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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN DIEGO

KATIE STROEBE, on behalf of herself and all others similarly situated, Plaintiff, v. ABACUS DATA SYSTEMS, INC., a California Corporation; and DOES 1-50, inclusive. Defendant.	CASE NO.: 24CU003539C *Assigned to Matthew C. Braner* **DECLARATION OF MEHRDAD BOKHOUR IN SUPPORT OF CLASS ACTION SETTLEMENT** **HEARING INFO** Date: July 18, 2025 Time: 9:00 a.m. Dept.: SD-60

DECLARATION OF MEHRDAD BOKHOUR

I, Mehrdad Bokhour, say and declare as follows:

1. I am an attorney at law, duly licensed to practice before all the Courts of the State of California, and I am the principal of Bokhour Law Group, P.C., and I serve as attorney of record for Plaintiff Katie Stroebe ("Plaintiff") and the Putative Class. I am familiar with the file in this matter, and if called as a witness, I could and would competently testify to the following facts of my own personal knowledge. I submit this declaration in support of Plaintiff's Motion for Preliminary Approval of Class Action Settlement.

2. I have been a member in good standing of the State Bar of California since 2012. I am admitted to practice before all California state courts, as well as the United States District Courts for the Central, Northern, Eastern, and Southern Districts of California. I have litigated class actions and representative actions under the Private Attorneys General Act ("PAGA") in courts throughout California..

3. I graduated from the University of California, Berkeley, in 2007 and received my Juris Doctor degree from Loyola Law School, Los Angeles, in 2012. I began my legal career with a focus on plaintiff-side employment litigation, concentrating on disability discrimination and harassment matters under the Fair Employment and Housing Act. After several years handling a broad range of civil litigation on behalf of both Plaintiffs and Defendant, I founded my law firm in 2014, devoting my practice exclusively to representing employees in actions against their employers. My firm's work primarily involves wage and hour matters, including claims for unpaid wages, as well as discrimination, harassment, and retaliation claims. A substantial portion of my practice involves class actions, representative PAGA actions, or hybrid matters involving both.

4. I am an active member of the California Employment Lawyers Association ("CELA") and have attended numerous Continuing Legal Education programs focused on employee advocacy. My firm has the experience, resources, and capacity necessary to provide adequate representation as Class Counsel to the aggrieved employees. Currently, my firm serves as lead counsel in at least twenty-five wage-and-hour class actions and as co-counsel in at least twenty additional cases. I was selected as a "Super Lawyer Rising Star" in Employment Litigation each year from 2017 through

2022, and as a "Super Lawyer" in 2023, 2024, and 2025—a distinction awarded to no more than 2.5% of attorneys practicing in the field..

5. Through a contested but productive mediation, Plaintiff and Defendant Abacus Data Systems, Inc. d/b/a ("Defendant") (collectively, the "Parties") entered into a Class Action and PAGA Settlement Agreement ("Settlement Agreement" or "Settlement"), resolving the wage and hour claims asserted on behalf of the Settlement Class. A true and correct copy of the Settlement Agreement is attached hereto as **Exhibit "A"**.

6. The Settlement Agreement provides for a full and final release of claims asserted in this Action in exchange for Defendant's agreement to pay a non-reversionary Gross Settlement Amount of $287,500. The Settlement is structured on a non-claims-made basis, meaning that each Settlement Class Member who does not opt out will automatically receive their share of the Net Settlement Amount without the need to submit a claim form or take any affirmative action. Plaintiff seeks to represent all individuals who are or were employed by Defendant as non-exempt employees in California ("Class") at any time from July 30, 2020 to June 23, 2025 (the "Class Period"). Likewise, Plaintiff seeks to represent all individuals who are or were employed by Defendant as non-exempt employees in California ("PAGA Member") from July 30, 2023 to June 23, 2025 (the "PAGA Period").

7. Under the terms of the Settlement Agreement, Defendant will not oppose Class Counsel's request for a reasonable award of Attorney's Fees not to exceed 33.33% of the Settlement Amount, Class Counsel's reasonable litigation Costs not to exceed $25,000, Settlement Administration Costs not to exceed $7,500, PAGA penalties of $15,000 (of which $9,750 or 65% will be paid to the LWDA and the remaining $5,250 or 35% will be paid to the PAGA Members), and a Class Representative Service Payment to Plaintiff not to exceed $10,000 to Plaintiff, as follows:

	Total Amount
Gross Settlement Amount	$287,500
Attorneys' Fees (33.33%)	$95,823.75
Litigation Costs	$25,000
Administrator Costs	$7,500
PAGA Penalties to LWDA (65% of $15k allocation)	$9,750
PAGA Penalties to aggrieved employees	$5,250
Class Representative Service Payment	$10,000

Net Settlement Amount	**$134,176.25**

8. As of the date of the parties' mediation, the Settlement Class includes approximately 153 non-exempt employees who all worked for Defendant in California during the Class Period. Regardless of their roles, all non-exempt employees were subject to the same workplace policies and practices. Accordingly, the Individual Settlement Amounts will be distributed on a pro rata basis, determined by the number of Workweeks worked by each individual Participating Class Member during the Class Period. Assuming a total of 153 Settlement Class Members, the average payment to each member is estimated to be approximately **$870.43**. Naturally, Settlement Class Members with more Workweeks worked will receive proportionally greater payments. Based on this allocation method, the highest estimated individual recovery could be as much as **$3,501.00**.

9. The Settlement is non-reversionary, and Settlement Class Members will not be required to submit claim forms to receive payment, but each Settlement Class Member will receive the Class Notice containing information about his/her share, the opportunity to dispute the number of Workweeks worked by the Settlement Class Member, and the opportunity to opt-out or object to the Settlement. All Settlement Class Members who do not affirmatively opt out will receive a settlement check upon the Court granting final approval of the Settlement (attached hereto as **Exhibit B**).

10. Because the Settlement is fair and reasonable and was negotiated at arm's length by experienced counsel and an experienced mediator following a sufficient exchange of information and documents before mediation, it should be preliminarily approved. Plaintiff respectfully requests that the Court enter an order preliminarily approving the Settlement, conditionally certifying the Settlement Class under Code of Civil Procedure § 382 for settlement purposes, approving the proposed Class Notice, appointing Plaintiff's counsel as Class Counsel, appointing ILYM Group as the Settlement Administrator, and scheduling a hearing for the final approval of the Settlement.

11. On July 30, 2024, Plaintiff filed suit in San Diego County Superior Court, asserting class action claims for: (1) failure to pay all minimum wages; (2) failure to pay all overtime wages; (3) meal period violations; (4) rest periods violations; (5) failure to pay all sick time; (6) wage

statement violations; (7) waiting time penalties; (8) failure to reimburse necessary business expenses; and (9) unfair competition in violation of California Business and Professions Code section 17200, *et seq*. On January 21, 2025, Plaintiff filed a First Amended Complaint adding a cause of action against CARET for violation of the Private Attorneys General Act, Labor Code §§ 2698. *et seq*. On April 28, 2025, the Parties filed a stipulation permitting the filing of Plaintiff's Second Amended Complaint adding reference to California Labor Code Sections 245-249. The Second Amended Complaint is the operative complaint in the Action .

12. Defendant retained counsel, denied the allegations, and vigorously defended against the allegations. The Parties conducted a thorough investigation into the facts of the Action. This investigation included informal discovery, and meet and confer efforts, as well as Defendant's disclosure of information and materials in informal discovery for the mediation. The discovery and disclosures included, amongst other things, Defendant's written wage and hour policies/procedures, and payroll and timekeeping data and records for Settlement Class Members and PAGA Members. Class Counsel is both knowledgeable about and has done extensive research with respect to the applicable law and potential defenses to the claims of the Settlement Class Members and Aggrieved Employees. Class Counsel has diligently investigated the Class Members' claims against Defendant. Based on the data and information disclosed, and on Class Counsel's own independent investigation and evaluation, Class Counsel is of the opinion that the settlement with Defendant for the consideration and on the terms set forth in this Settlement Agreement are fair, reasonable, and adequate, as well as in the best interest of the Settlement Class Members and Aggrieved Employees in light of all known facts and circumstances, including the risk of significant delay and uncertainty associated with litigation, various defenses asserted by Defendant, and numerous potential appellate issues.

13. On March 24, 2025, the Parties participated in an all-day private mediation presided over by David Phillips, Esq. After a full-day mediation, followed by mediator's proposal, the Parties reached a settlement.

14. Plaintiff alleges various wage and hour violations on behalf of non-exempt employees who worked for Defendant during the Class Period (i.e., Class Members).

15. First, Plaintiff alleged that Defendant failed to (1) pay all minimum and overtime wages due to Defendant's failure to pay for all employees who were required to work off-the-clock.

16. Moreover, Plaintiff alleged that she and the Settlement Class were not provided timely compliant meal periods and were not provided with a one-hour wage premium at the "regular rate of pay" pursuant to Labor Code § 226.7 on each such occasion. Specifically, Plaintiff alleged that she and other non-exempt employees were forced to cut their meal periods short or take them late in order to meet the arduous work demands imposed by Defendant.

17. Next, Plaintiff alleged that she and the Settlement Class were not provided with compliant rest periods or a one-hour wage premium at the "regular rate of pay" pursuant to Labor Code § 226.7 on each occasion. Specifically, Plaintiff alleges that Defendant prevented the Settlement Class from taking complaint rest periods due to work demands and that Defendant prevented Settlement Class Members from leaving the premises during rest breaks. Moreover, Plaintiff alleged that Defendant failed to allow the Settlement Class to take a third rest period for more than 10.5-hour shifts. Plaintiff also alleges that Defendant allegedly failed to pay Plaintiff and the Settlement Class California Paid Sick leave and failed to reimburse Plaintiff and the Settlement Class' reasonable business expenses. .

18. Based on the above violations, Plaintiff alleged that Defendant failed to provide accurate itemized wage statements and to pay all wages owed and due upon separation of employment. Finally, Plaintiff also sought PAGA penalties arising out of the alleged Labor Code violations.

19. Defendant contested and denied each of Plaintiff's material allegations on the merits and as to the propriety of the class and representative action, and asserted affirmative defenses to the claims alleged.

20. First, Defendant argued that it always paid employees all wages owed, and that its pay policies and practices correctly paid non-exempt employees for all time worked, and that it correctly paid overtime, California Paid Sick leave, meal period premiums and other premium pay at the "regular rate of pay." Defendant further argued that its written policies expressly prohibit employees from working off-the-clock. Further, Plaintiff and the Settlement Class worked remotely for the entire

Class Period and they recorded their own time to the minute, so there is no reason the recorded time should be incorrect. Next, Defendant contended that its meal and rest period policies/practices were compliant with California law and that it provided and made available all required meal and rest breaks to all non-exempt employees.

21. Defendant argued that as remote workers, Plaintiff and the Settlement Class have a high level of discretion and autonomy over their work schedule, including breaks. As remote employees, Plaintiff and the entire Settlement Class recorded and reported their own time. The timekeeping system included an attestation asking employees, including Plaintiff, to confirm whether they accurately reported their hours worked, including overtime, and whether they took all the meal and rest periods they were entitled to take pursuant to company policy. Defendant further argued that Plaintiff's claims for wage statements, waiting time penalties and PAGA penalties were derivative of other claims, and had no merit.

22. Additionally, Defendant argued that 77% of putative class members had signed arbitration agreements containing class action waivers, which Defendant contended further undermined the propriety of class certification and representative claims. Finally, Defendant contended that Plaintiff's claims were not suitable for class certification because individualized inquiries would be required to establish, amongst other things, which employees, if any, took meal periods of less than 30 minutes and why a particular employee received a meal period of less than 30 minutes on a particular shift.

23. Based upon detailed data obtained through informal discovery and information exchanges, Plaintiff's counsel estimated the following big-picture data points through the mediation date: (1) 153 Class Members who worked approximately 11,494 workweeks and 51,723 shifts during the Class Period.

24. Plaintiff contended that her strongest claims were for unpaid wages arising from two distinct violations. First, Plaintiff argued that Defendant failed to accurately record all time worked by Plaintiff and other Class Members because Defendant failed to record and pay Class Members for all hours worked, which often extended prior to or after their scheduled shifts for which they were not paid.

25. In this regard, Defendant argued that Plaintiff and the Settlement Class worked remotely for the entire Class Period and they recorded their own time to the minute, so there is no reason the recorded time should be incorrect. Defendant further argues that this constituted precisely the type of individualized inquiry that is not appropriate for certification because the court would have to conduct a person-by-person analysis to determine if the Class Member was correctly paid. Based on this argument, and others, Plaintiff believed that the Court would deny class certification on Plaintiff's off the clock claim.

26. Second, Plaintiff alleged that Defendant failed to account for non-discretionary bonuses and other incentive pay when calculating the "regular rate of pay" when paying overtime and sick pay wages. However, Defendant argued that it correctly paid premium pay, including overtime and missed meal premiums, at the regular rate of pay. Indeed, Defendant's sampling of pay records revealed that any underpayment of overtime wages as a result of the "regular rate of pay" violations was minimal.

27. Due to this, and in light of Defendant's other defenses, Plaintiff completely discounted these two claims keeping in mind that the true significant value of these unpaid wages claims lies in the derivative claims for waiting time penalties under Labor Code § 203 and wage statement violations under Labor Code § 226 as further discussed below.

28. With respect to Plaintiff's meal period violation claims, Settlement Class Members worked approximately 51,723 shifts during the Class Period. Based on the sampling of data provided by Defendant, there were approximately 5,000 non-compliant meal periods during the Class Period. Therefore, Plaintiff calculated Defendant's maximum exposure under this theory of liability at $135,000 (5,000 non-compliant meal periods x $27 meal period premium)

29. However, Defendant asserted that it maintained legally compliant meal period policies and practices throughout the Class Period. Defendant also contended that this claim would not be certified due to the lack of any common evidence tying together the reason that Settlement Class Members experienced a meal period violation. Lastly, Defendant asserted that the presence of these affirmative defenses as to the voluntariness of a particular meal period decision would preclude class certification.

30. In light of these defenses and arguments, Plaintiff discounted Defendant's maximum exposure by 30% for the risk of non-certification, and an additional 25% to account for Defendant's defenses on the merits to arrive at an estimated total of $70,875.

31. Similarly, Plaintiff alleged that Defendant failed to authorize and permit all legally compliant rest periods throughout the Class PeriodSpecifically, Plaintiff alleged that Defendant does not maintain a formal rest period policy and, in practice, does not allow Settlement Class Members to leave the premises during rest periods. Likewise, to the extent Settlement Class Members worked shifts in excess of 10.5 hours, no third rest period was ever authorized or permitted. According to the data provided by Defendant, there were approximately 50,000 rest period eligible shifts, and Plaintiff assumed a 50% violation rate. As such, Plaintiff calculated Defendant's maximum exposure on this claim at $675,000 (25,000 non-compliant rest periods x $27 rest period premium).

32. However, Defendant asserted that it maintained compliant rest period policies throughout the Class Period and authorized and permitted all rest periods to Settlement Class Members. Further, Defendant contended that this claim is not amenable to class treatment because individualized inquiries would be required to determine which employees failed to take rest periods, and the reasons why each employee failed to take a rest period on a particular shift. As such, Plaintiff discounted Defendant's maximum exposure by 75% to account for the risk of non-certification, and an additional 75% to account for Defendant's defenses on the merits to arrive at an estimated exposure of approximately $42,187.50.

33. With respect to the waiting time penalty claim, approximately 86 Settlement Class Members separated from their employment with Defendant during the statutory period. As such, the maximum potential penalty under Labor Code § 201 – 203 is $557,280 (86 employees x 8.0 hours per day * average rate of $27 * 30 days). However, Defendant argued that it would defeat the waiting time penalty claim as to Plaintiff's underpayment of overtime claims because the failure to pay wages, if any, was not willful. Furthermore, Defendant argued that it would defeat liability as to waiting time penalties arising from the other unpaid wage claims and unavailability of derivative claims for meal and rest violations. Therefore, Plaintiff applied a 50% risk of defeat at the class certification stage, and an additional 35% risk of defeat at the summary judgment stage or on the merits, resulting in the

risk-adjusted value of $181,116 for waiting time penalty claims.

34. Finally, Plaintiff estimates that the maximum potential penalties for the wage statement claims are $216,700 (based on approximately 771 allegedly violative wage statements issued during the Class Period). In calculating Defendant's exposure, Plaintiff gave Defendant the benefit of assuming Plaintiff could only obtain the "initial" wage statement penalty of $50 per violation, for a total of $38,500 in potential wage statement penalties.

35. In response to Plaintiff's wage statement violation claims, Defendant contended that any alleged violations were not "knowing and intentional" and, further, that Plaintiff could not establish that they or anyone else suffered "injury" as a result of any alleged wage statement violations. Defendant additionally relied on its defenses to Plaintiff's underlying claims, both on the merits and to class certification. As such, Plaintiff discounted the calculated maximum exposure by 30% for the risk of non-certification and by an additional 20% for the risk of being unsuccessful on the merits to arrive at an estimated total of $21,588. .

36. Plaintiff also sought PAGA penalties for each violation for which they are available and alleged that these penalties can be "stacked." Assuming that a PAGA penalty is available in the default amount of $100 per pay period and is not reduced, the maximum potential PAGA penalty would be $77,100 per claim for the 771 pay periods in the PAGA period.

37. However, this maximum figure fails to account for numerous unclear issues relating to PAGA claims. First, it is unclear whether stacking is permissible and/or whether the court would award penalties in such a way (especially for purely derivative penalties). Second, the maximum figure fails to acknowledge that courts have wide latitude to reduce the amount of civil penalties "based on the facts and circumstances of a particular case" and if "to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory."

38. In sum, when factoring in defenses and risks of ongoing litigation, Plaintiff estimates the risk-adjusted class recovery as follows:

- Unpaid Wages: $0 (discounted)
- Meal Period Claims: $70,875
- Rest Period Claims: $42,187.50

- Labor Code §§ 201 – 203 Claims: $181,116
- Wage Statement Violation Claims: $21,588
- PAGA Claim: $77,100
- **<u>Total Risk-Adjusted Penalties and Damages</u>**: $392,866.50

39. The reasonableness of the settlement is apparent from the fact that the proposed settlement is 73% of the risk-adjusted class damages and penalties. And while the PAGA penalties had a maximum value of $77,100, this fails to acknowledge that courts have wide latitude to reduce the civil penalties "based on the facts and circumstances of a particular case" and if "to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory." Labor Code § 2699(e)(2). Moreover, Defendant argued against the merits of the underlying claims, particularly that the "willfulness" standard and/or "good faith" defenses mitigated the civil penalty claims and rendered any such penalties uncertain. Defendant also argued that it is improper to stack civil penalty claims on top of the underlying statutory claim. In addition, Defendant contended that most putative class members had executed arbitration agreements containing class action waivers, which posed a substantial risk to class certification and further diminished the likelihood of recovery on a classwide basis. For these reasons, the Parties submit that the agreed-upon settlement is fair and reasonable. The Settlement was the product of extensive arm's-length negotiations between counsel and was facilitated by an experienced wage-and-hour class action mediator. Though cordial and professional, the Settlement negotiations were adversarial and non-collusive. The Settlement reached is the product of substantial effort by the Parties and their counsel. Although Plaintiff and his counsel believe that there was a possibility of certifying the claims, they recognized the potential risk, expense, and complexity posed by litigation, such as unfavorable decisions on class certification, summary judgment, at trial and/or on the damages awarded, and/or on an appeal that can take several more years to litigate. In addition, if Defendant prevailed on any of their defenses, the employees may not have received any substantial monetary recovery.

40. The Settlement will result in a fair payment to each Settlement Class Member based on the number of Weeks Worked during the Class Period. As set forth hereinabove, Plaintiff and counsel have diligently investigated the claims and defenses on behalf of the Settlement Class

Members and worked to achieve a resolution of the claims to maximize the recovery by avoiding further expenditure of Attorneys' Fees and Costs. After evaluating the significant risks attendant with further litigation described above and weighing them against the benefits of a known compromise and settlement as set forth in the Settlement Agreement, settlement on the terms agreed to is believed to be in the best interest of Plaintiff and the Settlement Class, and is a fair and reasonable resolution of the claims alleged.

41. Plaintiff's counsel brought to bear a great deal of collective experience in negotiating the settlement of this case. As detailed herein, Plaintiff's counsel engaged in necessary informal discovery, investigation, sampling, and expert evaluation, making it possible to exercise informed judgment throughout the settlement process, including significant document review (e.g., documents pertaining to Defendant's policies and procedures, personnel documents, wage statements, time records, among others) and conducted an extensive analysis and extrapolation of the sampling of class-wide data provided by Defendant.

42. Based on our experience in other cases, including wage and hour matters, I believe our office, along with Joshua Falakassa, is qualified to evaluate the class claims and viability of defenses in this class action. In this case, the recovery for each Settlement Class Member is reasonable, fair, and adequate, and a settlement at this time is in the best interest of the Settlement Class. The Settlement provides each Settlement Class Member with compensation for the alleged violations when viewed in relation to the costs and risks inherent in obtaining class certification and proceeding to trial.

43. Plaintiff's counsel, as well as Defendant's counsel, fully endorse the terms and conditions of the Settlement as set forth in the abovementioned Settlement Agreement.

44. Of course, the Settlement Amount represents a compromise figure, taking into account the various risks surrounding class certification and the merits of the Defendant's asserted defenses. Nevertheless, the Settlement provides fair and adequate payments to the Settlement Class Members, with no reversion to Defendant.

45. Plaintiff seeks a Service Award of $10,000, which we believe is fair and warranted. Plaintiff agreed to come forward in an effort to effectuate a policy and practice change that would

benefit all other Settlement Class Members and to recover unpaid wages and penalties. Plaintiff assumed significant risk in bringing this litigation, namely, had she lost, she could have been ordered to pay Defendant's costs.

46. Plaintiff provided invaluable assistance to the investigation and prosecution of this case, including: providing factual background for the Class Complaint; reviewing the litigation documents; providing information and documentation about Defendant's policies and practices; participating in phone calls to discuss litigation and settlement strategy; participating in the mediation process, and reviewing the settlement documents. Plaintiff agreed to participate in this case with no guarantee of personal benefit. plaintiff's comprehensive declarations setting forth all of the reasons why she believes that the Service Award should be approved have been filed herewith.

47. When this case was taken on a contingency fee basis, with our firm agreeing to assume responsibility for all litigation costs, the ultimate result was far from certain. In the course of this litigation, we paid all costs, including the filing fees, court costs, mediation costs, and expert costs. There was never a guarantee that our firms would recoup these expenditures.

48. It is our experience that attorneys' fee awards of one-third of a common fund settlement are the standard in California. In this case, Plaintiff's counsel agreed to seek one-third of the Settlement Amount for Attorneys' Fees. Defendant does not oppose this fee request. The fee is further warranted because it is within the range of reasonableness typically awarded in class actions. Our firm's Costs will not exceed $20,000 and will be based on the actual amount incurred at the time of final approval.

49. Subject to the Court's approval, the parties stipulated that ILYM Group, Inc. would serve as the Settlement Administrator. ILYM is experienced in administering class action settlements and will not exceed $7,500 to administer this class action Settlement.

50. Plaintiff has concurrently submitted the Settlement to the LWDA in accordance with Labor Code Section 2699(1)(2). The proof of submission is attached hereto as **Exhibit "C."**

51. For the foregoing reasons, it is respectfully requested that the Court grant preliminary approval of the Settlement as being fair, reasonable, and in the best interests of the Settlement Class, as well as preliminarily approve the requested attorneys' fees and Costs, and the Service Award to

the Class Representative.

I declare under penalty of perjury under the laws of California that the foregoing is true and correct on this 23rd of June 2025, in Los Angeles, California.

By: ______________________

Mehrdad Bokhour, Esq.