel in final
26 settlement of wage and hour class and PAGA action.
- 27 • *Richard Evans v. My Paint Stop, LLC, et al.*, Contra Costa Superior Court, Case No.
28 MSC21-01812, approved as Class Counsel in final settlement of wage and hour class

and PAGA action.

- *Jose Luis Parada George v. Main Electric Supply Company, LLC, et al.*, Orange County Superior Court, Case No. 30-2021-01220136-CU-OE-CXC, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Samia Salazar Yunis v. Sharif Jewelers*, Sacramento Superior Court, Case No. 34-2020-00290080, approved as Class Counsel in final settlement of class and PAGA wage and hour action.
- *Daniel Analco v. Felix Chevrolet, LP, et al.* Los Angeles Superior Court, Case No. 21STCV36654, approved as Class Counsel in final settlement of class and PAGA wage and hour action.
- *Sasha Aiono v. Benefit Cosmetics*, Los Angeles Superior Court, Case No. 21STCV33719, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Maria Castillo-Rodriguez v. HR Outsourcing Associates, LLC*, Los Angeles Superior Court, Case No. 20STCV44138, a wage and hour PAGA action.
- *Ramiro Cruz v. LK Plumbing & Heating, Inc.*, Los Angeles Superior Court, Case No. BC686825, a wage and hour PAGA action.

7. I am currently the managing partner overseeing approximately 500 labor and employment cases, approximately 80% of which include a wage and hour component. The majority of those cases are wage-and-hour putative class actions and/or representative PAGA actions seeking relief on behalf of thousands of California employees. My billable rate is \$1,200 per hour.

Procedural History of the Action

8. Defendant PSI Services, LLC (“Defendant”) operates testing and examination centers in California providing various secure exam and licensing procedures for California residents. Defendant employed both Plaintiffs as hourly-paid, non-exempt testing site administrators in Defendant’s Fresno, California location.

9. On October 23, 2023, Plaintiffs provided written notice by electronic submission

1 to the Labor and Workforce Development Agency (“LWDA”) and by Certified U.S. Mail to
2 Defendant, pursuant to California Labor Code § 2699.3, providing notice of the specific provisions
3 of the California Labor Code which Plaintiffs alleged Defendant violated, including the facts and
4 theories to support the allegations (“PAGA Notice”). A true and correct copy of the PAGA Notice
5 is attached hereto as **Exhibit 1**.

6 10. On January 2, 2024, Plaintiffs filed a Complaint for Enforcement Action Under the
7 Private Attorneys General Act, California Labor Code §§ 2698 Et Seq (“PAGA Complaint”) in
8 the action entitled *Christa Morton and Cindy Bravo v. PSI Services, LLC*, Fresno County Superior
9 Court Case Number 24CECG00039 (“Action”). The PAGA Complaint alleges one cause of action
10 pursuant to PAGA, seeking civil penalties for Defendant’s failure to pay minimum wage, failure
11 to pay overtime wages, failure to provide compliant meal periods and associated premiums, failure
12 to provide compliant rest periods and associated premiums, failure to timely pay wages during
13 employment, failure to timely pay wages upon termination, failure to keep requisite payroll
14 records, failure to provide compliant wage statements, and failure to reimburse necessary business
15 expenses in violation of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 227.3,
16 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and all applicable Industrial
17 Welfare Commission Wage Orders.

18 11. On February 15, 2024, Defendant answered Plaintiffs’ PAGA Complaint, asserting
19 thirty affirmative defenses.

20 12. Plaintiffs propounded informal written discovery requests and Defendant provided
21 data and documents in response to said informal discovery requests. The documents and data
22 provided by Defendant included Plaintiffs’ personnel and payroll records, a sampling of aggrieved
23 employees’ time and payroll records, Defendant’s employee handbooks (including Defendant’s
24 relevant policies regarding meal periods, rest periods, overtime pay, and business expense
25 reimbursements, among other policies), screenshots of online employee training materials and
26 slides, the estimated number of aggrieved employees and pay periods during the relevant
27 timeframe, and the average rate of pay for the aggrieved employees.

28 13. During the course of informal discovery in the Action, Plaintiffs’ Counsel

1 conducted an intense investigation into the facts of the Action so that Plaintiffs could assess the
2 number of alleged potential violations and value of the recoverable penalties, as well as evaluate
3 the strengths and weaknesses of their claims.

4 14. On April 26, 2024, the Plaintiffs and Defendant (collectively, the “Parties”)
5 participated in a full-day mediation with mediator Monique Ngo-Bonnici, a neutral and respected
6 mediator with extensive experience in complex wage and hour matters. The Parties reached an
7 agreement in principle at the mediation and executed a memorandum of understanding to
8 memorialize the material terms of settlement.

9 15. Based on the data, information, and documents received, as well as thorough
10 discussions with Defendant’s counsel, Plaintiffs’ Counsel was able to (i) determine the total
11 number of distinct individuals falling within the definition of “Aggrieved Employees” for the
12 relevant statutory period, (ii) determine the number of affected pay periods at issue among them,
13 and (iii) construct a damages model that calculated the maximum realistic amount of PAGA
14 penalties that could be levied against Defendant within the relevant statutory period. Defendant,
15 however, disputed Plaintiffs’ claims and disputed both the existence of and extent of liability as
16 alleged by Plaintiffs, which allowed Plaintiffs’ Counsel to further assess the strength of Plaintiffs’
17 claims. Plaintiffs’ Counsel’s experience in litigating similar representative wage and hour claims,
18 the degree of investigation that was conducted here, and the amount of data, information, and
19 documents that were obtained, was sufficient to determine the potential value of the PAGA claim,
20 and to evaluate the strength of this claim for purposes of settlement.

21 16. Ultimately, the Parties were able to reach an agreement to resolve the Action in its
22 entirety. Attached hereto as **Exhibit 2** is a true and correct copy of the PAGA Settlement
23 Agreement (“Settlement” or “Settlement Agreement”) entered into between the Parties. Attached
24 as **Exhibit 3** is the proposed Cover Letter to be included with the Individual PAGA Payment
25 checks.

26 17. The Parties believe the Settlement is fair, reasonable, and adequate. The Parties
27 understand, acknowledge, and agree that the Settlement Agreement constitutes a compromise of
28 Plaintiffs’ PAGA claims, and that it is the desire and intention of the Parties to effect a final and

complete resolution of the PAGA Claims.

18. Defendant denies all of the claims in the Action, and does not waive, but rather expressly reserves, all rights to challenge all such claims and allegations upon all legal, procedural, and factual grounds should the Settlement not be approved by the Court. The Settlement Agreement reflects a compromise reached to end litigation in the Action. Following significant investigation and extensive settlement negotiations, Plaintiffs now seek approval of the proposed Settlement, which will resolve all representative claims alleged in the PAGA Complaint and PAGA Notice.

Notice to the LWDA

19. In accordance with California Labor Code sections 2699 *et. seq.*, a copy of the proposed Settlement, as well as information regarding the approval hearing in this matter, were submitted to the LWDA via online submission concurrently with the filing of the Motion on September 9, 2024.

Summary of the Terms of the Settlement Agreement

20. For purposes of settlement only, the Parties have agreed that the “Aggrieved Employees” shall be defined as a person employed by Defendant in California, and was classified as an hourly or non-exempt employee, and who worked for Defendant during the PAGA Period. The “PAGA Period” covered by the Settlement means the period from October 22, 2022 to May 26, 2024. Based on its records, Defendant represented that there are 309 Aggrieved Employees who worked approximately 7,247 Pay Periods during the PAGA Period.

21. The Parties have agreed to settle the PAGA claim at issue in the PAGA Complaint for a non-reversionary Gross Settlement Amount of Three Hundred Sixty-Two Thousand One Hundred Dollars and Zero Cents (\$362,100.00). The Gross Settlement Amount is a common fund and therefore, includes all requested costs, fees, and other allocations. The Gross Settlement Amount includes: (1) Plaintiffs’ Counsel’s fees in the amount of thirty-five percent (35%) of the Gross Settlement Amount, equaling One Hundred Twenty-Six Thousand Seven Hundred Thirty-Five Dollars and Zero Cents (\$126,735.00); (2) Plaintiffs’ Counsel’s verified litigation costs and expenses of not more than Twenty Thousand Dollars and Zero Cents (\$20,000.00); (3) and

1 Settlement Administration Expenses, not to exceed Eight Thousand Dollars and Zero Cents
2 (\$8,000.00).

3 22. After the above-estimated amounts are deducted from the Gross Settlement
4 Amount, the PAGA Penalties will amount to approximately Two Hundred Seven Thousand
5 Three Hundred Sixty-Five Dollars and Zero Cents (\$207,365.00), of which seventy-five percent
6 (75%), or One Hundred Fifty-Five Thousand Five Hundred Twenty-Three Dollars and Seventy-
7 Five Cents (\$155,523.75), will be paid to the LWDA (“LWDA Payment”), and twenty-five
8 percent (25%), or Fifty-One Thousand Eight Hundred Forty-One Dollars and Twenty-Five Cents
9 (\$51,841.25), will be distributed and paid to Aggrieved Employees on a *pro-rata* basis based on
10 their number of pay periods worked for Defendant for at least one day during the PAGA Period
11 (“Pay Periods”).

12 23. Within fifteen (15) calendar days of the Court’s entry of an order granting
13 approval of the Settlement, Defendant will deliver Aggrieved Employee identifying information
14 in Defendant’s possession, including each Aggrieved Employee’s name, last-known mailing
15 address, Social Security number, and number of Pay Periods during the PAGA Period,
16 (collectively, the “Aggrieved Employee Data”) to the Administrator in the form of a Microsoft
17 Excel spreadsheet, or a comparable format.

18 24. Within fourteen (14) calendar days after the Effective Date, Defendant will fund
19 the Gross Settlement Amount by transmitting the funds to the Administrator.

20 25. Within fourteen (14) calendar days after Defendant funds the Gross Settlement
21 Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA
22 Payment, the Administration Expenses Payment, and the PAGA Counsel Fees and PAGA
23 Counsel Litigation Expenses Payment. Disbursement of the PAGA Counsel Fees and PAGA
24 Counsel Litigation Expenses Payment shall not precede disbursement of Individual PAGA
25 Payments.

26 26. Prior to mailing the Individual PAGA Payment checks, the Administrator will
27 update the Aggrieved Employees’ mailing addresses using the National Change of Address
28 Database. Additionally, for all Individual PAGA Payment checks that are returned as

undeliverable without a USPS forwarding address, the Administrator will conduct an investigation and search for current Aggrieved Employee mailing addresses using all reasonably available sources, methods, and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with the Aggrieved Employees, and the Administrator shall attempt one re-mailing of the Cover Letter and Individual PAGA Payment check. Within seven (7) calendar days of receiving a returned check, the Administrator will re-mail the check to the USPS forwarding address provided or to an address ascertained through the Aggrieved Employee Address Search. The Administrator will promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, if requested by the Aggrieved Employee prior to the Void Date.

27. Individual PAGA Payment checks that are issued to Aggrieved Employees will be valid and negotiable for up to one hundred and eighty (180) calendar days after the checks are initially mailed to the Aggrieved Employees, and thereafter, will be canceled. Any funds associated with such canceled checks will be distributed to the State of California's Unclaimed Property Fund in the name of the Aggrieved Employee.

28. If the actual number of Pay Periods during the PAGA Period exceeds 7,247 by more than ten percent (10%) (i.e., exceed 7,971 Pay Periods) then the Gross Settlement Amount will increase by the actual percentage over the 10% threshold. For example, if the total number of Pay Periods during the PAGA Period is 11% more than 7,247 (i.e., 8,044) then the Gross Settlement Amount will increase 1%.

The Settlement is Fair and Reasonable and Took Into Consideration the Strengths and Weaknesses of Plaintiffs' Claims and the Defenses thereto, as well as the Risks and Benefits of the Settlement

29. Here, the Settlement is presumptively fair because: (1) it occurred after counsel for the Parties engaged in significant investigation to evaluate the strength and potential value of the PAGA claim, and the risks of litigating this claim through trial; and (2) it was negotiated at great length and effort by counsel with significant experience in similar complex labor and employment matters.

1 30. This case and settlement address important employee protections embodied in the
2 California Labor Code. Plaintiffs core allegations are that Defendant systematically violated the
3 California Labor Code by, *inter alia*, failing to properly pay wages for all hours worked, failure to
4 pay overtime at the correct rate, failing to provide compliant meal and rest periods, failure to pay
5 premiums at the correct rate of pay, failing to timely pay wages during employment and upon
6 termination, failing to maintain accurate payroll records, failing to provide accurate wage
7 statements, and failing to reimburse necessary business expenses.

8 31. Defendant's maximum theoretical exposure, without stacking penalties, totals
9 approximately \$724,700.00, computed by multiplying 7,247 Pay Periods by \$100 each.

10 32. Defendant maintained several defenses to Plaintiffs' theories of liability, which,
11 if successfully argued and proven, had the potential to eliminate or substantially reduce recovery.
12 Throughout this litigation, Defendant maintained, and continues to maintain, that it had, and
13 continues to have, compliant employment policies and practices throughout the time period at
14 issue. Defendant denies that it ever violated any provision of the California Labor Code,
15 including, but not limited to, those sections for which Plaintiffs seek penalties under PAGA.
16 Defendant further denied, and continues to deny, that the lawsuit is appropriate for representative
17 treatment for any purpose other than settlement. Defendant also challenged Plaintiffs' standing
18 as aggrieved employees and denied that any of Defendant's other employees whom Plaintiffs
19 seek to represent are aggrieved. Defendant also argued that an important feature of PAGA is that
20 the Court retains discretion to lower the penalties if, based on the facts and circumstances of the
21 particular case, to do otherwise would result in an award that is "unjust, arbitrary and oppressive,
22 or confiscatory."

23 33. Even if violations of the California Labor Code occurred, which Defendant
24 denies, Defendant contended that said violations would only be considered "initial violations"
25 and thus heightened "subsequent violation" penalties were not warranted.

26 34. Defendant also contended that, with respect to PAGA claims, the Court was
27 unlikely to assess cumulative penalties for the maximum number of possible, separate California
28 Labor Code violations, because it would be unjust, arbitrary, oppressive, and/or confiscatory,

1 especially where certain conduct may be regulated by multiple provisions of the California Labor
2 Code that are interrelated and work in tandem. As such, Defendant contended that cumulative
3 penalties and heightened penalties would be unjust, arbitrary, oppressive, and confiscatory.

4 35. While Plaintiffs maintain that their PAGA claim has merit, in reaching the
5 Settlement, Plaintiffs and their counsel took into account the strengths and weaknesses of each
6 side's position, Defendant's financial position, and the uncertainty of how the case might have
7 concluded as litigation continued, at trial, and/or upon appeal. Notwithstanding the existence of
8 these issues, the Settlement achieves a sizeable benefit obtained.

9 **The Amount Offered in Settlement**

10 36. The PAGA Penalties are currently estimated to be \$207,365.00. After all
11 deductions from the Gross Settlement Amount are made for the PAGA Counsel Fees and
12 Litigation Expenses Payment, and Settlement Administration Expenses, \$155,523.75 (i.e. 75%
13 of the PAGA Penalties) will go to the LWDA, and \$51,841.25 (i.e. 25% of the PAGA Penalties)
14 will go to the Aggrieved Employees, as required by California Labor Code § 2699(i) ("civil
15 penalties recovered by aggrieved employees shall be distributed as follows: 75 percent to the
16 Labor and Workforce Development Agency . . . and 25 percent to the aggrieved employees.").
17 There is no reason to doubt the fairness of the proposed plan of allocation of the PAGA Penalties
18 as it fully complies with California Labor Code section 2699(i).

19 37. The Settlement is a compromise of highly disputed claims. Plaintiffs and PAGA
20 Counsel recognize the expense and length of continued proceedings necessary to litigate the
21 matter through trial and any possible appeals. Plaintiffs and PAGA Counsel have also taken into
22 account the uncertainty and risk of the outcome of further litigation, and the difficulties and
23 delays inherent in such litigation. Plaintiffs and PAGA Counsel are also aware of the burdens of
24 proof necessary to establish liability, both generally and in response to Defendant's defenses
25 thereto, and the difficulties in establishing Defendant's liability for, and the right to recover,
26 penalties on behalf of Plaintiffs, the State of California, and other Aggrieved Employees.
27 Plaintiffs and PAGA Counsel have also taken into account Defendant's agreement to enter into
28 a settlement that confers significant relief upon the Aggrieved Employees and the State of

1 California. Considering all of the facts in this case, Plaintiffs and PAGA Counsel have
2 determined that the Settlement represents a fair, adequate, and reasonable resolution of the PAGA
3 claim, and that it is in the best interests of the Aggrieved Employees and the State of California.

4 38. The result achieved in this case is well within the range of what is considered an
5 acceptable settlement under the circumstances, especially when compared to the settlement of
6 PAGA claims in other cases.

7 **The Settlement was Negotiated by Experienced Counsel**

8 39. PAGA Counsel is experienced in complex representative and class action wage-
9 and-hour litigation. In the view of PAGA Counsel, the benefits conferred by the Settlement are
10 eminently fair and reasonable, and in the best interests of the State of California and the
11 Aggrieved Employees in light of the risk, delay, and uncertainty of continued litigation and the
12 substantial monetary benefits provided for by the Settlement.

13 40. Here, the extent of informal discovery conducted was sufficient to enable PAGA
14 Counsel to evaluate the strength and value of the PAGA claim for purposes of settlement. The
15 settlement negotiations were conducted by highly capable and experienced counsel. PAGA
16 Counsel are respected members of the bar with strong records of vigorous and effective
17 advocacy, and are experienced in handling complex wage and hour class action litigation.
18 Accordingly, PAGA Counsel had sufficient information and experience to act intelligently in
19 negotiating the Settlement.

20 **The Requested PAGA Counsel Fees Payment is Fair and Reasonable**

21 41. PAGA Counsel's application for attorneys' fees in light of the facts and
22 circumstances surrounding the case is well-within the range of reasonableness. PAGA Counsel
23 has vigorously litigated this case since it was commenced, with the very real possibility of an
24 unsuccessful outcome and no fee recovery of any kind.

25 42. In the present case, PAGA Counsel has borne all of the risks and costs of litigation
26 and will not receive any compensation until recovery is obtained. PAGA Counsel is experienced
27 in complex wage-and-hour litigation and used that experience to obtain a favorable result for
28 Plaintiffs, the Aggrieved Employees, and the State of California. Considering the amount of fees

requested, work performed, risks incurred, and experience of PAGA Counsel in handling similar matters, Plaintiffs maintain that the requested attorneys' fees of thirty-five percent (35%) of the Gross Settlement Amount (i.e., \$126,735.00) is reasonable and should be awarded.

43. The effectiveness of Blackstone Law, APC's prosecution of this matter has translated into tangible monetary benefits for the Aggrieved Employees as follows: (1) Aggrieved Employees will obtain monetary recovery over a relatively short period of time, as opposed to waiting additional years for the same, or potentially worse, result; (2) a guaranteed result that compares favorably with other representative PAGA actions of this type, given the strengths and weaknesses of the case; and (3) significant savings in PAGA Counsel's fees and/or costs that would have only increased substantially had the case progressed through trial and/or appeals. The attorneys who worked on this case are all experienced in litigating wage and hour matters as follows:

a. Barbara DuVan-Clarke is a 16-year litigator who joined Blackstone in September 2022 as a Senior Trial Attorney and Team Lead, building on her entire career of litigating single-plaintiff employment, catastrophic injury, and class/PAGA matters with well-known plaintiff-side wage and hour law firms in Los Angeles. She earned her Bachelor of Arts degree from the University of California at Los Angeles in 2003, and then obtained her Juris Doctorate from Case Western Reserve University in Cleveland, Ohio in 2007. Her billable rate is \$1,050 per hour, which is well within the prevailing rate for attorneys with her experience in this area of practice in Southern California. She has been approved at that rate most recently in the case entitled *Sanchez v. Greenworld* earlier in 2024. I am personally familiar with Blackstone's roster of hourly clients, and Ms. DuVan-Clarke currently has hourly clients at her \$1,050 rate. Ms. DuVan-Clarke also maintains leadership roles in the California Employment Lawyers' Association ("CELA") and other organizations.

b. Alexander K. Spellman is a Senior Associate Attorney at Blackstone. He graduated from University of California at Los Angeles in 2001, with a Bachelor

1 of Arts degree in American Literature and Culture. He then obtained his Juris
2 Doctorate from Loyola Law School, graduating in 2006, and was admitted to the
3 California State Bar in July 2007. He has been practicing exclusively labor and
4 employment law since 2016. He is a member of CELA, sitting on the CELA
5 Legislative Committee, the CELA Mentorship Committee, and the CELA
6 Women’s Committee. He is also a member of the Consumer Attorney Association
7 of Los Angeles (“CAALA”) and the plaintiff employment law organization
8 LEFTJAW. His hourly rate of \$950 is reasonable based on his education and
9 experience and is in line with the market rate.

10 c. P.J. Van Ert is an accomplished attorney who joined Blackstone in 2023, after
11 having worked at an employment litigation firm for 2 years, and prior to that,
12 having served as a District Attorney for over 13 years. In that role, she was a
13 prolific trial attorney, and it is my understanding that she tried over 50 jury trials
14 to verdict. She graduated from University of California at Davis in 2000, with a
15 Bachelor of Arts degree, and from University of California at Los Angeles School
16 of Law with a Juris Doctorate in 2004. She was admitted to the State Bar of
17 California in December 2004. Her hourly rate of \$750 is reasonable based on her
18 education and experience and is in line with the market rate.

19 d. Annabel Blanchard is an experienced attorney who recently joined Blackstone in
20 2024 from a highly reputable plaintiff’s side employment law firm. Prior to
21 working in employment law, she practiced in the areas of estate planning, and
22 special needs advocacy, representing individuals with special needs in advancing
23 their financial, educational, and civil rights. She graduated from University of
24 California at Berkeley with a Bachelor of Arts degree in 2001, and from
25 Southwestern University School of Law with a Juris Doctorate in 2008. She was
26 admitted to the State Bar of California in December 2008. Her hourly rate of \$750
27 is reasonable based on her education and experience and is in line with the market
28 rate.

44. PAGA Counsel has spent approximately 234.9 total hours litigating this matter. To date, our total fees incurred amount to \$217,150.00. Each attorney who worked on this matter engaged in a multitude of tasks, including communicating with the clients and defense counsel; investigating the facts and researching applicable legal issues; drafting pleadings, discovery, and briefs; reviewing documents; preparing for and attending mediation; and facilitating the settlement by drafting the settlement documents and documents for obtaining settlement approval. A summary of PAGA Counsel's lodestar for each attorney who worked on this case is as follows:

<u>Attorney</u>	<u>Position</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
Jonathan M. Genish	Managing Partner	22.3	\$1,200	\$26,760.00
Barbara DuVan-Clarke	Senior Trial Attorney/Team Lead	52.80	\$1,050	\$55,440.00
Alexander K. Spellman	Senior Associate	75.5	\$950	\$71,725.00
P.J. Van Ert	Associate	55.1	\$750	\$41,325.00
Annabel Blanchard	Associate	29.2	\$750	\$21,900.00

45. We expect to spend an additional 10 hours (\$7,750) in connection with finalizing the Motion, preparing for the approval hearing, and managing the Settlement through its conclusion, including anticipated communications with defense counsel, the Administrator, and our clients. Based thereon, the total amount of Blackstone's fees through closure of this case are estimated to be approximately \$224,900.00.

The Requested PAGA Counsel Litigation Expenses Payment is Fair and Reasonable

46. The Settlement provides for reimbursement of litigation costs and expenses of not more than \$20,000.00. Under the Agreement, PAGA Counsel will be seeking reimbursement of litigation expenses in the total amount of \$20,000.00, which is less than the actual costs (\$22,420.96) incurred, but is in compliance with the maximum amount agreed to in the Settlement. PAGA Counsel's expenses are detailed in **Exhibit 4** attached hereto.

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EXHIBIT 1



8383 Wilshire Blvd., Suite 745
Beverly Hills, CA 90211
Phone: (310) 622-4278
Fax: (855) 786-6356

Alexander K. Spellman, Esq.
aspellman@blackstonepc.com

October 23, 2023

PAGA Claim Notice Via Online Electronic Submission

California Labor & Workforce Development Agency

800 Capitol Mall, Suite 5000 (MIC-55)

Sacramento, CA 95814

<https://www.dir.ca.gov/Private-Attorneys-General-Act/Private-Attorneys-General-Act.html>

RE: *Christa Morton v. PSI Services LLC*

Cindy Bravo v. PSI Services LLC

Dear Representative:

This office represents Christa Morton and Cindy Bravo (“Claimant Morton” and “Claimant Bravo”, respectively; collectively, “Claimants”) with respect to their claims under the California Labor Code against PSI Services, LLC. (including any and all affiliates, subsidiaries, parents, directors, and officers thereof) (collectively referred to herein as “Employers”). This letter is being sent simultaneously to Employers by certified mail.

Employers employed Claimants from approximately December 2020 through the present for Claimant Morton and November 2018 through the Present for Claimant Bravo as non-exempt, hourly-paid employees. During their employment with Employers, Claimants were employed as Shift Leads at Employers location at 351 East Barstow Ave Suite 101, Fresno, CA 93710. Employers provide test and testing services and maintain employees throughout California, including in Los Angeles County and Glendale where Employers maintain headquarters, as well as the location(s) where Claimants work and worked.

Claimants intend to bring a representative action seeking penalties for violations of the California Labor Code which are recoverable under the Labor Code Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq.* (“PAGA”). Claimants are seeking penalties on behalf of themselves and in a representative capacity on behalf of the State of California and all current and former hourly-paid and/or non-exempt employees who worked for Employers in the State of California during the relevant statutory period (“Aggrieved Employees”). This letter

is being sent in compliance with California Labor Code section 2699.3 and shall serve as Claimants' notice of the provisions of the California Labor Code alleged to have been violated, including the facts and theories in support thereof.

As detailed below, Employers violated several of California's wage and hour laws during Claimants' employment, including but not limited to California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, 2802, and the Industrial Welfare Commission Wage Orders ("IWC Wage Orders"). The claims made on behalf of Claimants and Aggrieved Employees are based upon the following facts and theories:

1. FAILURE TO PAY FOR ALL TIME WORKED AT CORRECT RATES OF PAY, INCLUDING MINIMUM WAGES, STRAIGHT TIME WAGES, AND OVERTIME COMPENSATION

Employers engaged in numerous unlawful practices which resulted in the failure to pay Claimants and other Aggrieved Employees for all time worked at the correct rates of pay, including minimum wages, straight time/regular rate wages, and overtime compensation.

California Labor Code sections 1194, 1197, and 1197.1 and IWC Wage Orders require employers to pay at least the legal minimum wage to their employees. California Labor Code sections 510 and 1198 and IWC Wage Orders further require employers to pay no less than one and one-half times the regular rate of pay of the employee for hours worked in excess of eight (8) hours in one workday, for hours worked in excess of forty (40) hours in one workweek, and for the first eight (8) hours worked on the seventh day of work in any one workweek, and to pay no less than twice the regular rate of pay of the employee for hours worked in excess of twelve (12) hours in one workday and for any work in excess of eight (8) hours on any seventh day of a workweek.

Employers regularly required Claimants and other Aggrieved Employees to perform work off-the-clock. This off-the-clock work included, amongst other things, requiring Claimants and other Aggrieved Employees to provide Shift Lead services to Employers, such as (1) arriving to work 30 minutes prior to clock in each day to perform regular preparation duties for post-clock in; (2) perform regular work duties while clocked out for meal periods; and (3) respond to work-related communications (*e.g.*, texts, emails, phone calls, etc.) between shifts, or during medical leave. Employers failed to compensate Claimants and other Aggrieved Employees for any of this off-the-clock work, in violation of California law. In addition, Employers utilized time rounding practices that resulted in the systematic underpayment of wages (including minimum wages, straight time wages and overtime wages) to Claimants and Aggrieved Employees.

Employers also failed to accurately record the actual time worked by Claimants and

Aggrieved Employees. Moreover, the uncompensated work described herein was often performed when Claimants and other Aggrieved Employees had already worked eight (8) hours in a day and/or forty (40) hours in week resulting in a failure to pay overtime compensation. Finally, Employers failed to pay overtime to Claimants and Aggrieved Employees for all overtime hours worked based on regular rates of pay correctly calculated to include all applicable remuneration, including non-discretionary commissions, non-discretionary bonuses, and non-discretionary performance pay.

As a result of the foregoing practices, Employers have failed to pay Claimants and other Aggrieved Employees for all wages earned at the correct rates of pay, including minimum wages, straight time wages, and overtime compensation. Accordingly, Employers violated IWC Wage Orders and California Labor Code sections 204, 510, 1194, 1197, 1197.1 and 1198.

Claimants and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to paragraph of the applicable IWC Wage Orders; penalties pursuant to California Labor Code sections 558, 1197.1, and 1199; and attorneys' fees and costs.

2. FAILURE TO PROVIDE MEAL PERIODS AND PAY MEAL PERIOD PREMIUMS

California law requires employers to provide employees with an opportunity to take an uninterrupted meal period of no less than thirty (30) minutes before the end of the fifth hour of work when an employee works more than five (5) hours in a day. Cal. Lab. Code §§ 226.7, 512(a). A second meal period of no less than thirty (30) minutes must be provided before the end of the tenth hour of work when an employee works more than ten (10) hours in a day. Cal. Lab. Code §§ 226.7, 512(a). When an employer fails to provide a meal or rest period, an hour of pay at the employee's regular rate of compensation is owed to the employee. Cal. Lab. Code § 226.7(c).

Employers failed to provide Claimants and other Aggrieved Employees with legally compliant 30-minute meal periods. Claimants and other Aggrieved Employees were required by Employers to work more than five (5) hours per day but were not provided with uninterrupted 30-minute meal periods. Further, Claimants and other Aggrieved Employees were not provided with a second uninterrupted 30-minute meal period when they worked over ten (10) hours per day. Employers regularly required Claimants and other Aggrieved Employees to work through their first and second meal periods, to take their first meal period after their fifth (5th) hour of work, and/or to take their second meal periods after their tenth (10th) hour of work. Meal periods, when provided, were oftentimes interrupted or cut short.

Employers' policies, practices, and procedures were responsible for the violations alleged

above and prevented Claimants and other Aggrieved Employees from taking timely, complete and duty-free meal periods because, amongst other reasons: (1) Employers did not have legally-compliant policies regarding the provision and timing of meal periods or systematically disregarded its own purported meal period policies; (2) Employers' management at various levels failed and refused to implement and enforce legally compliant meal period policies and practices; (3) Employers failed to adequately inform and train Claimants and other Aggrieved Employees regarding their right to take timely, uninterrupted, and duty-free meal periods; (4) Employers failed to adequately inform and train Claimants and other Aggrieved Employees about their right to premium wages for non-compliant meal periods; (5) Employers failed to ensure that there was adequate staffing to allow Claimants and other Aggrieved Employees to take timely, uninterrupted, and duty-free meal periods; (6) Employers required Claimants and other Aggrieved Employees to respond to work-related requests at all times, including during meal periods; and (7) Employers' policy and culture prevented Claimants and other Aggrieved Employees from taking timely, uninterrupted, and duty-free meal periods because of the priority placed on maximizing profits over employees' right to receive timely, uninterrupted, and duty-free meal periods.

Claimants and other Aggrieved Employees did not receive an extra hour of wages at their regular rate of pay for the meal periods which were not provided to them in compliance with California law. Accordingly, Employers violated the applicable IWC Wage Orders and California Labor Code sections 226.7, 512(a) and 1198.

Claimants and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to penalties paragraph of the applicable IWC Wage Orders; penalties pursuant to California Labor Code sections 558 and 1199; and attorneys' fees and costs.

3. FAILURE TO AUTHORIZE AND PERMIT REST PERIODS AND PAY REST PERIOD PREMIUMS

California law requires employers to authorize and permit employees to take an uninterrupted rest period of no less than ten (10) minutes rest for every four (4) hours, or major fraction thereof, worked. Cal. Lab. Code § 226.7. When an employer fails to authorize and permit a rest period, an hour of pay at the employee's regular rate of compensation is owed to the employee. Cal. Lab. Code § 226.7(c).

Employers failed to authorize and permit Claimants and other Aggrieved Employees to take legally compliant 10-minute rest periods. Employers required Claimants and other Aggrieved

Employees to work through rest periods. Claimants and Aggrieved Employees were not provided with uninterrupted, duty-free rest periods when they worked more than four (4) hours or a major fraction thereof. Further, Claimants and other Aggrieved Employees were not provided with a second uninterrupted, duty-free rest period when they worked more than six (6) hours in a day, or a third uninterrupted, duty-free rest period after working more than ten (10) hours in day. In the rare event that a rest period was taken, it was frequently interrupted or cut short. Moreover, Claimants and other Aggrieved Employees were not completely relieved of duty as required by *Augustus v. ABM Security Services, Inc.*, 2 Cal.5th 257 (2016).

Employers' policies, practices, and procedures were responsible for the violations alleged above and prevented Claimants and other Aggrieved Employees from taking timely and complete rest periods because, amongst other reasons: (1) Employers did not have legally-compliant policies regarding the provision and timing of rest periods or systematically disregarded its own purported rest period policies; (2) Employers' management at various levels failed and refused to implement and enforce legally compliant rest period policies and practices; (3) Employers failed to adequately inform and train Claimants and other Aggrieved Employees regarding their right to take timely, uninterrupted, and duty-free rest periods; (4) Employers failed to adequately inform and train Claimants and other Aggrieved Employees about their right to premium wages for non-compliant rest periods; (5) Employers failed to ensure that there was adequate staffing to allow Claimants and other Aggrieved Employees to take timely, uninterrupted, and duty-free rest periods; (6) Employers required Claimants and other Aggrieved Employees to respond to work-related requests at all times, including during rest periods; and (7) Employers' policy and culture prevented Claimants and other Aggrieved Employees from taking timely, uninterrupted, and duty-free rest periods because of the priority placed on completing job requirements over employees' right to receive rest periods.

Claimants and other Aggrieved Employees did not receive an extra hour of wages at their regular rate of pay for the rest periods which were not provided to them in compliance with California law. Accordingly, Employers violated the applicable IWC Wage Orders and California Labor Code sections 226.7, and 1198.

Claimants and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to paragraph of the applicable IWC Wage Orders; Labor Code sections 558 and 1199 penalties; and attorneys' fees and costs.

4. FAILURE TO TIMELY PAY WAGES DURING EMPLOYMENT

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those

wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. During the relevant time period, Employers have failed to timely pay all wages earned because Claimants and other Aggrieved Employees were not paid all the wages they were owed including, *inter alia*, straight time/regular rate wages, minimum wages, overtime wages, meal and rest period premiums, or any other wages as they became due (*e.g.*, gratuities, bonuses, commissions, etc.). Accordingly, Employers violated California Labor Code section 204(a).

Claimants and Aggrieved Employees will therefore seek PAGA default penalties pursuant to Labor Code section 2699; penalties pursuant to California Labor Code sections 210 and 1199; and attorneys' fees and costs.

5. FAILURE TO PROVIDE ACCURATE ITEMIZED WAGE STATEMENTS

California Labor Code section 226(a) requires an employer semimonthly or at the time of each payment of wages to furnish wage statements to its employees setting forth, *inter alia*, (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number, and (8) the name and address of the legal entity that is the employer.

As a result of the practices described herein, the wage statements provided to Claimants and other Aggrieved Employees failed to include the actual hours worked (including time spent working off-the-clock), the actual gross wages earned (including wages owed for time spent working off the clock and meal and rest period premiums), and the correct rates of pay. The wage statements provided to Claimants and other Aggrieved Employees also failed to include the name of the legal entity that employed Claimants and the Aggrieved Employees. Accordingly, Employers violated California Labor Code section 226(a).

Claimants and Aggrieved Employees will therefore seek PAGA default penalties; penalties pursuant to California Labor Code section 226.3; and attorneys' fees and costs.

6. FAILURE TO MAINTAIN ACCURATE RECORDS

California Labor Code section 1174(d) requires an employer to keep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept with rules established for this purpose by the commission, but in any case, shall be kept on file for not less than two years. During the relevant time period, Employers have failed to maintain accurate records relating to Claimants and other Aggrieved Employees' work periods, meal periods, total daily hours worked, and total hours worked per payroll period. Accordingly, Employers violated the applicable IWC Wage Orders and California Labor Code sections 1198.5 and 1174(d).

Claimants and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to penalties paragraph of the applicable IWC Wage Orders; California Labor Code section 1174.5 penalties; and attorneys' fees and costs.

7. FAILURE TO REIMBURSE NECESSARY EXPENDITURES

California Labor Code sections 2800 and 2802 require an employer to reimburse its employees for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. The IWC Wage Orders require employers to provide employees with the tools or equipment necessary for the performance of their job. During the relevant time period, Claimants and Aggrieved Employees incurred necessary business-related expenses and costs that were not fully reimbursed by Employers. These costs include but are not limited to: (1) the usage of personal cell phones and related internet usage for responding to work related communications while on or off-the-clock; and (2) unreimbursed mileage while Claimants and Aggrieved employees were required to use personal vehicles to run errands for work-related purposes.

Accordingly, Employers violated the IWC Orders and California Labor Code sections 2800 and 2802. Claimants and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to penalties paragraph of the applicable IWC Wage Orders; and attorneys' fees and costs.

8. FAILURE TO TIMELY PAY ALL WAGES UPON TERMINATION OF EMPLOYMENT

California Labor Code sections 201 and 202 provide that if an employer discharges an

employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and if an employee quits his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours' notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

During the relevant time period, upon the termination of employment (including but not limited to when they were temporarily laid off, laid off, discharged, and/or resigned), Aggrieved Employees were not paid all wages due to them within twenty-four (24) hours or even within seventy-two (72) hours for those who resigned. Specifically, as a result of Employers' practices of requiring Claimants and Aggrieved Employees to work off-the-clock without compensation, failing to pay proper overtime compensation, unlawful rounding practices, failure to properly calculate regular rates, and failure to accurately record all hours actually worked, Employers failed to pay Claimants and Aggrieved Employees for all straight time/regular rate wages, minimum wages and overtime compensation owed to them upon termination of their employment. Employers also failed to pay Claimants and Aggrieved Employees for meal period premiums and rest period premiums they were owed, amongst other wages (*e.g.*, gratuities, bonuses, commissions, etc.). Accordingly, Employers violated California Labor Code sections 201 and 202.

Claimants and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to California Labor Code sections 203 and 1199; and attorneys' fees and costs.

9. EMPLOYERS' OTHER VIOLATIONS OF THE CALIFORNIA LABOR CODE

Finally, pursuant to *Huff v. Securitas Security Services USA, Inc.* (2018) 25 Cal.App.5th 745 ("*Huff*"), as an Aggrieved Employee, Claimants have standing, and intend, on behalf of LWDA, to pursue civil penalties against Employers for any and all other Labor Code violations committed by Employers. In *Huff*, the California Court of Appeals held that an employee alleging a single violation of the Labor Code under PAGA may also bring PAGA claims against Employers for all other alleged Labor Code violations, even those suffered by other employees of the same employer. According to the *Huff* decision, Claimants, as "aggrieved" employees affected by at least one Labor Code violation may, and hereby do, pursue penalties on behalf of LWDA for unrelated Labor Code violations by Employers.

Employers are in direct violation of numerous California wage and hour laws including but not limited to said sections stated above. We hereby provide notice under the California Labor Code Private Attorneys General Act of 2004, California Labor Code Sections 2698, *et seq.*, and specifically ask for an investigation, or if the agency does not intend to investigate the alleged violations, a letter confirming the same so that we may allege a cause of action under PAGA



8383 Wilshire Blvd., Suite 745
Beverly Hills, CA 90211
Phone: (310) 622-4278
Fax: (855) 786-6356

against Employers for the violations discussed in this letter.

This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3. By law, an employee alleging a violation of one of the above referenced sections must notify his or her employer and the Labor and Workforce Development Agency (LWDA) before he or she can invoke the provisions of Sections 2699, *et seq.*, by seeking redress in court. Cal. Lab. Code § 2699.3(a)(1). The LWDA must then notify the employer and the employee within 60 calendar days regarding whether it intends to investigate the alleged violation. Cal. Lab. Code § 2699.3(a)(2)(B). If the LWDA advises it will not investigate, or if no notice is provided within 65 calendar days, the employee may file a lawsuit invoking the provisions under Labor Code § 2699. Cal. Lab. Code § 2699.3(a)(2)(A). It is Claimants' intention to file a civil complaint and to bring the appropriate claims under California Labor Code § 2699 on behalf of themselves, the State of California and all Aggrieved Employees should your office not address Employers' alleged violations within this time.

If you have any questions or require additional information, please do not hesitate to contact my office. Thank you for your attention to this matter.

BLACKSTONE LAW

Alexander Spellman

Alexander K. Spellman, Esq.

cc: By U.S. Certified Mail, Return Receipt Requested

PSI Services LLC
611 N. Brand Blvd, 10th Floor
Glendale, CA 91203

EXHIBIT 2

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiffs CHRISTA MORTON and CINDY BRAVO (collectively, “Plaintiffs”) and Defendant PSI SERVICES LLC (“PSI”). The Agreement refers to Plaintiffs and PSI collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

1.1. “Action” means the Plaintiffs’ PAGA lawsuit alleging wage and hour violations against PSI captioned *Christa Morton and Cindy Bravo v. PSI Services LLC* initiated on January 2, 2024, and pending in Superior Court of the State of California, County of Fresno.

1.2. “Administrator” means Apex Class Action LLC, 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 approval of this Settlement.

1.4. “Aggrieved Employee” means a person employed by PSI in California and classified as an hourly or non-exempt employee who worked for PSI during the PAGA Period.

1.5. “Aggrieved Employee Data” means Aggrieved Employee identifying information in PSI’s possession including the Aggrieved Employee’s name, last-known mailing address, Social Security number, and number of PAGA Pay Periods.

1.6. “Aggrieved Employee Address Search” means the Administrator’s investigation and search for current Aggrieved Employee mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Aggrieved Employees.

1.7. “Court” means the Superior Court of California, County of Fresno.

1.8. “Defense Counsel” means:

Lonnie D. Giamela, Esq. (lgiamela@fisherphillips.com)

Carol A. Ibrahim, Esq. (cibrahim@fisherphillips.com)

FISHER & PHILLIPS LLP

444 South Flower Street, Suite 1500

Los Angeles, CA 90071

Telephone: (213) 330-4500

Facsimile: (213) 330-4501

1.9. “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Approving the PAGA Settlement and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (i) the 65th day after the Court enters Judgment, if no appeal has been filed, or (ii) if an appeal to the Approval Order and Judgment is filed, the day the Court of Appeals enters its judgment upholding the Court’s Approval Order and Judgment, or (iii) the day upon which all appeals, reviews, or writs are dismissed, denied, and/or exhausted, and the Approval Order and Judgment is no longer subject to judicial review.

1.10. “Gross Settlement Amount” means \$362,100.00 which is the total amount PSI agrees to pay under the Settlement. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administrator’s Expenses Payment.

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

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

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

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

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

1.16. “PAGA Counsel” means:

Jonathan M. Genish (jgenish@blackstonepc.com)
Barbara DuVan-Clarke (bdc@blackstonepc.com)
Alexander K. Spellman (aspellman@blackstonepc.com)
P.J. Van Ert (pjvanert@blackstonepc.com)
Annabel Blanchard (ablanchard@blackstonepc.com)
BLACKSTONE LAW, PC
8383 Wilshire Boulevard, Suite 745
Beverly Hills, California 90211
Telephone: (310) 956-4054
Facsimile: (855) 786-6356

1.17. “PAGA Counsel Fees Payment” and “PAGA Counsel Litigation Expenses Payment” mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.

1.18. “Pay Period” means any Pay Period during which an Aggrieved Employee worked for PSI for at least one day during the PAGA Period.

1.19. “PAGA Period” means the period from October 22, 2022 to May 26, 2024.

1.20. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

1.21. “PAGA Notice” means Plaintiffs’ October 23, 2023 letter to PSI and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).

1.22. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees and 75% to the LWDA in settlement of PAGA claims. The PAGA Penalties amount will be arrived at by deducting from the Gross Settlement Amount the following: the PAGA Counsel Fees Payment, the PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment.

1.23. “Plaintiffs” means CHRISTA MORTON and CINDY BRAVO, the named plaintiffs in the Action.

1.24. “Approval Order” means the proposed Court Order Granting Approval of PAGA Settlement.

1.25. “Released PAGA Claims” means the claims being released by the State of California as pertains to the Aggrieved Employees, the Plaintiffs, and PAGA Counsel and as described in Paragraph 5 below.

1.26. “Released Parties” means: PSI and each of its former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates.

1.27. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

1.28. “PSI” means named Defendant PSI SERVICES LLC.

2. RECITALS.

2.1. On January 2, 2024, Plaintiffs commenced this Action by filing a Complaint for Enforcement Action Under the Private Attorneys General Act, Cal. Labor Code §§ 2698 *Et Seq.* alleging a single cause of action against PSI under PAGA for the following labor code violations: failure to pay minimum wages in violation of California Labor Code §§ 1194, 1197, 1197.1; failure to pay overtime wages in violation of California Labor Code §§ 510, 1198; failure to provide compliant meal periods in violation of California Labor Code §§ 226.7, 512; failure to provide compliant rest periods in violation of California Labor Code §§ 226.7; failure to provide accurate, itemized wage statements in violation of California Labor Code § 226(a); failure to reimburse

business expenses in violation of California Labor Code § 2800, 2802; failure to pay all wages in a timely manner during employment in violation of California Labor Code § 204; failure to pay all wages in a timely manner at time of discharge from employment in violation of California Labor Code § 201, 202, 203; and failure to keep complete and accurate payroll records in violation of California Labor Code § 1174(d) (the “Operative Complaint.”). PSI denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified 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), Plaintiffs gave timely written notice to PSI and the LWDA by sending the PAGA Notice.

2.3. On April 26, 2024, the Parties participated in an all-day mediation presided over by Monique Ngo-Bonnici which led to this Agreement to settle the Action.

2.4. Prior to mediation, Plaintiffs obtained, through informal discovery, payroll and time records for an adequate and representative sample of the Aggrieved Employees. Plaintiffs’ 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. The Parties, PAGA Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, PSI promises to pay \$362,100.00 and no more as the Gross Settlement Amount. PSI has no obligation to pay the Gross Settlement Amount prior to the deadlines stated in Paragraph 4 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to PSI.

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

3.2.1. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than 35% of the Gross Settlement Amount (e.g., 35% of \$362,100), which is \$126,735.00 (subject to increase pursuant to Paragraph 8 below) and PAGA Counsel’s verified Litigation Expenses Payment of not more than \$20,000.00. PSI will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. Plaintiffs and/or PAGA Counsel will file an application or motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the PAGA Penalties amount. Released Parties

shall have no liability to PAGA Counsel or any other Plaintiffs' Counsel arising from any claim to any portion any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds PSI harmless, and indemnifies PSI, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.2. To the Administrator: An Administrator Expenses Payment not to exceed \$8,000 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 \$8,000, the Administrator will direct the remainder to the PAGA Penalties amount.

3.2.3. To the LWDA and Aggrieved Employees: PAGA Penalties in the estimated amount of \$207,365.00 to be paid from the Gross Settlement Amount, with 75% (estimated at \$155,523.75) allocated to the LWDA PAGA Payment and 25% (estimated at \$51,841.25) allocated to the Individual PAGA Payments.

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

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Aggrieved Employee Pay Periods. Based on a review of its records to date, PSI estimates there are 309 Aggrieved Employees who worked a total of 7,247 Pay Periods.

4.2. Aggrieved Employee Data. Within 15 days of the Court's entry of an order approving the Settlement, PSI will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect the Aggrieved Employees' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. PSI has a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which PSI must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

4.3. Funding of Gross Settlement Amount. PSI shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than 14 days after the Effective Date.

4.4. Payments from the Gross Settlement Amount. Within 14 days after PSI funds the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA Counsel Fees and PAGA Counsel Litigation Expenses Payment. Disbursement of the PAGA Counsel Fees and PAGA Counsel Litigation Expenses Payment shall not precede disbursement of Individual PAGA Payments.

4.4.1. The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided ("Void Date"). The Administrator will cancel all checks not cashed by the Void Date. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

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

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

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

5. RELEASES OF CLAIMS. Effective on the date when PSI fully funds the entire Gross Settlement Amount, Plaintiffs and PAGA Counsel will release claims against all Released Parties as follows:

5.1 Plaintiffs' Release. Plaintiffs and their respective former and present spouses, representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors,

and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences that occurred during the PAGA Period, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained in the Operative Complaint and the PAGA Notice (“Plaintiffs’ Release”). Plaintiffs’ 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 PAGA Period. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believe to be true but agree, nonetheless, that Plaintiffs’ Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs’ discovery of them.

5.1.1 Plaintiffs’ Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiffs’ Release, Plaintiffs expressly waive and relinquish 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.

5.2 Release by Aggrieved Employees:

All 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 all claims arising during the PAGA Period for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint, and the PAGA Notice (“Released PAGA Claims”).

5.3 Release by PAGA Counsel:

PAGA Counsel release on behalf of their present and former attorneys, employees, agents, successors and assigns the Released Parties from all claims arising during the PAGA Period for PAGA Fees incurred in connection with the Operative Complaint and the facts stated in the Operative Complaint and the PAGA Notice.

6. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT. The Parties agree to jointly prepare and file an application or motion for approval of this Settlement.

6.1 Plaintiffs’ Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subd. (f)(2) including (i) a draft proposed Order Granting Approval of PAGA Settlement; (ii) a signed declaration from 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 Aggrieved Employee 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 Aggrieved Employees or the LWDA; and the nature and extent of any

financial relationship with Plaintiffs, PAGA Counsel or Defense Counsel; (iii) a signed declaration from PAGA Counsel firm attesting to its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); (iv) a redlined version of the Parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (v) all facts relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the Administrator. In their Declarations, Plaintiffs and PAGA Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2 Responsibilities of Counsel. PAGA Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the application or motion for approval of this Settlement no later than 45 days after the full execution of this Agreement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. PAGA Counsel is responsible for delivering the Court's Approval Order to the Administrator.

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

7. SETTLEMENT ADMINISTRATION.

7.1 Selection of Administrator. The Parties have jointly selected Apex Class Action LLC to serve as the Administrator and verified that, as a condition of appointment, Apex agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

7.2 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.

7.3 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.

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

8. AGGRIEVED EMPLOYEE GROUP SIZE ESTIMATES and ESCALATOR CLAUSE

Based on its records, PSI estimates that, as of the date of this Settlement Agreement, there are 309 Aggrieved Employees who worked 7,247 Pay Periods during the PAGA Period. This is a material representation, relied upon by Plaintiff in entering into this Settlement. Should the actual number of Pay Periods during the PAGA Period increase beyond 10% above the 7,247 estimate, the Gross Settlement Amount shall increase proportionally for each Pay Period above the 10% threshold.

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

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

10. ADDITIONAL PROVISIONS.

10.1 No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by PSI that any of the allegations in the Operative Complaint have merit or that PSI has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that PSI's defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If, for any reason the Court does not approve this Settlement, PSI reserves all available defenses to the claims in the Action, and Plaintiffs reserve the right to contest PSI'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).

10.2 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

10.3 Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and PSI, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms,

and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

10.4 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence, and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

10.5 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

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

10.7 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.

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

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

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

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

10.12 Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the PAGA Data provided to PAGA Counsel by PSI 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.

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

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

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

To Plaintiffs:

Jonathan M. Genish (jgenish@blackstonepc.com)
Barbara DuVan-Clarke (bdc@blackstonepc.com)
Alexander K. Spellman (aspellman@blackstonepc.com)
P.J. Van Ert (pjvanert@blackstonepc.com)
Annabel Blanchard (ablanchard@blackstonepc.com)
BLACKSTONE LAW, PC
8383 Wilshire Boulevard, Suite 745
Beverly Hills, California 90211

To PSI:

Lonnie D. Giamela, Esq. (lgiamela@fisherphillips.com)
Carol A. Ibrahim, Esq. (cibrahim@fisherphillips.com)
FISHER & PHILLIPS LLP
444 South Flower Street, Suite 1500
Los Angeles, California 90071

10.16 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e., DocuSign or similar electronic signature provider), 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.

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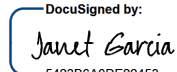
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10.17 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant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



Christa Morton, Plaintiff

DocuSigned by:

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Janet Garcia
For PSI SERVICES LLC



Cindy Bravo, Plaintiff



Barbara DuVan-Clarke
Counsel For Plaintiffs



Lonnie D. Giamela
Counsel For Defendant PSI SERVICES LLC

EXHIBIT 3

EXHIBIT A

Christa Morton and Cindy Bravo v. PSI Services, LLC
Fresno County Superior Court Case No. 24CECG00039

[Date]

[Employee Name]

[Employee Address]

[City, State Zip]

You are reviving this notice because of a lawsuit filed by Christa Morton and Cindy Bravo (“Plaintiffs”) against PSI Services, LLC (“Defendant”). By way of the lawsuit, Plaintiffs sought civil penalties pursuant to the Private Attorneys General Act, California Labor Code § 2698 et seq. (“PAGA”), for alleged failure to pay overtime wages, failure to pay minimum wages, failure to provide meal periods and associated premiums, failure to provide rest periods and associated premiums, failure to timely pay wages during employment, failure to timely pay wages upon termination, failure to provide compliant wage statements, failure to keep requisite payroll records, and failure to reimburse necessary business expenses.

Defendant denies the allegations in the lawsuit and denies that it owed any penalties, but to avoid further time and expense in litigation, Defendant and Plaintiffs have agreed to settle the case.

The settlement resolves the claims asserted in the lawsuit on behalf of individuals who worked for Defendant in the State of California as hourly-paid and/or non-exempt employees at any time during the period October 22, 2022, to May 26, 2024 (“Aggrieved Employees”).

According to Defendant’s records, you are an Aggrieved Employee and are therefore entitled to a share of the settlement. Enclosed with this letter is your settlement check. The settlement check will be valid for one hundred and eighty (180) calendar days from the date of issuance, and thereafter, the check will be canceled. Funds from canceled checks will be transmitted to the State Controller’s Office Unclaimed Property Fund in the name of the Aggrieved Employee whose check is voided.

On [Insert date Gross Settlement Amount is fully funded], all Aggrieved Employees released, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from the Released PAGA Claims.

“Released Parties” means Defendant, and each of its former and present, directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates.

“Released PAGA Claims” means all claims arising during the PAGA Period for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts in the Operative Complaint and the PAGA Notice, including claims pursuant to California Labor Code Sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and pursuant to the applicable Industrial Welfare Commission (“IWC”) Wage Order.

Do not call or write the Court to ask questions about the settlement. Any questions regarding the settlement can be directed to the settlement administrator, [Administrator Name], at [Administrator Phone Number].

EXHIBIT 4

Date	Type of Expense	Description of Expense	Amount
9/18/23	Mailing	Mailing Cost- Welcome Pkg [Christa Morton]	\$1.59
9/28/23	Mailing	Mailing Cost - PSI Services, Inc. [Christa Morton]	\$8.53
9/28/23	Mailing	Mailing Cost - PSI Services, Inc. - Agent [Christa Morton]	\$8.53
6/10/2023	Mailing	Mailing Cost - Lifelong Learner Holdings, LLC [Christa Morton]	\$8.53
10/10/2023	Mailing	Mailing Cost - PSI Services, Agent Michael P. Ridley [Christa Morton]	\$8.53
10/10/2023	Mailing	Mailing Cost - CT Corporation System [Christa Morton]	\$8.53
10/10/2023	Mailing	Mailing Cost - Lifelong Learner Holdings, LLC [Christa Morton]	\$8.53
10/23/23	Mailing	Mailing Cost - PSI Services LLC [Christa Morton]	\$8.53
10/23/23	Mailing	Mailing Cost - SAR California Holdco, Inc. [Christa Morton]	\$8.53
10/24/23	Mailing	Mailing Cost - SAR California Holdco, Inc. (Canada) [Christa Morton]	\$38.52
10/24/23	Filing	Filing Fee PAGA—LWDA [Morton & Bravo]	\$75.00
4/1/2024	Filing	Steno - PAGA Action Complaint Packet [Morton & Bravo]	\$647.20
5/1/2024	Filing	Steno - Class Action Complaint Packet [Morton & Bravo]	\$1,997.20
1/19/24	Filing	Steno - NAR [Morton & Bravo—Class Action]	\$59.95
1/22/24	Filing	Steno - NAR [Morton & Bravo—PAGA Action]	\$59.95
4/16/24	Filing	Steno - Case Management Statement [Morton & Bravo]	\$59.95
4/23/24	Filing	Steno - Notice of Remote Appearance; Order re Remote Appearance [Morton & Bravo]	\$59.95
11/9/2023	Mailing	Mailing Cost- Welcome Pkg [Cindi Bravo]	\$1.59
9/15/23	Mailing	Mailing Cost - Lifelong Learner Holdings, LLC [Cindi Bravo]	\$8.53
9/15/23	Mailing	Mailing Cost - CT Corporation System LLC [Cindi Bravo]	\$8.53
9/10/2023	Mailing	Mailing Cost - PSI Services LLC [Cindi Bravo]	\$8.53
9/10/2023	Mailing	Mailing Cost - PSI Services LLC Agent [Cindi Bravo]	\$8.53
9/10/2023	Mailing	Mailing Cost- Psychological Services, LLC [Cindi Bravo]	\$8.53
9/10/2023	Mailing	Mailing Cost - CT Corporation System Agent [Cindi Bravo]	\$8.53
3/28/24	Mediation	Mediation Paymen: Signature Resolution [Morton & Bravo]	\$7,950.00
5/6/2024	Mediation	Wage & Hour Analysis: Berger Consulting Group, LLC [Morton & Bravo]	\$3,400.00
5/6/2024	Mailing	Mailing Cost- Berger Consulting Group, LLC (Morton & Bravo)	\$0.64
TOTAL			\$22,420.96

