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8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

9 **FOR THE COUNTY OF RIVERSIDE**

10 LUIS CORONA, individually, and on behalf of
11 other members of the general public similarly
situated,

12 Plaintiff,

13 vs.

14 S. P. RICHARDS COMPANY, doing business
in California as, GEORGIA S.P. RICHARDS
15 COMPANY, a Georgia corporation; and DOES
1 through 10, inclusive,

16 Defendants.
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Case No. CVRI2401430

Assigned to the Hon. Harold W. Hopp

RESERVATION NO. 172241745083

**NOTICE OF MOTION AND MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT;
MEMORANDUM OF POINTS AND
AUTHORITIES**

Date: July 10, 2025

Time: 8:30 a.m.

Place: Department 1

Complaint Filed: March 15, 2024

Trial Date: None Set

TO THE HONORABLE COURT, ALL PARTIES, AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on July 10, 2025 at 8:30 a.m., or as soon thereafter as counsel may be heard, in Department 1 of the above-captioned court, located at 4050 Main Street, Riverside, California 92501, the Honorable Harold W. Hopp presiding, Plaintiff Luis Corona will, and hereby does, move this Court to:

1. Preliminarily approve the settlement set forth in the Joint Stipulation of Class Action and PAGA Settlement and Release, attached as Exhibit 1 to the Declaration of Raul Perez;
2. Approve the filing of a Second Amended Complaint to conform the pleadings with the scope of the Released Class Claims and Released PAGA Claims;
3. Conditionally certify the proposed Settlement Class;
4. Appoint Luis Corona as the representative for the Settlement Class;
5. Appoint Capstone Law APC as Class Counsel;
6. Approve distribution of the proposed Notice of Class Action Settlement to the Settlement Class;
7. Appoint CPT Group, Inc. as the Settlement Administrator; and
8. Set a hearing date for final approval of the settlement.

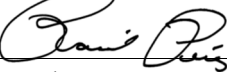
This Motion is based upon: (1) this Notice of Motion and Motion; (2) the Memorandum of Points and Authorities in support of Motion for Preliminary Approval of Class Action and PAGA Settlement; (3) the Declaration of Raul Perez; (4) the Declaration of Luis Corona; (5) the Declaration of Julie Green on behalf of CPT Group, Inc.; (6) the Declaration of Adam Reed on Behalf of Riverside Legal Aid; (7) the Joint Stipulation of Class Action and PAGA Settlement and Release; (8) the Notice of Class Action Settlement, Request for Exclusion Form, and Objection Form; (9) the [Proposed] Order Granting Preliminary Approval of Class Action Settlement; (10) the records, pleadings, and papers filed in this action; and (11) upon such other documentary and oral evidence or argument as may be presented to the Court at or prior to the hearing of this Motion.

As this Motion is unopposed, the Parties respectfully request relief from the page limit requirement set by California Rules of Court, Rule 3.1113(d).

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Dated: June 16, 2025

Respectfully submitted,

By: _____

Raul Perez
Orlando Villalba
Helga Hakimi
CAPSTONE LAW APC

Attorney for Plaintiff Luis Corona

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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Plaintiff Luis Corona (“Plaintiff”) seeks preliminary approval of the Joint Stipulation of Class Action and PAGA Settlement and Release,¹ which if approved, would provide considerable monetary relief for approximately 284 current and former employees of Defendant S.P. Richards Company (“Defendant”) (collectively with Plaintiff, the “Parties”). The principal terms of the Settlement provide for the following:

- (1) The filing of a Second Amended Complaint to conform the pleadings with the scope of the Released Class Claims and Released PAGA Claims.
- (2) Conditional certification of a Settlement Class defined as: All persons who worked for Defendant as non-exempt, hourly paid employees in the State of California at any time during the period from March 15, 2020 through March 9, 2025 (“Class Members”).
- (3) A **non-reversionary** Gross Settlement Amount of \$375,000. The Gross Settlement Amount includes:
 - (a) A Net Settlement Fund of \$182,550 (the Gross Settlement Amount minus the requested Attorneys’ Fees and Costs, Settlement Administration Costs, the PAGA Settlement Amount, and the Class Representative Enhancement Payment), which will be allocated to all Class Members on a pro-rata basis according to the number of weeks each Class Member worked during the Class Period. **The entire Net Settlement Fund will be paid to all Class Members who do not opt out of the Settlement Class, and without the need to submit claims for payment.**
 - (b) Attorneys’ fees in the amount of one-third of the Gross Settlement Amount (or \$125,000), and litigation costs and expenses not to exceed \$30,000, to Capstone Law APC (“Plaintiff’s Counsel”).
 - (c) Settlement administration costs of approximately \$7,450, to be paid to the

¹ Hereinafter “Settlement Agreement” or “Settlement.” Unless indicated otherwise, capitalized terms used herein have the same meaning as those defined by the Settlement Agreement.

jointly selected Settlement Administrator, CPT Group, Inc. (“CPT”).

(d) A \$20,000 PAGA settlement, of which 75% (i.e., \$15,000) will be paid to the Labor & Workforce Development Agency (“LWDA”), and the remaining 25% (i.e., \$5,000) (“PAGA Fund”), will be paid to PAGA Members, defined as: All persons who worked for Defendant as non-exempt, hourly paid employees in the State of California at any time during the period from March 15, 2023 through March 9, 2025. **The entire PAGA Fund will be paid to all PAGA Members, and without the need to submit claims for payment.**

(e) A Class Representative Enhancement Payment of \$10,000 to Luis Corona for his service on behalf of the Settlement Class, the risks he took in bringing the action on behalf of the class, and for a general release of all claims arising out of his employment with Defendant.

An objective evaluation of the Settlement confirms that the relief negotiated on the Settlement Class’s behalf is fair, reasonable, and valuable. The Settlement was negotiated by the Parties at arm’s length with helpful guidance from Steven Serratore, Esq., an experienced and well-respected class action mediator, and the Settlement confers substantial benefits to Class Members. This relief—averaging approximately \$640 per Class Member from the Net Settlement Fund—is particularly impressive when viewed against the difficulties encountered by plaintiffs pursuing wage and hour cases. Moreover, by settling now rather than proceeding to trial, Class Members will not have to wait (possibly years) for relief, nor will they have to bear the risk of class certification being denied or of Defendant prevailing at trial, or of Plaintiff prevailing at trial but losing on appeal.

As discussed below, the proposed Settlement satisfies all criteria for preliminary settlement approval under California law and falls within the range of reasonableness. Accordingly, Plaintiff respectfully requests that this Court grant preliminary approval of the Settlement Agreement.

II. FACTS AND PROCEDURE

A. Brief Overview of the Litigation

Defendant is a Georgia corporation that operates as an independent wholesaler and distributor of stationery and office supplies, such as office furniture, general office supplies, janitorial products,

1 warehouse items, and breakroom supplies through its network of distribution centers across the United
2 States, with 2 facilities located in California. Plaintiff worked for Defendant in a non-exempt position at
3 its facility in Mira Loma, California from approximately June 2016 to April 2023. (Declaration of Luis
4 Corona ¶ 2.)

5 Plaintiff filed this wage and hour action against Defendant on March 15, 2024. (Declaration of
6 Raul Perez [“Perez Decl.”] ¶ 2.) Plaintiff’s proposed Second Amended Complaint alleges that Defendant
7 violated the following sections of the California Labor Code² and Business and Professions Code: (1)
8 Violation of California Labor Code §§ 510 and 1198 (unpaid overtime); (2) Sections 1182.12, 1194,
9 1197, 1197.1, and 1198 (unpaid minimum wages); (3) Sections 226.7, 512(a), 516, and 1198 (failure to
10 provide meal periods); (4) Sections 226.7, 516, and 1198 (failure to authorize and permit rest periods);
11 (5) Sections 226(a), 1174(d), and 1198 (non-compliant wage statements and failure to maintain payroll
12 records); (6) Section 227.3 (failure to pay vested vacation time upon termination); (7) Sections 201 and
13 202 (wages not timely paid upon termination); (8) Section 204 (failure to timely pay wages during
14 employment); (9) Section 2802 (unreimbursed business expenses); (10) Section 246 (failure to properly
15 calculate paid sick leave); (11) Section 2810.5(a)(1)(A)-(C) - failure to provide notice of material terms
16 of employment; (12) Sections 2698, *et seq.* (PAGA); (13) California Business & Professions Code
17 sections 17200, *et seq.* (unlawful business practices); and (14) California Business & Professions Code
18 sections 17200, *et seq.* (unfair business practices). (*Id.*)

19 Following the production of Defendant’s California labor policies and procedures materials, and
20 a sample of Class Members’ time and wage records, the Parties participated in a mediation with Steven
21 Serratore, Esq., on December 20, 2024. (*Id.* at ¶ 3.) At all times, the Parties’ negotiations were
22 adversarial and non-collusive. (*Id.*)

23 Mr. Serratore helped to manage the Parties’ expectations and provided a useful, neutral analysis
24 of the issues and risks to both sides. (*Id.* at ¶ 4.) With Mr. Serratore’s continuing guidance, the Parties
25 were eventually able to negotiate a complete settlement of Plaintiff’s claims. (*Id.*) The terms of the
26 settlement are now set forth in complete and final form in the Joint Stipulation of Class Action and
27

28 ² Unless indicated otherwise, further statutory references are to the California Labor Code.

1 PAGA Settlement and Release. (*Id.*, Ex. 1.) The Settlement constitutes a fair, adequate, and reasonable
2 compromise of the claims at issue. (*Id.*)

3 **B. The Proposed Settlement Fully Resolves Plaintiff's Claims**

4 **1. Composition of the Settlement Class**

5 The proposed Settlement Class consists of all persons who worked for Defendant as non-
6 exempt, hourly paid employees in the State of California at any time during the period from March 15,
7 2020 through March 9, 2025. (Settlement Agreement ¶ 5.) There are approximately 284 Class Members.
8 (*Id.* at ¶ 34.)

9 **2. Settlement Consideration**

10 Plaintiff and Defendant have agreed to settle the underlying class claims in exchange for the
11 Gross Settlement Amount of \$375,000. The Gross Settlement Amount includes: (1) automatic payments
12 to all Participating Class Members—meaning, all Class Members except those who submit timely and
13 valid Requests for Exclusion—from the Net Settlement Fund; (2) \$125,000 in attorneys' fees (i.e., one-
14 third of the common fund) and up to \$30,000 in litigation costs to Plaintiff's Counsel; (3) Settlement
15 Administration Costs of approximately \$7,450; (4) a \$15,000 payment to the LWDA and a \$5,000
16 payment to PAGA Members; and (5) a Class Representative Enhancement Payment of \$10,000 for
17 Plaintiff's service on behalf of the Settlement Class, the risks he took in bringing his representative
18 claims, and for a general release of all claims arising out of his employment with Defendant. (Settlement
19 Agreement ¶¶ 39-43.)

20 Payments to Participating Class Members will be made from the Net Settlement Fund.
21 (Settlement Agreement ¶ 47(a).) The individual allocations will be calculated on a pro-rata basis using
22 the number of weeks worked by each Class Member during the Class Period. (*Id.*) This is a fair and
23 equitable means of apportioning the Net Settlement Fund to Class Members. Class Members who
24 worked for a longer duration during the Class Period will receive proportionally larger payments than
25 those employees who worked for shorter durations. Given that there are approximately 284 Class
26 Members, the average net recovery will be approximately \$640. This average net recovery is
27 significantly greater than many other wage and hour class action settlements approved by California state
28

1 and federal courts.³

2 Payments to PAGA Members will be made from the PAGA Fund. (Settlement Agreement ¶
3 47(b).) The individual allocations will be calculated on a pro-rata basis using the number of weeks
4 worked by each PAGA Member during the PAGA Period. (*Id.*) This is a fair and equitable means of
5 apportioning the PAGA Fund to PAGA Members. PAGA Members who worked for a longer duration
6 during the PAGA Period will receive proportionally larger payments than those employees who worked
7 for shorter durations.

8 3. Releases by Plaintiff, Participating Class Members, and the LWDA

9 In exchange for the Gross Settlement Amount, Plaintiff and Participating Class Members will
10 release the Released Class Claims during the Class Period:

11 All claims, rights, demands, liabilities, causes of action and relief asserted in the
12 Action (including any amended complaint), or which reasonably could have been
13 asserted by reason of, or in connection with, any matter or fact set forth or referred
14 to in the Action (including any amended complaint) and ascertained in the course
15 of the Action (including any amended complaint), including, but not limited to,
16 statutory, constitutional, tort, common law, and/or contract claims and associated
17 relief related to alleged failure to pay wages for off-the-clock work, failure to pay
18 minimum wage, failure to incorporate all compensation, including shift
19 differential pay, incentive pay, nondiscretionary bonuses, and/or other forms of
20 remuneration, into the calculation of the regular rate of pay, failure to properly
calculate the regular rate of pay and/or to pay overtime for overtime hours worked,
failure to pay meal and/or rest break premium pay, failure to timely pay all wages
owed (including but not limited to overtime wages, minimum wages, meal and
rest period premiums, and/or vested vacation wages) during employment or on
termination of employment, failure to reimburse business expenses and for
passing off the cost of doing business and operating costs/expenses onto
employees, failure to provide meal periods, failure to authorize and permit rest
breaks, improper reimbursement practices, failure to provide accurate itemized
wage statements, failure to keep accurate payroll records of hours worked, failure

21 ³ See, e.g., *Sandoval v. Nissho of Cal., Inc.*, Case No. 37-2009-00091861 (San Diego County
22 Super. Ct. Dec. 7, 2010) (average net recovery of approximately \$145); *Fukuchi v. Pizza Hut*, Case No.
23 BC302589 (L.A. County Super. Ct. Sept. 29, 2006) (average net recovery of approximately \$120);
Contreras v. United Food Group, LLC, Case No. BC389253 (L.A. County Super. Ct. Sept. 10, 2009)
24 (average net recovery of approximately \$120); *Ressler v. Federated Department Stores, Inc.*, Case No.
BC335018 (L.A. County Super. Ct. Jan. 27, 2009) (average net recovery of approximately \$90); *Doty v.*
Costco Wholesale Corp., Case No. CV05-3241 FMC-JW/Jx (C.D. Cal. May 14, 2007) (average net
25 recovery of approximately \$65); *Sorenson v. PetSmart, Inc.*, Case No. 2:06-CV-02674-JAM-DAD (E.D.
Cal. Dec. 17, 2008) (average net recovery of approximately \$60); *Lim v. Victoria's Secret Stores, Inc.*,
26 Case No. 04CC00213 (Orange County Super. Ct. Jan. 20, 2006) (average net recovery of approximately
\$35); *Gomez v. Amadeus Salon, Inc.*, Case No. BC392297 (L.A. Super. Ct. July 23, 2010) (average net
27 recovery of approximately \$20); *Jones v. Bath & Body Works, Inc.*, No. 2:13-cv-05206-FMO-AJW
(C.D. Cal. July 11, 2016) (average net recovery of approximately \$50); and *Palencia v. 99 Cents Only*
28 *Stores*, No. 34-2010-00079619 (Sacramento County Super. Ct. Oct. 11, 2012) (average net recovery of
approximately \$80).

1 to provide written notice of all material terms of employment, failure to properly
2 calculate paid sick leave and failure to timely pay all wages owed during
3 employment (including but not limited to overtime wages, minimum wages,
4 and/or meal and rest period premiums). This release expressly includes, without
5 limitation, all such claims arising under Labor Code §§ 201, 202, 203, 204, 210,
6 226, 226(a), 226(e), 226(h), 226.3, 226.7, 227.3, 245.5, 246, 246.5, 247, 247.5,
7 248.5, 249, 256, 510, 512(a), 516, 558, 558(a), 558(c), 1021.5, 1174(d), 1174.5,
8 1182.12, 1194, 1194(a), 1194.2, 1197, 1197.1, 1198, 1198.5, 2802, 2810, 2810.5,
9 Business & Professions Code §§ 17200 *et seq.*, California Code of Regulations
10 Title 8, § 11000 *et seq.*, 29 U.S.C. § 211(c), and all other state and local wage/hour
11 and wage payment laws, including wage orders (including, but not limited to, IWC
12 wage order nos. 1, 4, 7, 9 and 17), and common law theories against the Released
13 Parties up to and including March 9, 2025.

14 (Settlement Agreement ¶¶ 28, 59.)

15 And in exchange for the PAGA Settlement Amount, Plaintiff and the LWDA will release the
16 Released PAGA Claims during the PAGA Period:

17 All claims and relief for civil penalties under California Labor Code §§ 2698, *et*
18 *seq.*, that were asserted or could reasonably have been asserted based on any matter
19 or fact set forth or referred to in Plaintiff's Second Amended Complaint and
20 Plaintiff's LWDA letter and ascertained in the course of this Action including, but
21 not limited to claims related to alleged failure to pay wages for off-the-clock work,
22 failure to pay minimum wage, failure to incorporate all compensation, including
23 shift differential pay, incentive pay, nondiscretionary bonuses, and/or other forms
24 of remuneration, into the calculation of the regular rate of pay, failure to properly
25 calculate the regular rate of pay and/or to pay overtime for overtime hours worked,
26 failure to pay meal and/or rest break premium pay, failure to timely pay all wages
27 owed (including but not limited to overtime wages, minimum wages, meal and
28 rest period premiums, and/or vested vacation wages) during employment or on
termination of employment, failure to reimburse business expenses and for
passing off the cost of doing business and operating costs/expenses onto
employees, failure to provide meal periods, failure to authorize and permit rest
breaks, improper reimbursement practices, failure to provide accurate itemized
wage statements, failure to keep accurate payroll records of hours worked, failure
to provide written notice of all material terms of employment, failure to properly
calculate paid sick leave and failure to timely pay all wages owed during
employment (including but not limited to overtime wages, minimum wages,
and/or meal and rest period premiums). This release expressly includes, without
limitation, all such claims arising under Labor Code §§ 201, 202, 203, 204, 210,
226, 226(a), 226(e), 226(h), 226.3, 226.7, 227.3, 245.5, 246, 246.5, 247, 247.5,
248.5, 249, 256, 510, 512(a), 516, 558, 558(a), 558(c), 1021.5, 1174(d), 1174.5,
1182.12, 1194, 1194(a), 1194.2, 1197, 1197.1, 1198, 1198.5, 2802, 2810.5 and §§
2698 *et seq.* (Private Attorneys General Act). and IWC wage order nos. 1, 4, 7, 9
and 17 and California Code of Regulations Title 8, §§ 11000 *et seq.* based on the
preceding claims and relief for civil penalties under California Labor Code §§
2698, *et seq.*, that were asserted or could reasonably have been asserted based on
any matter or fact set forth or referred to in Plaintiff's Second Amended Complaint
and Plaintiff's LWDA letter and ascertained in the course of this Action as further
detailed herein.

(*Id.* at ¶¶ 29, 60.)

III. ARGUMENT

A. The Court Should Preliminarily Approve the Proposed Class Action Settlement

1. Courts Review Class Action Settlements to Ensure that the Terms Are Fair, Adequate, and Reasonable

California Rule of Court (“Rule”), Rule 3.769 requires litigants to obtain court approval of class action settlements. Approval occurs in two steps: (1) an early “preliminary” review by the trial court; and (2) a subsequent “final” review after notice of the settlement has been distributed to class members for their comments and objections. Cal. R. Ct. 3.769(c)-(g); *Cellphone Termination Fee Cases*, 180 Cal. App. 4th 1110, 1118 (2010) (the court first “preliminarily approves the settlement” and later “conducts a final approval hearing to inquire into the fairness of the proposed settlement”). The motion for preliminary approval must be accompanied by (1) the settlement agreement, (2) proposed notice to the class, and (3) the proposed order. *Id.* at 3.769(c). The motion must also identify any agreement concerning the payment of attorneys’ fees. *Id.* at 3.769(b).

If the trial court grants preliminary approval of a settlement, Rule 3.769(f) requires the court to (1) schedule a final approval hearing and (2) approve the method by which the parties are to provide notice to the class of the hearing and “an explanation of the proposed settlement.” The court must also approve a procedure for class members to file objections to the settlement. *Id.* at 3.769(f). At the final approval hearing, the court must conduct an inquiry into the fairness of the proposed settlement. *Id.* at 3.769(g).

Although Rule 3.769 does not provide detail as to the scope of review of the proposed settlement, preliminary approval is warranted if the settlement falls within a “reasonable range.” *See North County Contractor’s Assn., Inc. v. Touchstone Ins. Services*, 27 Cal. App. 4th 1085, 1089-90 (1994); Conte & Newberg, *Newberg on Class Actions*, §§ 11.26 (4th ed. 2002) (“Newberg”).

Reasonableness and fairness are presumed where, as here: (1) the settlement is reached through “arms-length bargaining;” (2) investigation and discovery are “sufficient to allow counsel and the court to act intelligently;” (3) counsel is “experienced in similar litigation;” and (4) the percentage of objectors

“is small” (collectively, “*Dunk Factors*”). *Dunk v. Ford Motor Co.*, 48 Cal. App. 4th 1794, 1802 (1996).⁴

2. The Investigation and Discovery Are “Sufficient To Allow Counsel and The Court To Act Intelligently”

As set forth in greater in Plaintiff’s Counsel’s declaration in support of the Motion, based on their analysis of documents and class data produced by Defendant—including Plaintiff’s employment files, Defendant’s California labor policy documents and handbooks, and a sample of Class Member’s timekeeping and payroll records from March 15, 2020 to November 25, 2024—Plaintiff’s Counsel were able to realistically assess the value of Plaintiff’s claims and intelligently engage defense counsel in settlement discussions that culminated in the proposed settlement now before the Court. (Perez Decl. ¶¶ 5-9.)

By engaging in a thorough investigation and evaluation of Plaintiff’s claims, Plaintiff’s Counsel can opine that the Settlement, for the consideration and on the terms set forth in the Settlement Agreement, is fair, reasonable, and adequate, and is in the best interests of Class Members in light of all known facts and circumstances, including the risk of significant delay and uncertainty associated with litigation, various defenses asserted by Defendant. (*Id.* at ¶ 10.)

3. The Settlement Was Reached Through Arm’s-Length Bargaining in which All Parties Were Represented by Experienced Counsel

“[W]hat transpires in settlement negotiations is highly relevant to the assessment of a proposed settlement’s fairness.” *State of Cal. v. Levi Strauss & Co.*, 41 Cal. 3d 460, 482 (1986). Courts presume the absence of fraud or collusion in the negotiation of a settlement, unless evidence to the contrary is

⁴ The presumption of fairness is consistent with California’s public policy goal of favoring settlements. *Stambaugh v. Super. Ct.*, 62 Cal. App. 3d 231, 236 (1976) (“the law wisely favors settlements”); *Cellphone Termination Fee Cases*, 180 Cal. App. 4th at 1118 (“public policy generally favors the compromise of complex class action litigation”); *7-Eleven Owners for Fair Franchising v. Southland Corp.*, 85 Cal. App. 4th 1135, 1151 (2000) (“voluntary conciliation and settlement are the preferred means of dispute resolution . . . [t]his is especially true in complex class action litigation”); *Skulnick v. Roberts Express, Inc.*, 2 Cal. App. 4th 884, 891 (1992) (“public policy strongly discourages litigation and encourages settlement [because settlements] can produce peace and goodwill in the community while reducing the expense and persistency of litigation”). Additionally, in reviewing the fairness of a class action settlement, due regard should be given to what is “otherwise a private consensual agreement between the parties.” *Cellphone Termination Fee Cases*, 180 Cal. App. 4th at 1117. The inquiry “must be limited to the extent necessary to reach a reasoned judgment that the agreement is not the product of fraud or overreaching by, or collusion between, the negotiating parties, and that the settlement, taken as a whole, is fair, reasonable and adequate to all concerned.” *Id.* at 1118.

1 offered; thus, there is a presumption that settlement negotiations are conducted in good faith. Newberg, §
2 11.51.

3 As explained above, the Parties participated in a mediation with Mr. Serratore, an experienced
4 mediator of wage and hour class actions. Mr. Serratore helped manage the Parties' expectations and
5 provided a useful, neutral analysis of the issues and risks to both sides. *See In re Bluetooth Headset Prod.*
6 *Liab. Litig.*, 654 F.3d 935, 948 (9th Cir. 2011) (the presence of a neutral mediator is a factor weighing in
7 favor of finding of no collusion); *In re Apple Computer, Inc. Derivative Litig.*, No. C 06-4128 JF (HRL),
8 2008 WL 4820784, at *3 (N.D. Cal. Nov. 5, 2008) (mediator's participation weighs considerably against
9 any inference of a collusive settlement); *D'Amato v. Deutsche Bank*, 236 F.3d 78, 85 (2d Cir. 2001) (a
10 "mediator's involvement in pre-certification settlement negotiations helps to ensure that the proceedings
11 were free of collusion and undue pressure."); *Villegas v. J.P. Morgan Chase & Co.*, No. 09-00261, 2012
12 WL 5878390, at *6 (N.D. Cal. Nov. 21, 2012) (participation in mediation "tends to support the
13 conclusion that the settlement process was not collusive"); *Ogbuehi v. Comcast of*
14 *California/Colorado/Fla./Oregon, Inc.*, 303 F.R.D. 337, 350 (E.D. Cal. 2014) (accord). At all times, the
15 Parties' negotiations were adversarial and non-collusive. (Perez Decl. ¶ 3.)

16 The Parties were represented by experienced class action counsel throughout the negotiations
17 resulting in this Settlement. Plaintiff is represented by Capstone Law APC. Plaintiff's Counsel employ
18 seasoned class action attorneys who regularly litigate wage and hour claims through certification and on
19 the merits, and have considerable experience settling wage and hour class actions. (Perez Decl. ¶¶ 41-49,
20 Ex. 2.) Defendant is represented by Martenson, Hasbrouck & Simon LLP, an experienced employment
21 law defense firm.

22 **B. The Consideration Provided for the Class Claims Is Fair and Reasonable in Light**
23 **of the Amount in Controversy Discounted by the Risks of Continued Litigation**

24 In seeking approval, a settling party must provide sufficient information to "enable the court to
25 make an independent assessment of the adequacy of the settlement terms." *Kullar v. Foot Locker Retail,*
26 *Inc.*, 168 Cal. App. 4th 116, 131-32 (2008). However, "[i]t is well-settled law that a cash settlement
27 amounting to only a fraction of the potential recovery will not per se render the settlement inadequate or
28 unfair." *See Officers for Justice v. Civil Serv. Comm'n of City & Cty. of San Francisco*, 688 F.2d 615,

628 (9th Cir. 1982). “The proposed settlement is not to be judged against a hypothetical or speculative measure of what might have been achieved by the negotiators.” *Id.* at 625. “Estimates of a fair settlement figure are tempered by factors such as the risk of losing at trial, the expense of litigating the case, and the expected delay in recovery (often measured in years).” *In re Toys R Us-Delaware, Inc.-- Fair & Accurate Credit Transactions Act (FACTA) Litig.*, 295 F.R.D. 438, 453 (C.D. Cal. 2014). In other words, in valuing the claims within a realistic *range* of outcomes, the settling plaintiff should discount the value of the settled claims for risks such as changes in the law, the probability of success, and other factors.⁵

Settling parties are not, however, required to partake in a hypothetical accounting exercise: “**Kullar does not ... require any such explicit statement of [maximum] value**; it requires a record which allows ‘an understanding of the amount that is in controversy and the realistic range of outcomes of the litigation.’” *Munoz v. BCI Coca-Cola Bottling Co.*, 186 Cal. App. 4th 399, 409-10 (2010) (quoting *Kullar*, 168 Cal. App. 4th at 120 (emphasis added)). Overall, “the most important factor” in determining “whether a settlement is fair and reasonable” is the “strength of the case for plaintiffs on the merits, balanced against the amount offered in the settlement.” *Id.* at 409 n.6 (quoting *Kullar*, 168 Cal. App. 4th at 130). As explained in detail below, the Gross Settlement Amount is within the range of reasonableness in light of the nature and magnitude of the claims being settled and the various potential impediments to recovery.

Plaintiff’s analysis of Defendant’s realistic exposure at trial is summarized in the table below:

⁵ Federal district courts also recognize that there is an inherent “range of reasonableness” in determining whether to approve a settlement “which recognizes the uncertainties of law and fact in any particular case and the concomitant risks and costs necessarily inherent in taking any litigation to completion.” *In re World Trade Ctr. Lower Manhattan Disaster Site Litig.*, 66 F. Supp. 3d 477, 482 (S.D.N.Y. 2015); *see also Nat’l Rural Telecomm. Coop. v. Directv, Inc.*, 221 F.R.D. 523, 527 (C.D. Cal. 2004) (“well-settled law that a proposed settlement may be acceptable even though it amounts to only a fraction of the potential recovery”); *In re Global Crossing Sec. and ERISA Litig.*, 225 F.R.D. 436, 461 (S.D.N.Y. 2004) (“settlement amount’s ratio to the maximum potential recovery need not be the sole, or even dominant, consideration when assessing settlement’s fairness”); *In re IKON Office Solutions, Inc. Sec. Litig.*, 194 F.R.D. 166, 184 (E.D. Pa. 2000) (“the fact that a proposed settlement constitutes a relatively small percentage of the most optimistic estimate does not, in itself, weigh against the settlement; rather the percentage should be considered in light of strength of the claims”); *Officers for Just. v. Civ. Serv. Comm’n of City & Cty. of San Francisco*, 688 F.2d 615, 628 (9th Cir. 1982) (it is “the complete package, taken as a whole rather than the individual component parts, that must be examined for overall fairness”).

Defendant's Exposure for the Class Claims ⁶	
Claim	Realistic Estimated Exposure
Off-the-Clock Claim ⁷	\$68,355.00
Meal Period Claim ⁸	\$366,832.13
Vacation Pay ⁹	\$345,452.25
Rest Period Claim ¹⁰	\$550,248.19
Business Expense Reimbursement Claim ¹¹	\$7,556.50
Failure to Provide Notice of Material Terms of Employment ¹²	\$1,750.00
Failure to Pay Wages During Employment ¹³	\$70,000.00
Sick Pay Claim ¹⁴	\$21,690.00
Wage Statement Claim ¹⁵	\$70,000.00
Final Pay Claim ¹⁶	\$52,056.00
Total	\$1,553,940.07

⁶ **UCL Valuation:** The statute of limitations for an action for payment of wages and premiums due under Labor Code sections 201 and 202 is three years. Cal. Code Civ. Proc. § 338(a). The statute of limitations for an action brought under the UCL is four years. Cal. Bus. & Prof. Code § 17208. Plaintiff's exposure analysis for unpaid wages and meal and rest period premiums incorporates the UCL's extra year's worth of liability, and thus the damages calculations take into account class weeks/shifts worked during the full 4-year statute of limitations period. Plaintiff thus incorporated the value of his UCL claims by using a 4-year statute of limitations to calculate Defendant's exposure for wages and premiums.

⁷ $\approx 21,000$ weeks worked in aggregate during the Class Period $\times$ \$32.55 average overtime rate of pay $\times$ conservatively estimating at least 1 hour of off-the-clock overtime work per week $\times$ 10% chance of both certifying the claim and recovering full damages at trial.

⁸ $\approx 135,300$ meal period eligible shifts worked in aggregate during the Class Period $\times$ \$21.69 average hourly wage $\times$ conservatively estimating at least 50% meal period violation rate $\times$ 25% chance of both certifying the claim and recovering full damages at trial.

⁹ Based on Defendant's sample payroll records showing \$355,675 in PTO due and not paid (then extrapolated to all Class Members) $\times$ 25% of both certifying the claim and recovering full damages at trial.

¹⁰ $\approx 135,300$ rest period eligible shifts worked in aggregate during the Class Period $\times$ \$21.69 average hourly wage $\times$ conservatively estimating at least 75% rest period violation rate $\times$ chance 25% of both certifying the claim and recovering full damages at trial.

¹¹ $(284 \text{ Class Members} \times \text{conservatively estimating } 20 \text{ miles round-trip for mandatory drug tests} \times 70 \text{ cents per mile}) + (\approx 21,000 \text{ weeks worked in aggregate during the Class Period} \times \text{conservatively estimating at least } \$5 \text{ monthly expenses} \times 1/4 \text{ to convert weeks to months}) \times 25\% \text{ chance of both certifying the claim and recovering full damages at trial.}$

¹² ≈ 175 Class Members employed during the 1-year statute of limitations period $\times$ \$100 penalty $\times$ 10% of recovering maximum penalties.

¹³ $\approx 7,000$ pay periods $\times$ \$100 penalty $\times$ 10% chance of recovering maximum penalties in view of defense that such penalties are duplicative.

¹⁴ ≈ 100 Class Member terminations during the 1-year statute of limitations period $\times$ estimated average of 5 sick days $\times$ 8-hour shift length $\times$ \$21.69 average hourly wage $\times$ 25% chance of both certifying the claim and recovering full damages at trial.

¹⁵ $\approx 7,000$ pay periods $\times$ \$100 penalty $\times$ 10% chance of proving "knowing and intentional" violations resulting in "injuries."

¹⁶ This estimate assumes = approximately 100 Class Member terminations during the 3-year statute of limitations period $\times$ 30 days of waiting-time penalties $\times$ 8-hour average shift length $\times$ \$21.69 average hourly wage $\times$ 10% of establishing "willful" violations and the absence of good faith defenses.

1 Ultimately, Plaintiff's Counsel determined an appropriate range of recovery for settlement
2 purposes by offsetting Defendant's maximum theoretical liability by: (a) the strength of the defenses to
3 the merits of Plaintiff's claims; (b) the risk of class certification being denied; (c) the risk of losing on any
4 of a number of dispositive motions that could have been brought between certification and trial (e.g.,
5 motions to decertify the class, motions for summary judgment, and/or motions in limine) that might have
6 eliminated all or some of Plaintiff's claims, or barred evidence/testimony in support of the claims; (d) the
7 risk of losing at trial; (e) the chances of a favorable verdict being reversed on appeal; and (f) the
8 difficulties attendant to collecting on a judgment (collectively, the "Discount Factors"). With respect to
9 (c), Defendant would have presented the following defenses:

10 **Off-the-Clock Defenses:** Defendant would have argued that its labor policies prohibit off-the-
11 clock work, that employees were properly compensated for all time worked, and any time worked off-
12 the-clock would not be reflected in the time records, making it practically impossible to determine
13 whether any Class Member worked off-the-clock without engaging in thousands of individualized
14 inquiries that would preclude class certification. *See Brinker Rest. Corp. v. Super. Ct.*, 53 Cal. 4th 1004,
15 1051-52 (2012) (holding that in the absence of a uniform, companywide policy, proof of liability is
16 individual); *Amey v. Cinemark USA Inc.*, No. 13-CV-05669-WHO, 2015 WL 2251504, at *12 (N.D.
17 Cal. May 13, 2015) (denying certification of off-the-clock claim because plaintiffs' work requirements
18 depended on the manager); *Brewer v. Gen. Nutrition Corp.*, No. 11-CV-3587 YGR, 2014 WL 5877695,
19 at *12 (N.D. Cal. Nov. 12, 2014) (denying certification based on policy requiring employees to finish
20 closing duties within 30 minutes, because the court would still be left with numerous individual issues);
21 *Pryor v. Aerotek Scientific, LLC*, 278 F.R.D. 516, 532-33 (C.D. Cal. 2011) (denying certification of off-
22 the-clock claim).

23 Even if the Court had certified the off-the-clock claim, Defendant would have argued that for
24 Plaintiff to establish that it failed to pay Class Members for all hours worked, Plaintiff would have had to
25 prove that it was aware that they were working hours for which they were not compensated. For
26 example, in *Forrester v. Roth's I.G.A. Foodliner, Inc.*, 646 F.2d 413 (9th Cir. 1981), the Ninth Circuit
27 held that "where an employer has no knowledge that an employee is engaging in overtime work and that
28 employee fails to notify the employer or deliberately prevents the employer from acquiring knowledge

1 of the overtime work, the employer’s failure to pay for the overtime hours is not a violation [of overtime
2 requirements].” *Id.* at 414.

3 **Defenses to Meal Period Claim:** Defendant would have argued that it has no obligation to
4 “guarantee” or “ensure” that meal periods are taken by all employees at all times. *Brinker*, 53 Cal. 4th at
5 1040 (employers are “not obligated to police meal breaks and ensure no work thereafter is performed”).
6 Rather, an employer satisfies (as Defendant would argue) its obligation to provide meal periods if “it
7 relieves its employees of all duty, relinquishes control over their activities and permits them a reasonable
8 opportunity to take an uninterrupted 30-minute break, and does not impede or discourage them from
9 doing so.” *Id.* Defendant argued that there is no “basis in the wage order or statute” for the notion “that
10 an employer must ensure that no work is done – i.e., prohibit work” during a meal period. *Id.* at 1038;
11 *see also Murphy*, 40 Cal. 4th at 1104 (finding a violation occurs only if the employee is “forced to forgo
12 his or her meal period”).

13 Defendant would have argued at trial that “to assert a meal break claim, the employee must show
14 that he was **forced to forego** his meal breaks as opposed to merely showing that he did not take them.”
15 *Nguyen v. Baxter Healthcare Corp.*, No. 8:10-CV-01436-CJC, 2011 WL 6018284, at *5 (C.D. Cal.
16 Nov. 28, 2011) (emphasis in original); *see also Brinker*, 53 Cal. 4th at 1034; *Dailey v. Sears, Roebuck*
17 *& Co.*, 214 Cal. App. 4th 974, 1000-02 (2013); *Gonzalez v. Officemax N. Am.*, No. CV 07-04839 JVS
18 MLGX, 2012 WL 5473764, at *5 (C.D. Cal. Nov. 5, 2012). Thus, Defendant would have argued that
19 courts reject certifying meal break claims where no common policy denies breaks on a class-wide basis.
20 *See, e.g., Purnell v. Sunrise Senior Living Mgmt., Inc.*, No. SA CV10-00897 JAK, 2012 WL 1951487, at
21 *8 (C.D. Cal. Feb. 27, 2012); *Washington v. Joe’s Crab Shack*, 271 F.R.D. 629, 641 (N.D. Cal. 2010)
22 (denying certification because “an individualized inquiry will be required to determine whether any
23 employee failed to take a meal break because he/she was too busy”); *Salazar v. Avis Budget Grp., Inc.*,
24 251 F.R.D. 529, 533 (S.D. Cal. 2008); *Ordonez v. Radio Shack, Inc.*, No. CV 10-7060-CAS JCGX,
25 2013 WL 210223, at *8 (C.D. Cal. Jan. 17, 2013); *Gonzalez*, 2012WL 5473764, at *5 (holding that
26 “[why] any particular employee missed any particular break requires, ineluctably, individualized fact
27 finding”).

28 **Defenses to Vacation Pay Claim:** Defendant would have argued that its policy is to pay non-

1 exempt employees all unused, earned and accrued vacation time at termination, and that Plaintiff has no
2 evidence that it maintained a contrary policy during the Class Period.

3 **Defenses to Rest Period Claim:** Defendant would have argued that absent a shift-by-shift,
4 break-by-break, employee-by-employee inquiry, Defendant would have argued that there was simply no
5 way to know (a) whether a break was taken; and (b) if not, why not. Defendant also would have argued
6 that even if employees recorded every rest break ever taken, their time records would still be insufficient
7 to prove liability. For each instance where an employee did not take a 10-minute rest period by the end of
8 the fourth hour of work, the trier of fact would still have to determine why that particular employee had
9 less than their full allotment of rest time. Defendant accordingly would have argued that rest break
10 claims are inherently individualized in nature because employers only need to “authorize and permit”
11 breaks; they need not ensure that rest breaks are taken. *Brinker*, 53 Cal. 4th at 1004. To succeed, “[a]n
12 employee must show that the employer prevented the employee from taking breaks; mere proof of
13 knowledge that the employee was forgoing breaks is insufficient.” *Reece v. Unitrin Auto & Home Ins.*
14 *Co.*, No. 5:11-CV-03960 EJD, 2013 WL 245452, at *5 (N.D. Cal. Jan. 22, 2013) (rejecting claim that
15 the work structure made taking rest breaks impossible, because plaintiff failed to show that the employer
16 prevented such breaks); *Drenckhahn v. Costco Wholesale Corp.*, No. 2:08-CV-01408-JHN, 2011 WL
17 3754659, at *3 (C.D. Cal. Aug. 24, 2011) (“although employers must provide employees with meal and
18 rest breaks under Cal. Lab. Code § 512(a), they need not guarantee that employees take breaks”).

19 Defendant would have argued that the lack of any actual policy of discouraging Class Members
20 from taking their rest periods would have made it virtually impossible to certify the claim. *See Clemens*
21 *v. Hair Club for Men, LLC*, No. C 15-01431 WHA, 2016 WL 1461944, at **5–6 (N.D. Cal. Apr. 14,
22 2016) (denying class certification where “plaintiffs have presented no direct evidence of a uniform policy
23 or practice that led to missed meal periods or rest breaks” meaning that “proof of the alleged uniform
24 practice will turn on individual inquiries into the reason for each missed meal period”); *Sultan v.*
25 *Medtronic, Inc.*, 2012 U.S. Dist. LEXIS 107046 (C.D. Cal. July 23, 2012) (“reasons that employees fail
26 to take breaks can be manifold: the employee could have forgotten, wanted to finish assignments, were
27 not hungry, did not want to leave the premises, wanted to leave early or, possibly, were manipulating
28 their timecards”); *Jimenez v. Allstate Ins. Co.*, 2012 U.S. Dist. LEXIS 65328, 47 (C.D. Cal. Apr. 18,

2012) (“[I]n the absence of a common practice or policy or some other ‘glue’ to bind this class, commonality cannot be shown.”).

9. **Defenses to Business Expense Claim:** Defendant would have argued that activities undertaken by job applicants at the time of hiring—such as employer-mandated drug tests and physical examinations—are not “work” performed by an “employee,” and are therefore not compensable time. *See Johnson v. WinCo Foods, LLC*, 37 F.4th 604, 606 (9th Cir. 2022) (under California law, employer’s control over drug tests as part of the job application process was not control over the performance of the job and so did not convert applicants into employees). Defendant would also have argued that under *Morillion v. Royal Packing Co.*, 22 Cal. 4th 575, 587 (2000), an employer does not exercise “control” over employees by simply requiring them to appear at some specific destination. *Id.* at 583 (rejecting argument that commuting and grooming would be paid under the “control” rule because the “level of the employer’s control over its employees, *rather than the mere fact that the employer requires activity*, is determinative”) (emphasis added).

Defendant would have further argued that employees are entitled to reimbursement for work-related expenses, such as for cellphone usage, only if they can prove that the employer knew or had reason to know that actual expenses were incurred. *See Gattuso v. Harte-Hanks Shoppers, Inc.*, 42 Cal. 4th 554, 562, 568 (2007) (requirement to reimburse depends on “whether each of those expenses was ‘necessary,’ which in turn depends on the reasonableness of the employee’s choices”); *Cassady v. Morgan, Lewis & Bockius LLP*, 145 Cal. App. 4th 220, 232 (2006), as modified (Dec. 21, 2006) (Labor Code section 2802 “expressly conditions the right to indemnity on a showing that the expenditures arose as a direct consequence of the discharge of the employee’s duties”); *Snap! Mobile, Inc. v. Croghan*, No. 18-CV-04686-LHK, 2019 WL 884177, at *11 (N.D. Cal. Feb. 22, 2019) (“[F]or purposes of § 2802, before an employer’s duty to reimburse is triggered, it must either know or have reason to know that the employee has incurred an expense”) (quoting *Stuart v. RadioShack Corp.*, 641 F. Supp. 2d 901, 903-04 (N.D. Cal. 2009)).

Defenses to the Failure to Pay Wages During Employment Claim: Defendant would have argued that Plaintiff is not entitled to penalties under Section 210 because such penalties per the statute are only recoverable by the Labor Commissioner. To the extent Section 210 penalties are recoverable

1 under PAGA, Defendant would have argued that it had no policy of failing to pay wages during each
2 pay period, and that this claim was merely derivative of Plaintiff’s other minimum wage and meal/rest
3 period claims, the defenses to which are summarized above.

4 **Defenses to Failure to Provide Notice of Material Terms of Employment:** Defendant
5 maintained that it did provide Class Members with the material terms of their employment via the
6 publication of its labor policies, etc.

7 **Defenses to Sick Pay Claim:** Defendant claimed that its policies concerning sick pay were at all
8 times compliant with the Labor Code and Wage Orders, and that any deviations from those policies were
9 anomalous incidents for which Defendant should not be held accountable on a representative basis.

10 **Defenses to Wage Statement Claim:** Although wage statement claims are readily certifiable,
11 they are vulnerable to an unfavorable disposition on summary judgment as defendants commonly argue
12 that, without more, wage statement claims are nothing but technical violations for which Class Members
13 suffer no injury. Specifically, Labor Code section 226 claim imposes penalties only for “knowing and
14 intentional” failures to comply with the statute’s itemization requirements. In *Naranjo v. Spectrum Sec.*
15 *Servs., Inc.*, 88 Cal. App. 5th 937 (2023), the California court of appeal found that if a “good faith
16 dispute” exists as to whether wages are due to an employee, then the employer is not liable for wage
17 statement penalties.

18 Additionally, Labor Code section 226 requires the employee to prove not only that the violation
19 was “knowing and intentional,” but that the violation resulted in an “injury.” Defendant would have
20 argued that the “deprivation of [the] information [required by 226(a)],” by itself, is not a cognizable
21 injury. *Price v. Starbucks Corp.*, 192 Cal. App. 4th 1136, 1142-1143 (2011) (internal citations omitted);
22 *see also Maldonado v. Epsilon Plastics, Inc.*, 22 Cal. App. 5th 1308, 1334 (2018) (“But inaccurate wage
23 statements alone do not justify penalties; the plaintiffs must establish injury flowing from the
24 inaccuracy”).

25 **Defenses to the Failure to Pay:** While Section 203 penalties are relatively straightforward to
26 calculate, the analysis becomes more difficult for settlement purposes as derivative waiting-time
27 penalties are only as strong as the underlying predicate claims, and are subject to good faith defenses. For
28 example, defendants commonly argue that no waiting-time penalties can be awarded unless the failure to

1 pay wages is “willful,” an element that Plaintiff acknowledges would have been difficult to prove. The
2 California Code of Regulations specifically provides:

3 A willful failure to pay wages within the meaning of Labor Code Section 203
4 occurs when an employer intentionally fails to pay wages to an employee when
5 those wages are due. However, a good faith dispute that any wages are due will
6 preclude imposition of waiting time penalties under Section 203...

7 A “good faith dispute” that any wages are due occurs when an employer presents
8 a defense, based in law or fact which, if successful, would preclude any recover[y]
9 on the part of the employee. The fact that a defense is ultimately unsuccessful will
10 not preclude a finding that a good faith dispute did exist. Defenses presented
11 which, under all the circumstances, are unsupported by any evidence, are
12 unreasonable, or are presented in bad faith, will preclude a finding of a “good faith
13 dispute.”

14 Cal. Code Regs. tit. 8, § 13520.

15 Subsequent California cases have held that a good faith dispute as to whether wages were owed
16 (including a good faith belief in a legal defense) precludes an award of waiting time penalties under
17 Section 203. *Nordstrom Comm’n Cases*, 186 Cal. App. 4th 576, 584 (2010) (“There is no willful failure
18 to pay wages [under Section 203] if the employer and employee have a good faith dispute as to whether
19 and when the wages were due”); *see also Armenta v. Osmose, Inc.*, 135 Cal. App. 4th 314, 325 (2005)
20 (“A good faith belief in a legal defense will preclude a finding of willfulness”).

21 And case law interpreting “willful” holds that even unsuccessful good faith defenses will be
22 sufficient to preclude recovery so long as an employer’s “position is not so untenable as to constitute bad
23 faith” or is not supported by any evidence. *See Estrada v. Royalty Carpet Mills, Inc.*, 76 Cal. App. 5th
24 685, 708, 729 (2022) (finding no liability under Section 203 when the company had a good faith dispute
25 that meal period premiums were owed due to an on-duty meal period policy that restricted employee
26 freedom during meal periods while paying regular wages, even though the policy was found to be
27 unlawful); *see also Woods v. Vector Mktg. Corp.*, No. C-14-0264 EMC, 2015 WL 2453202, at *4 (N.D.
28 Cal. May 22, 2015) (holding that the employer’s defense that the plaintiff was properly classified, even if
ultimately unsuccessful at trial, was insufficient to amount to a “willful” violation of 203 and granting
summary judgment on those claims because the plaintiff could point to no evidence that the defense was
raised in bad faith or was unsupported by the evidence).

The Gross Settlement Amount is Fair and Reasonable—After taking into account the

Discount Factors, Plaintiff's Counsel determined that it would be reasonable to settle for approximately 25% of Defendant's estimated exposure for the class claims (PAGA discussed in the following section). Such a discount is inherently reasonable given that Plaintiff would have had to overcome multiple, dependent contingencies to prevail on his claims. If anything, the projected odds for each of the above contingencies is generous to the class's position, since plaintiffs in employment cases rarely prevail on all of the claims at any of these dispositive stages. Courts routinely approve settlements that provide a similar discounted range of the maximum potential recovery.¹⁷

C. The Consideration Provided for the PAGA Claim Is Fair and Reasonable In Light of the Amount in Controversy Discounted by the Risks of Continued Litigation

Pursuant to the Settlement Agreement, \$20,000 from the Gross Settlement Amount shall be allocated to the resolution of the PAGA claim, of which 75% (i.e., \$15,000) will be paid directly to the LWDA, and the remaining 25% (i.e., \$5,000) will be paid to PAGA Members. (Settlement Agreement ¶ 23.)

This result was reached after good-faith negotiation between the parties. The amount was valued as follows: Based on information and evidence produced by Defendant during discovery, Plaintiff's Counsel determined that aggrieved employees worked a combined total of approximately 7,000 pay periods during the PAGA statute of limitations period ("PAGA Period"). Statutory penalties would be calculated according to Labor Code 2699(f)(2): If, at the time of the alleged violation, the person employs one or more employees, the civil penalty is one hundred dollars (\$100) for each aggrieved employee per pay period for the initial violation and two hundred dollars (\$200) for each aggrieved employee per pay period for each subsequent violation.

However, a number of courts have found that the "subsequent" penalty under PAGA applies

¹⁷ See, e.g., *In re Warfarin Sodium Antitrust Litig.*, 212 F.R.D. 231, 256-58 (D. Del. 2002) (recognizing that a reasonable settlement amount can be 1.6% to 14% of the total estimated damages); *In re Armored Car Antitrust Litig.*, 472 F. Supp. 1357, 1373 (N.D. Ga. 1979) (settlements with a value of 1% to 8% of the estimated total damages were approved); *In re Four Seasons Secs. Laws Litig.*, 58 F.R.D. 19, 37 (W.D. Okla. 1972) (approving 8% of damages); *Balderas v. Massage Envy Franchising, LLP*, 2014 WL 3610945, at *5 (N.D. Cal. July 21, 2014) (finding that settlement which amounted to 8% of maximum recovery "[fell] within the range of possible initial approval based on the strength of plaintiff's case and the risk and expense of continued litigation."); *In re Omnivision Techs., Inc.*, 559 F. Supp. 2d 1036, 1042 (N.D. Cal. 2008) (approving settlement of 6% to 8% of estimated damages).

only after a court or the Labor Commissioner determines that the employer has violated the Labor Code. *See Gunther v. Alaska Airlines, Inc.*, 72 Cal. App. 5th 334, 356 (2021) (“the increased \$200 civil penalty for ‘subsequent violation[s]’ does not apply unless [Plaintiff] presents evidence that the Labor Commission or a court notified [Defendant] that it was in violation of the Labor Code.”); *Bernstein v. Virgin Am., Inc.*, 990 F.3d 1157, 1173 (9th Cir. 2021) (reversing judgment as to “heightened civil penalties” because the defendant was not given notice by the Labor Commissioner when the “subsequent” violations occurred).¹⁸

Under this line of cases, Defendant’s realistic exposure for PAGA penalties would be calculated as follows:

Claim	Pay Periods	Penalty	Odds of Recovering Maximum PAGA Penalties	Realistic Exposure at Trial
Off-the-Clock Claim	7,000	\$100	10%	\$70,000.00
Meal Period Claim	7,000	\$100	25%	\$175,000.00
Vacation Pay	7,000	\$100	25%	\$175,000.00
Rest Period Claim	7,000	\$100	25%	\$175,000.00
Failure to Provide Notice of Material Terms of Employment	175	\$100	10%	\$1750.00
Business Expense Reimbursement Claim	7,000	\$100	25%	\$175,000.00
Failure to Pay Wages During Employment	7,000	\$100	10%	\$70,000.00
Sick Pay Claim	100	\$100	25%	\$2500.00
Wage Statement Claim	7,000	\$100	10%	\$70,000.00
Final Pay Claim	100	\$100	10%	\$1000.00
Total				\$915,250.00

¹⁸ See also *Vieyra-Flores v. Sika Corp.*, No. EDCV19606JVSKKX, 2019 WL 2436998, at *5 (C.D. Cal. June 10, 2019) (“employers are not subject to heightened penalties . . . until a court or commissioner notifies the employer that it is in violation of the Labor Code . . . [Plaintiff] has not offered evidence that the Labor Commission or a court has notified them of PAGA violations [thus] PAGA’s heightened penalty of \$200 for subsequent violations will not be calculated to determine the amount in controversy”); *Chen v. Morgan Stanley Smith Barney, LLC*, No. 8:14-CV-01077 ODW (FFMx), 2014 WL 4961182 (C.D. Cal., October 2, 2014) (“Under the Labor Code, if an employer does not have notice that they are committing a violation, they are not subject to the heightened penalties.”); *Trang v. Turbine Engine Components Technologies Corp.*, No. CV 12–07658 DDP (RZx), 2012 WL 6618854 (C.D. Cal. Dec. 19, 2012) (“courts have held that employers are not subject to heightened penalties for subsequent violations unless and until a court or commissioner notifies the employer that it is in violation of the Labor Code”), citing *Amaral v. Cintas Corp. No. 2*, 163 Cal. App. 4th 1157 (2008).

1 It should be noted that PAGA gives the Court wide latitude to reduce the amount of civil
2 penalties “based on the facts and circumstances of a particular case” when “to do otherwise would result
3 in an award that is unjust, arbitrary and oppressive, or confiscatory.” Cal. Lab. Code § 2699(h). In
4 reducing PAGA penalties, courts have considered issues including whether the employees suffered
5 actual injury from the violations, whether the defendant was aware of the violations, and the employer’s
6 willingness to fix the violation. *Carrington v. Starbucks Corp.*, 30 Cal. App. 5th 504, 528 (2018)
7 (awarding PAGA penalties of only 0.2% of the maximum); *see also Cotter v. Lyft, Inc.*, 193 F. Supp. 3d
8 1030, 1037 (N.D. Cal. 2016); *Fleming v. Covidien Inc.*, No. ED CV 10-01487 RGK (OPX), 2011 WL
9 7563047, at *4 (C.D. Cal. Aug. 12, 2011).

10 For example, during the penalty phase of trial in *Carrington*, the plaintiff requested PAGA
11 penalties in the amount of approximately \$70 million. The trial court instead awarded only \$150,000—
12 **or 0.21% of the maximum**—and stated that this reduction was warranted because (a) the Court did not
13 believe it was appropriate to impose multiple penalties per pay period in which a violation occurred and
14 (b) imposing the maximum penalty would be “unjust, arbitrary, and oppressive” based on Starbucks’s
15 “good faith attempts” to comply with meal period obligations and because the court found the violations
16 were minimal. *Carrington*, 30 Cal. App. 5th at 517-18. The Court of Appeal affirmed the lower court’s
17 reduced award of a \$150,000 penalty under PAGA. *Id.* at 529. If a similar reduction had been applied
18 here, Plaintiff would have recovered only approximately \$1,922.03 ($\$915,250 \times 0.0021$ reduction).

19 Likewise, in *Covidien*, the Court reduced the potential penalties by over 82%, awarding
20 \$500,000 instead of maximum penalties of \$2.8 million. *Covidien*, 2011 WL 7563047 at *4; *see also*
21 *Thurman v. Bayshore Transit Mgmt.*, 203 Cal. App. 4th 1112, 1135-36 (2012) (affirming 30% reduction
22 under specified PAGA claim where the employer produced evidence that it took its obligations
23 seriously); *Elder v. Schwan Food Co.*, No. B223911, 2011 WL 1797254, at *5-*7 (Cal. Ct. App. May
24 12, 2011) (reversing trial court decision denying any civil penalties where violations had been proven,
25 remanding for the trial court to exercise discretion to reduce, but not wholly deny, civil penalties); *Li v. A*
26 *Perfect Day Franchise, Inc.*, No. 5:10-CV-01189-LHK, 2012 WL 2236752, at *17 (N.D. Cal. June 15,
27 2012) (denying PAGA penalties for violation of California Labor Code section 226 as redundant with
28 recovery on a class basis pursuant to California Labor Code section 226, directly); *Aguirre v. Genesis*

1 *Logistics*, No. SACV 12-00687 JVS (ANx), 2013 WL 10936035 at *2-*3 (C.D. Cal. Dec. 30, 2013)
2 (reducing penalty for past PAGA violations from \$1.8 million to \$500,000, after rejecting numerous
3 other PAGA claims).

4 Plaintiff therefore determined an appropriate range of settlement for PAGA penalties as a
5 percentage of the settlement range that was consistent with other hybrid class/PAGA settlements
6 approved by California courts.¹⁹ Where PAGA penalties are negotiated in good faith and “there is no
7 indication that [the] amount was the result of self-interest at the expense of other Class Members,” such
8 amounts are generally considered reasonable. *Hopson v. Hanesbrands Inc.*, No. CV-08-0844 EDL, 2009
9 WL 928133, at *9 (N.D. Cal. Apr. 3, 2009); *see, e.g., Nordstrom Com. Cases*, 186 Cal. App. 4th 576,
10 579 (2010) (“[T]rial court did not abuse its discretion in approving a settlement which does not allocate
11 any damages to the PAGA claims.”).

12 **D. The Court Should Preliminarily Approve the Negotiated Class Representative**
13 **Enhancement Payment**

14 Enhancement payments “are fairly typical in class action cases.” *Cellphone Termination Fee*
15 *Cases*, 186 Cal. App. 4th 1380, 1393 (2010) (affirming incentive awards of \$10,000); *Rodriguez v. West*
16 *Publishing Corp.*, 563 F.3d 948, 958 (9th Cir. 2009), citing 4 Newberg on Class Actions (4th ed. 2002) §
17 11:38, and Eisenberg & Miller, *Incentive Awards to Class Action Plaintiffs: An Empirical Study*, 53

19 ¹⁹ *Dearaujo v. Regis Corp.*, No. 2:14-cv-01408-KJM-AC, 2016 WL 3549473 at *3 (E.D. Cal.
20 June 29, 2016) (preliminarily approving \$1.95 million settlement containing \$10,000 PAGA penalties
21 with \$7,500 paid to LWDA); *Garcia v. Gordon Trucking, Inc.*, No. 1:10-CV-0324 AWI SKO, 2012
22 WL 5364575 at *7 (E.D. Cal. Oct. 31, 2012) (approving \$3.7 million settlement containing \$10,000
23 PAGA penalties with \$7,500 paid to LWDA); *Chu v. Wells Fargo Invst., LLC*, No. C 05-4526 MHP,
24 2011 WL 672645 at *1 (N.D. Cal. Feb. 16, 2011) (approving \$6.9 million settlement containing \$10,000
25 PAGA penalties with \$7,500 paid to LWDA); *Guerrero v. R.R. Donnelley & Sons Co.*, Case No. RIC
26 10005196 (Riverside County Super. Ct. July 16, 2013; Judge Matthew C. Perantoni) (gross settlement
27 fund of \$1,100,000, of which \$3,000 (or 0.3%) was allocated to the settlement of PAGA penalties);
28 *Parra v. Aero Port Services, Inc.*, No. BC483451 (L.A. County Super. Ct. April 20, 2015; Judge Jane
Johnson) (gross settlement fund of approximately \$1,458,900, of which \$5,000 (or 0.3%) was allocated
to the settlement of PAGA penalties); *Thompson v. Smart & Final, Inc.*, No. BC497198 (L.A. County
Super. Ct. Nov. 18, 2014; Judge William F. Highberger) (gross settlement fund of \$3,095,000, of which
approximately \$13,333 (or 0.4%) was allocated to the settlement of PAGA penalties); *Chavez v. Vallarta*
Food Enterprises, Inc., No. BC490630 (L.A. County Super. Ct. Nov. 10, 2014; Judge William F.
Highberger) (gross settlement fund of \$1,545,900, of which \$10,000 (or 0.6%) was allocated to the
settlement of PAGA penalties); *Coleman v. Estes Express Lines, Inc.*, No. BC429042 (L.A. County
Super. Ct. Oct. 3, 2013; Judge Kenneth R. Freeman) (gross settlement fund of \$1,535,000, of which
\$1,000 (or 0.1%) was allocated to the settlement of PAGA penalties).

1 UCLA L. Rev. 1303 (2006). Enhancement payments “are intended to compensate class representatives
2 for work done on behalf of the class, to make up for financial or reputational risk undertaken in bringing
3 the action, and, sometimes, to recognize their willingness to act as a private attorney general.” *Rodriguez*,
4 563 F.3d at 958–59. “[T]he rationale for making enhancement or incentive awards to named plaintiffs is
5 that they should be compensated for the expense or risk they have incurred in conferring a benefit on
6 other members of the class.” *Clark v. American Residential Services LLC*, 175 Cal. App. 4th 785, 806
7 (2009).

8 Approximately 284 current and former employees will share a \$375,000 settlement fund due
9 entirely to the effort and commitment of Luis Corona. Subject to Court approval, therefore, the
10 Settlement provides for a Class Representative Enhancement Payment of \$10,000.²⁰ The Class
11 Representative Enhancement Payment is fair and reasonable compensation for Plaintiff’s effort in
12 pursuing the action, serving as a private attorney general under PAGA, assisting counsel with the
13 litigation and settlement, regularly conferring with counsel on the status of his case and the strategies for
14 prosecuting the claims, and reviewing the proposed settlement to ensure that its terms are fair and
15 provide adequate relief for the Settlement Class.

16 Plaintiff will file a formal motion for the negotiated Class Representative Enhancement Payment
17 once preliminary approval of the Settlement is granted. Plaintiff respectfully submits that the above
18 showing is sufficient for preliminary approval of the negotiated Class Representative Enhancement
19 Payment.

20
21
22
23 ²⁰ Such amounts are reasonable by reference to the amounts that California courts (both federal
24 and state) have repeatedly found to be reasonable for wage and hour class action settlements: *See Carter*
25 *v. GMRI Inc.*, No. RIC 1506085 (Riverside County Super. Ct. Jan. 10, 2017) (awarding \$10,000
26 enhancement payments to the named plaintiffs); *Crook v. Barton Healthcare System*, No. SC20150146
27 (El Dorado County Super. Ct. Dec. 9, 2016) (awarding \$10,000 enhancement payment to the named
28 plaintiff); *Singh v. American Building Supply, Inc.*, No. 34-2015-00179889-CU-OE-GDS (Sacramento
County Super. Ct. Oct. 3, 2016) (awarding \$10,000 enhancement payment to the named plaintiff);
Alvarez v. MAC Cosmetics Inc., No. CIVDS1513177 (San Bernardino County Super. Ct. July 29, 2016)
(awarding \$10,000 enhancement payments to the named plaintiffs); *Coffey v. Beverages & More, Inc.*,
No. BC477269 (L.A. County Super. Ct. July 26, 2016) (awarding \$10,000 enhancement payment to the
named plaintiff).

1 **E. The Court Should Preliminarily Approve the Negotiated Attorneys’ Fees and**
2 **Costs**

3 The purpose of an attorneys’ fee award in class action litigation is to reward counsel who took
4 the risk of non-payment and invested in a case that achieved a substantial positive result for the class.
5 “Fee awards in class actions average around one-third of the recovery regardless of whether the
6 percentage method or the lodestar method is used.” *Amaro v. Anaheim Arena Mgmt., LLC*, 69 Cal. App.
7 5th 521, 545 (2021) (quoting *Chavez v. Netflix, Inc.*, 162 Cal. App. 4th 43, 66, fn. 11 (2008)) (internal
8 quotations omitted). Consistent with that observation, California state and federal courts routinely award
9 attorneys’ fees equaling one-third of the common fund. *See, e.g. Laffitte v. Robert Half Internat. Inc.*, 231
10 Cal. App. 4th 860, 871 (2016) (“33 1/3 percent of the common fund is consistent with, and in the range
11 of, awards in other class action lawsuits”); *Chavez*, 162 Cal. App. 4th at 66 n.11 (“Empirical studies
12 show that, regardless whether the percentage method or the lodestar method is used, fee awards in class
13 actions average around one-third of the recovery.”); Eisenberg & Miller, *Attorney Fees in Class Action*
14 *Settlements: An Empirical Study*, J. of Empirical Legal Studies, Vol. 1, Issue 1, 27-78, March 2004, at 35
15 (independent studies of class action litigation nationwide conclude that fees representing one-third of the
16 total recovery is consistent with market rates). Notably, the California Supreme Court in *Laffitte v.*
17 *Robert Half Internat. Inc.* affirmed a fee award representing one-third of the fund. *Laffitte v. Robert Half*
18 *Internat. Inc.*, 1 Cal. 5th 480 (2016).

19 At final approval, Plaintiff will seek Court-approval of attorneys’ fees of \$125,000 (one-third of
20 the Class Settlement Amount) and \$30,000 in litigation costs.

21 **F. California Law Authorizes Provisional Certification for Settlement Purposes**

22 **1. The California Standard for Class Certification**

23 Class actions are statutorily authorized “when the question is one of common or general interest,
24 of many persons, or when the parties are numerous, and it is impracticable to bring them all before the
25 court.” Cal. Civ. Proc. Code § 382; *Lee v. Dynamex, Inc.*, 166 Cal. App. 4th 1325, 1332 (2008). Class
26 certification is appropriate when there is an “ascertainable class and a well-defined community of interest
27 among class members.” *Sav-On Drug Stores, Inc. v. Superior Court*, 34 Cal. 4th 319, 326 (2004). Class
28 treatment is appropriate even if class members at some point may be required to make an individual

1 showing as to eligibility for recovery. *Bufil v. Dollar Financial Group, Inc.*, 162 Cal. App. 4th 1193,
2 1207 (2008); *Sav-On*, 34 Cal. 4th at 333.

3 Conditional certification of the proposed Settlement Class is particularly warranted here given
4 the relatively relaxed standard for certification at the preliminary approval stage. *See Dunk v. Ford Motor*
5 *Co.*, 48 Cal. App. 4th 1794 (1996) (courts can apply a “lesser standard of scrutiny” for class certification
6 in settlement cases).²¹ In *Dunk*, the California Court of Appeal specifically rejected the argument that the
7 standard for certifying a class for purposes of settlement is identical to the standard for certifying the
8 same class for purposes of litigation:

9 Geer argues the court must use the same standard under Federal Rules of Civil Procedure,
10 rule 23 (28 U.S.C.) to determine the propriety of both settlement and litigation class
11 certifications . . . That rule is contrary to the Ninth Circuit rule, stated in *Officers for Justice*
12 *v. Civil Service Com. supra*, 688 F.2d at p. 633, and the position of the leading
13 commentators (Newberg & Conte, *supra*, § 11.28 at p. 11–58), which allow a lesser
14 standard of scrutiny for settlement cases . . . We agree with the latter. The two basic
15 purposes for the Rule 23 certification requirements, as they relate to questions of a
16 nationwide class, are: (1) to keep the lawsuit manageable for trial; and (2) to protect the
17 interests of the non-representative class members. The first purpose is inapposite in the
18 settlement context, and the second, as it relates to commonality of issues, only makes a
19 difference if the non-representative class members would do much better by litigating on
20 their own or in their own jurisdiction. The second category concerns are protected by the
21 trial court’s fairness review of the settlement.

22 *Id.* at n19.

23 **2. The Proposed Settlement Class Is Ascertainable and There Is a Well-** 24 **Defined Community of Interest Among Class Members**

25 Whether a class is “ascertainable” within the meaning of Code of Civil Procedure section 382 is
26 “determined by examining (1) the class definition, (2) the size of the class, and (3) the means available
27 for identifying class members.” *Lee*, 166 Cal. App. 4th at 1334. Class members are ascertainable where
28

29 ²¹ *See also* Newberg on Class Actions § 13:18 (5th ed.) (courts “declin[e] to treat formal class
30 certification as a prerequisite for preliminary approval and undertak[e] a more cursory class certification
31 analysis at the preliminary approval stage.”); *Dearaujo v. Regis Corp.*, No. 2:14-CV-01408-KJM-AC,
32 2016 WL 3549473, at *6 (E.D. Cal. June 30, 2016) (“[D]espite the Supreme Court’s cautions in
33 *Amchem* . . . , a cursory approach appears the norm.”); *In re Amtrak Train Derailment in Philadelphia,*
34 *Pennsylvania*, No. 15-MD-2654, 2016 WL 1359725, at *4 (E.D. Pa. Apr. 6, 2016) (“[A] settlement class
35 can be preliminarily certified based on a less rigorous analysis than that necessary for final
36 certification.”); *In re Processed Egg Prod. Antitrust Litig.*, No. 08-MD-2002, 2014 WL 828083, at *2
37 (E.D. Pa. Feb. 28, 2014) (at the preliminary approval stage, “the Court must determine whether the
38 proposed class should be conditionally certified, and leave the final certification decision for the Fairness
39 Hearing.”).

1 they may be readily identified without unreasonable expense or time by reference to official records. *Id.*

2 The community of interest requirement embodies three factors: (1) predominant common
3 questions of law or fact; (2) a class representative with claims or defenses typical of the class; and (3) a
4 class representative and counsel who can adequately represent the class. Cal. Civ. Proc. Code § 382.

5 In April of 2012, the California Supreme Court expounded on the element of predominance:

6 The “ultimate question” the element of predominance presents is whether “the
7 issues which may be jointly tried, when compared with those requiring separate
8 adjudication, are so numerous or substantial that the maintenance of a class action
would be advantageous to the judicial process and to the litigants.”

9 *Brinker Rest. Corp. v. Super. Ct.*, 53 Cal. 4th 1004, 1021 (2012) (citations omitted).

10 The proposed Settlement Class consists of all persons who worked for Defendant as non-
11 exempt, hourly paid employees in the State of California at any time from March 15, 2020 through
12 March 9, 2025. Because all Class Members, approximately 284, are either current or former employees
13 of Defendant, the class is readily ascertainable from Defendant’s regular business records and
14 sufficiently numerous.

15 Here, common issues of fact and law predominate because the California statutes relating to
16 each of Plaintiff’s claims, and Defendant’s defenses thereto, apply with equal force and effect to all Class
17 Members. Factually, Plaintiff contends that Defendant’s policies and practices apply class-wide and
18 Defendant’s liability can be determined by facts common to all members of the class. The wage and hour
19 issues are both numerous and substantial, and a class action is the most advantageous method of dealing
20 with the claims of the Settlement Class Members.

21 Plaintiff’s wage and hour claims are typical of the proposed Settlement Class because they arise
22 from the same factual bases and are based on the same legal theories applicable to the other Class
23 Members. Likewise, Plaintiff’s interests are entirely coextensive with the interests of the Class. Plaintiff
24 maintains that he was injured by the same company-wide practices to which the proposed Settlement
25 Class was subject and seeks the same relief. Plaintiff has already demonstrated his ability to advocate for
26 the interests of the Class by initiating this litigation, undertaking representative discovery, and evaluating
27 the proposed settlement to assure that it is fair.

28 Additionally, Plaintiff is represented by competent counsel who have extensive experience in

1 litigating wage and hour class action cases. (Perez Decl. ¶¶ 41-49, Ex. 2.) Plaintiff's Counsel have
2 successfully briefed, argued, certified, and gained state and federal court settlement approval of the same
3 class-wide causes of action that are at issue in this case. (*Id.*) Plaintiff's Counsel's wage and hour class
4 action expertise establishes that they are well qualified to represent the interests of this Class.

5 A class action is superior to a multitude of individual lawsuits. Given the size and amount of
6 each individual Class Member's claim, Class Members likely have little incentive to litigate their claims
7 on an individual basis because the out-of-pocket expense and personal commitment necessary to litigate
8 each claim outweighs any potential recovery. In sum, class treatment is superior to individual, case-by-
9 case adjudication.

10 3. The Proposed Notice Properly Informs Class Members about the Case and 11 the Settlement

12 Class members are entitled to the best practical notice under the circumstances. *Kass v. Young*,
13 67 Cal. App. 3d 100, 106 (1977). The purpose of the notice is to give class members sufficient
14 information to decide whether they should accept the benefits offered, opt out and pursue their own
15 remedies, or object to the settlement. *Trotsky v. Los Angeles Fed. Savings & Loan Assn.*, 48 Cal. App. 3d
16 143, 151-52 (1975). The notice must advise class members "that they may be excluded from the class if
17 they so request and that they will be bound by the judgment, whether favorable or not, if they do not
18 request exclusion." *Kass*, 67 Cal. App. 3d at 106. In a case such as this involving a significant number of
19 class members, California authorities generally require service of the class notice by mail or similar
20 reliable means. *Chance v. Super. Ct.*, 58 Cal. 2d 275, 290 (1962); *Cartt v. Super. Ct.*, 50 Cal. App. 3d
21 960, 972 (1975).²²

22 The Parties have jointly drafted the Notice of Class Action Settlement ("Class Notice") which
23 fairly and neutrally informs Class Members of their rights and remedies in this action.²³ The proposed
24 Class Notice will be mailed to all Class Members by First Class mail and will include information

25
26 ²² Due process does not require that each Class Member actually receive a notice, but rather a
27 procedure reasonably certain to reach Class Members. Wright, A. Miller & M. Kane, *Federal Practice*
28 *and Procedure* § 1789, at 253 (2d ed. 1986). If appropriate notice is given, Class Members will be bound
by the judgment even if they never actually receive the notice. *Fontana v. Elrod*, 826 F.2d 729, 732 (7th
Cir. 1987).

²³ Spanish translation of the Class Notice will be made available by request.

1 regarding the nature of the lawsuit, a summary of the substance of the Settlement’s terms, the class
2 definition, the procedure and time period within which to submit Requests for Exclusions or objections
3 to the Settlement, the date for the final approval hearing, the formula used to calculate settlement
4 payments, and the terms and scope of the Released Claims. (Settlement Agreement, Exhibit A.)

5 In the event Class Notices are returned as undeliverable, the Settlement Administrator will
6 attempt to locate a current address using, among other resources, a skip-trace search. (Settlement
7 Agreement ¶ 52.)

8 Accordingly, both the method of disseminating the Class Notice and content of the Class Notice
9 satisfy due process and the requirements of California law. *See* Cal. R. Ct. 3.776(e)-(f); *State of Cal. v.*
10 *Levi Strauss*, 41 Cal. 3d 460, 485 (1986) (the class notice must “fairly apprise the class members of the
11 terms of the proposed compromise and of the options open to dissenting class members.”).

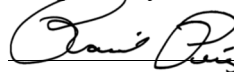
12 **IV. CONCLUSION**

13 The Parties have negotiated a fair and reasonable settlement of claims. Having appropriately
14 presented the materials and information necessary for preliminary approval, the Parties request that the
15 Court preliminarily approve the settlement.

16
17 Dated: June 16, 2025

Respectfully submitted,

18 By:



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Orlando Villalba

Helga Hakimi

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7 Attorneys for Plaintiff Luis Corona

8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **FOR THE COUNTY OF RIVERSIDE**

10 LUIS CORONA, individually, and on behalf of
11 other members of the general public similarly
situated,

12 Plaintiff,

13 vs.

14 S. P. RICHARDS COMPANY, doing business
in California as, GEORGIA S.P. RICHARDS
15 COMPANY, a Georgia corporation; and DOES
1 through 10, inclusive,

16 Defendants.
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Case No. CVRI2401430

Assigned to the Hon. Harold W. Hopp

RESERVATION NO. 172241745083

**DECLARATION OF RAUL PEREZ IN
SUPPORT OF MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT**

Date: July 10, 2025

Time: 8:30 a.m.

Place: Department 1

Complaint Filed: March 15, 2024

Trial Date: None Set

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1. I am an attorney licensed to practice before all courts of the State of California. I am a Partner at Capstone Law APC (“Capstone” or “Plaintiff’s Counsel”), counsel for Plaintiff Luis Corona (“Plaintiff”) in the above-captioned action. Unless indicated otherwise, I have personal knowledge of the following facts, and if called as a witness, I could and would testify competently to them. I make this declaration in support of the Motion for Preliminary Approval of the Class Action and PAGA Settlement.

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1 with Steven Serratore, Esq., on December 20, 2024. At all times, the Parties' negotiations were
2 adversarial and non-collusive.

3 4. Mr. Serratore helped to manage the Parties' expectations and provided a useful, neutral
4 analysis of the issues and risks to both sides. With Mr. Serratore's continuing guidance, the Parties were
5 eventually able to negotiate a complete settlement of Plaintiff's claims. The terms of the settlement are
6 now set forth in complete and final form in the Joint Stipulation of Class Action and PAGA Settlement
7 and Release ("Settlement" or "Settlement Agreement"), attached as **Exhibit 1**. A copy of the Settlement
8 Agreement has been uploaded to the LWDA's website. Plaintiff will file a fully-executed copy of the
9 Settlement Agreement after all signatures are received.

10 5. It is my opinion that the Settlement constitutes a fair, adequate, and reasonable
11 compromise of the claims at issue. This opinion is informed by my experience litigating and settling
12 wage and hour actions, and my firm's thorough investigation into the factual and legal issues implicated
13 by Plaintiff's claims and Defendant's defenses.

14 6. Prior to filing the action, Plaintiff contacted Plaintiff's Counsel to discuss the factual
15 bases for pursuing an action against Defendant for Labor Code violations. Plaintiff was familiar with
16 Defendant's labor policies and practices, knowledgeably summarized those policies and practices to
17 Plaintiff's Counsel. He explained how the policies and practices were instituted and provided valuable
18 insight into how they gave rise to the alleged Labor Code violations. Based on this information,
19 Plaintiff's Counsel determined that there were legally sufficient grounds for pursuing an action against
20 Defendant.

21 7. In preparation for drafting the complaint, Plaintiff's Counsel conducted their own
22 preliminary investigation into the factual bases for Plaintiff's claims. Plaintiff's Counsel also prepared a
23 detailed letter (13 pages) to notify the LWDA of Plaintiff's intent to seek civil penalties and other
24 available relief recoverable under PAGA for Labor Code violations. Significant research and effort were
25 expended to prepare a PAGA notice that was consistent with the developing legal requirements so as to
26 withstand any challenge from Defendant regarding the notice's sufficiency.

27 8. In advance of the Parties' mediation, Plaintiff's Counsel received a considerable amount
28 of documents and data with which to value Plaintiff's claims, including employee demographic data, a

1 sample of Class Members' time and wage records, and Defendant's California labor policies and
2 procedures manuals. The document and data exchanges allowed Plaintiff's Counsel to fully assess the
3 nature and magnitude of the claims being settled, as well as the impediments to recovery, and ultimately
4 enabled Plaintiff's Counsel so as to make an independent assessment of the reasonableness of the
5 settlement's terms.

6 9. In summary, Plaintiff's Counsel performed a thorough investigation into the claims at
7 issue, which included: (a) determining Plaintiff's suitability as a private attorney general and class
8 representative through interviews; (b) evaluating all of Plaintiff's potential representative claims; (c)
9 researching similar wage and hour class actions as to the claims brought, the nature of the positions, and
10 the type of employer; (d) analyzing a sample of Class Members' time and pay records; (e) reviewing
11 Defendant's California labor policies and procedures manuals; (f) researching settlements in similar
12 cases; (g) evaluating Plaintiff's claims and estimating Defendant's liability for purposes of settlement;
13 (h) drafting the mediation brief; and (i) participating in the mediation.

14 10. By engaging in such a thorough investigation and evaluation of Plaintiff's claims,
15 Plaintiff's Counsel can opine that the Settlement, for the consideration and on the terms set forth in the
16 Settlement Agreement, is fair, reasonable, and adequate, and is in the best interests of Class Members in
17 light of all known facts and circumstances, including the risk of significant delay and uncertainty
18 associated with litigation, and various defenses asserted by Defendant.

19 **THE CONSIDERATION PROVIDED FOR THE CLASS CLAIMS IS FAIR AND REASONABLE IN LIGHT OF**
20 **THE AMOUNT IN CONTROVERSY DISCOUNTED BY THE RISKS OF CONTINUED LITIGATION**

21 11. In seeking approval, a settling party must provide sufficient information to "enable the
22 court to make an independent assessment of the adequacy of the settlement terms." *Kullar v. Foot*
23 *Locker Retail, Inc.*, 168 Cal. App. 4th 116, 131-32 (2008). However, "[i]t is well-settled law that a cash
24 settlement amounting to only a fraction of the potential recovery will not per se render the settlement
25 inadequate or unfair." *See Officers for Justice v. Civil Serv. Comm'n of City & Cty. of San Francisco*,
26 688 F.2d 615, 628 (9th Cir. 1982). "The proposed settlement is not to be judged against a hypothetical or
27 speculative measure of what might have been achieved by the negotiators." *Id.* at 625. "Estimates of a
28 fair settlement figure are tempered by factors such as the risk of losing at trial, the expense of litigating

1 the case, and the expected delay in recovery (often measured in years).” *In re Toys R Us-Delaware, Inc. -*
2 *- Fair & Accurate Credit Transactions Act (FACTA) Litig.*, 295 F.R.D. 438, 453 (C.D. Cal. 2014). In
3 other words, in valuing the claims within a realistic *range* of outcomes, the settling plaintiff should
4 discount the value of the settled claims for risks such as changes in the law, the probability of success,
5 and other factors.²

6 12. Settling parties are not, however, required to partake in a hypothetical accounting
7 exercise: “**Kullar does not ... require any such explicit statement of [maximum] value**; it requires a
8 record which allows ‘an understanding of the amount that is in controversy and the realistic range of
9 outcomes of the litigation.’” *Munoz v. BCI Coca-Cola Bottling Co.*, 186 Cal. App. 4th 399, 409-10
10 (2010) (quoting *Kullar*, 168 Cal. App. 4th at 120 (emphasis added)). Overall, “the most important factor”
11 in determining “whether a settlement is fair and reasonable” is the “strength of the case for plaintiffs on
12 the merits, balanced against the amount offered in the settlement.” *Id.* at 409 n.6 (quoting *Kullar*, 168
13 Cal. App. 4th at 130). As explained in detail below, the Gross Settlement Amount is within the range of
14 reasonableness in light of the nature and magnitude of the claims being settled and the various potential
15 impediments to recovery.

16 13. Plaintiff’s analysis of Defendant’s realistic exposure at trial is summarized in the table
17 below:

21 ² Federal district courts also recognize that there is an inherent “range of reasonableness” in
22 determining whether to approve a settlement “which recognizes the uncertainties of law and fact in any
23 particular case and the concomitant risks and costs necessarily inherent in taking any litigation to
24 completion.” *In re World Trade Ctr. Lower Manhattan Disaster Site Litig.*, 66 F. Supp. 3d 477, 482
25 (S.D.N.Y. 2015); *see also Nat’l Rural Telecomm. Coop. v. Directv, Inc.*, 221 F.R.D. 523, 527 (C.D. Cal.
26 2004) (“well-settled law that a proposed settlement may be acceptable even though it amounts to only a
27 fraction of the potential recovery”); *In re Global Crossing Sec. and ERISA Litig.*, 225 F.R.D. 436, 461
28 (S.D.N.Y. 2004) (“settlement amount’s ratio to the maximum potential recovery need not be the sole, or
even dominant, consideration when assessing settlement’s fairness”); *In re IKON Office Solutions, Inc.*
Sec. Litig., 194 F.R.D. 166, 184 (E.D. Pa. 2000) (“the fact that a proposed settlement constitutes a
relatively small percentage of the most optimistic estimate does not, in itself, weigh against the
settlement; rather the percentage should be considered in light of strength of the claims”); *Officers for*
Just. v. Civ. Serv. Comm’n of City & Cty. of San Francisco, 688 F.2d 615, 628 (9th Cir. 1982) (it is “the
complete package, taken as a whole rather than the individual component parts, that must be examined
for overall fairness”).

Defendant's Exposure for the Class Claims ³	
Claim	Realistic Estimated Exposure
Off-the-Clock Claim ⁴	\$68,355.00
Meal Period Claim ⁵	\$366,832.13
Vacation Pay ⁶	\$345,452.25
Rest Period Claim ⁷	\$550,248.19
Business Expense Reimbursement Claim ⁸	\$7,556.50
Failure to Provide Notice of Material Terms of Employment ⁹	\$1,750.00
Failure to Pay Wages During Employment ¹⁰	\$70,000.00
Sick Pay Claim ¹¹	\$21,690.00
Wage Statement Claim ¹²	\$70,000.00
Final Pay Claim ¹³	\$52,056.00
Total	\$1,553,940.07

³ **UCL Valuation:** The statute of limitations for an action for payment of wages and premiums due under Labor Code sections 201 and 202 is three years. Cal. Code Civ. Proc. § 338(a). The statute of limitations for an action brought under the UCL is four years. Cal. Bus. & Prof. Code § 17208. Plaintiff's exposure analysis for unpaid wages and meal and rest period premiums incorporates the UCL's extra year's worth of liability, and thus the damages calculations take into account class weeks/shifts worked during the full 4-year statute of limitations period. Plaintiff thus incorporated the value of his UCL claims by using a 4-year statute of limitations to calculate Defendant's exposure for wages and premiums.

⁴ $\approx 21,000$ weeks worked in aggregate during the Class Period $\times$ \$32.55 average overtime rate of pay $\times$ conservatively estimating at least 1 hour of off-the-clock overtime work per week $\times$ 10% chance of both certifying the claim and recovering full damages at trial.

⁵ $\approx 135,300$ meal period eligible shifts worked in aggregate during the Class Period $\times$ \$21.69 average hourly wage $\times$ conservatively estimating at least 50% meal period violation rate $\times$ 25% chance of both certifying the claim and recovering full damages at trial.

⁶ Based on Defendant's sample payroll records showing \$355,675 in PTO due and not paid (then extrapolated to all Class Members) $\times$ 25% of both certifying the claim and recovering full damages at trial.

⁷ $\approx 135,300$ rest period eligible shifts worked in aggregate during the Class Period $\times$ \$21.69 average hourly wage $\times$ conservatively estimating at least 75% rest period violation rate $\times$ chance 25% of both certifying the claim and recovering full damages at trial.

⁸ $(284 \text{ Class Members} \times \text{conservatively estimating } 20 \text{ miles round-trip for mandatory drug tests} \times 70 \text{ cents per mile}) + (\approx 21,000 \text{ weeks worked in aggregate during the Class Period} \times \text{conservatively estimating at least } \$5 \text{ monthly expenses} \times 1/4 \text{ to convert weeks to months}) \times 25\% \text{ chance of both certifying the claim and recovering full damages at trial.}$

⁹ ≈ 175 Class Members employed during the 1-year statute of limitations period $\times$ \$100 penalty $\times$ 10% of recovering maximum penalties.

¹⁰ $\approx 7,000$ pay periods $\times$ \$100 penalty $\times$ 10% chance of recovering maximum penalties in view of defense that such penalties are duplicative.

¹¹ ≈ 100 Class Member terminations during the 1-year statute of limitations period $\times$ estimated average of 5 sick days $\times$ 8-hour shift length $\times$ \$21.69 average hourly wage $\times$ 25% chance of both certifying the claim and recovering full damages at trial.

¹² $\approx 7,000$ pay periods $\times$ \$100 penalty $\times$ 10% chance of proving "knowing and intentional" violations resulting in "injuries."

¹³ This estimate assumes = approximately 100 Class Member terminations during the 3-year statute of limitations period $\times$ 30 days of waiting-time penalties $\times$ 8-hour average shift length $\times$ \$21.69 average hourly wage $\times$ 10% of establishing "willful" violations and the absence of good faith defenses.

1 14. Ultimately, Plaintiff's Counsel determined an appropriate range of recovery for
2 settlement purposes by offsetting Defendant's maximum theoretical liability by: (a) the strength of the
3 defenses to the merits of Plaintiff's claims; (b) the risk of class certification being denied; (c) the risk of
4 losing on any of a number of dispositive motions that could have been brought between certification and
5 trial (e.g., motions to decertify the class, motions for summary judgment, and/or motions in limine) that
6 might have eliminated all or some of Plaintiff's claims, or barred evidence/testimony in support of the
7 claims; (d) the risk of losing at trial; (e) the chances of a favorable verdict being reversed on appeal; and
8 (f) the difficulties attendant to collecting on a judgment (collectively, the "Discount Factors"). With
9 respect to (c), Defendant would have presented the following defenses:

10 15. **Off-the-Clock Defenses:** Defendant would have argued that its labor policies prohibit
11 off-the-clock work, that employees were properly compensated for all time worked, and any time
12 worked off-the-clock would not be reflected in the time records, making it practically impossible to
13 determine whether any Class Member worked off-the-clock without engaging in thousands of
14 individualized inquiries that would preclude class certification. *See Brinker Rest. Corp. v. Super. Ct.*, 53
15 Cal. 4th 1004, 1051-52 (2012) (holding that in the absence of a uniform, companywide policy, proof of
16 liability is individual); *Amey v. Cinemark USA Inc.*, No. 13-CV-05669-WHO, 2015 WL 2251504, at
17 *12 (N.D. Cal. May 13, 2015) (denying certification of off-the-clock claim because plaintiffs' work
18 requirements depended on the manager); *Brewer v. Gen. Nutrition Corp.*, No. 11-CV-3587 YGR, 2014
19 WL 5877695, at *12 (N.D. Cal. Nov. 12, 2014) (denying certification based on policy requiring
20 employees to finish closing duties within 30 minutes, because the court would still be left with numerous
21 individual issues); *Pryor v. Aerotek Scientific, LLC*, 278 F.R.D. 516, 532-33 (C.D. Cal. 2011) (denying
22 certification of off-the-clock claim).

23 16. Even if the Court had certified the off-the-clock claim, Defendant would have argued
24 that for Plaintiff to establish that it failed to pay Class Members for all hours worked, Plaintiff would
25 have had to prove that it was aware that they were working hours for which they were not compensated.
26 For example, in *Forrester v. Roth's I.G.A. Foodliner, Inc.*, 646 F.2d 413 (9th Cir. 1981), the Ninth
27 Circuit held that "where an employer has no knowledge that an employee is engaging in overtime work
28 and that employee fails to notify the employer or deliberately prevents the employer from acquiring

1 knowledge of the overtime work, the employer's failure to pay for the overtime hours is not a violation
2 [of overtime requirements]." *Id.* at 414.

3 17. **Defenses to Meal Period Claim:** Defendant would have argued that it has no obligation
4 to "guarantee" or "ensure" that meal periods are taken by all employees at all times. *Brinker*, 53 Cal. 4th
5 at 1040 (employers are "not obligated to police meal breaks and ensure no work thereafter is
6 performed"). Rather, an employer satisfies (as Defendant would argue) its obligation to provide meal
7 periods if "it relieves its employees of all duty, relinquishes control over their activities and permits them
8 a reasonable opportunity to take an uninterrupted 30-minute break, and does not impede or discourage
9 them from doing so." *Id.* Defendant argued that there is no "basis in the wage order or statute" for the
10 notion "that an employer must ensure that no work is done – i.e., prohibit work" during a meal period. *Id.*
11 at 1038; *see also Murphy*, 40 Cal. 4th at 1104 (finding a violation occurs only if the employee is "forced
12 to forgo his or her meal period").

13 18. Defendant would have argued at trial that "to assert a meal break claim, the employee
14 must show that he was **forced to forego** his meal breaks as opposed to merely showing that he did not
15 take them." *Nguyen v. Baxter Healthcare Corp.*, No. 8:10-CV-01436-CJC, 2011 WL 6018284, at *5
16 (C.D. Cal. Nov. 28, 2011) (emphasis in original); *see also Brinker*, 53 Cal. 4th at 1034; *Dailey v. Sears,*
17 *Roebuck & Co.*, 214 Cal. App. 4th 974, 1000-02 (2013); *Gonzalez v. Officemax N. Am.*, No. CV 07-
18 04839 JVS MLGX, 2012 WL 5473764, at *5 (C.D. Cal. Nov. 5, 2012). Thus, Defendant would have
19 argued that courts reject certifying meal break claims where no common policy denies breaks on a class-
20 wide basis. *See, e.g., Purnell v. Sunrise Senior Living Mgmt., Inc.*, No. SA CV10-00897 JAK, 2012 WL
21 1951487, at *8 (C.D. Cal. Feb. 27, 2012); *Washington v. Joe's Crab Shack*, 271 F.R.D. 629, 641 (N.D.
22 Cal. 2010) (denying certification because "an individualized inquiry will be required to determine
23 whether any employee failed to take a meal break because he/she was too busy"); *Salazar v. Avis Budget*
24 *Grp., Inc.*, 251 F.R.D. 529, 533 (S.D. Cal. 2008); *Ordonez v. Radio Shack, Inc.*, No. CV 10-7060-CAS
25 JCGX, 2013 WL 210223, at *8 (C.D. Cal. Jan. 17, 2013); *Gonzalez*, 2012WL 5473764, at *5 (holding
26 that "[why] any particular employee missed any particular break requires, ineluctably, individualized fact
27 finding").

28 19. **Defenses to Vacation Pay Claim:** Defendant would have argued that its policy is to pay

1 non-exempt employees all unused, earned and accrued vacation time at termination, and that Plaintiff has
2 no evidence that it maintained a contrary policy during the Class Period.

3 **20. Defenses to Rest Period Claim:** Defendant would have argued that absent a shift-by-
4 shift, break-by-break, employee-by-employee inquiry, Defendant would have argued that there was
5 simply no way to know (a) whether a break was taken; and (b) if not, why not. Defendant also would
6 have argued that even if employees recorded every rest break ever taken, their time records would still be
7 insufficient to prove liability. For each instance where an employee did not take a 10-minute rest period
8 by the end of the fourth hour of work, the trier of fact would still have to determine why that particular
9 employee had less than their full allotment of rest time. Defendant accordingly would have argued that
10 rest break claims are inherently individualized in nature because employers only need to “authorize and
11 permit” breaks; they need not ensure that rest breaks are taken. *Brinker*, 53 Cal. 4th at 1004. To succeed,
12 “[a]n employee must show that the employer prevented the employee from taking breaks; mere proof of
13 knowledge that the employee was forgoing breaks is insufficient.” *Reece v. Unitrin Auto & Home Ins.*
14 *Co.*, No. 5:11-CV-03960 EJD, 2013 WL 245452, at *5 (N.D. Cal. Jan. 22, 2013) (rejecting claim that
15 the work structure made taking rest breaks impossible, because plaintiff failed to show that the employer
16 prevented such breaks); *Drenckhahn v. Costco Wholesale Corp.*, No. 2:08-CV-01408-JHN, 2011 WL
17 3754659, at *3 (C.D. Cal. Aug. 24, 2011) (“although employers must provide employees with meal and
18 rest breaks under Cal. Lab. Code § 512(a), they need not guarantee that employees take breaks”).

19 **21.** Defendant would have argued that the lack of any actual policy of discouraging Class
20 Members from taking their rest periods would have made it virtually impossible to certify the claim. *See*
21 *Clemens v. Hair Club for Men, LLC*, No. C 15-01431 WHA, 2016 WL 1461944, at **5–6 (N.D. Cal.
22 Apr. 14, 2016) (denying class certification where “plaintiffs have presented no direct evidence of a
23 uniform policy or practice that led to missed meal periods or rest breaks” meaning that “proof of the
24 alleged uniform practice will turn on individual inquiries into the reason for each missed meal period”);
25 *Sultan v. Medtronic, Inc.*, 2012 U.S. Dist. LEXIS 107046 (C.D. Cal. July 23, 2012) (“reasons that
26 employees fail to take breaks can be manifold: the employee could have forgotten, wanted to finish
27 assignments, were not hungry, did not want to leave the premises, wanted to leave early or, possibly,
28 were manipulating their timecards”); *Jimenez v. Allstate Ins. Co.*, 2012 U.S. Dist. LEXIS 65328, 47

(C.D. Cal. Apr. 18, 2012) (“[I]n the absence of a common practice or policy or some other ‘glue’ to bind this class, commonality cannot be shown.”).

22. **Defenses to Business Expense Claim:** Defendant would have argued that activities undertaken by job applicants at the time of hiring—such as employer-mandated drug tests and physical examinations—are not “work” performed by an “employee,” and are therefore not compensable time. *See Johnson v. WinCo Foods, LLC*, 37 F.4th 604, 606 (9th Cir. 2022) (under California law, employer’s control over drug tests as part of the job application process was not control over the performance of the job and so did not convert applicants into employees). Defendant would also have argued that under *Morillion v. Royal Packing Co.*, 22 Cal. 4th 575, 587 (2000), an employer does not exercise “control” over employees by simply requiring them to appear at some specific destination. *Id.* at 583 (rejecting argument that commuting and grooming would be paid under the “control” rule because the “level of the employer’s control over its employees, *rather than the mere fact that the employer requires activity*, is determinative”) (emphasis added).

23. Defendant would have further argued that employees are entitled to reimbursement for work-related expenses, such as for cellphone usage, only if they can prove that the employer knew or had reason to know that actual expenses were incurred. *See Gattuso v. Harte-Hanks Shoppers, Inc.*, 42 Cal. 4th 554, 562, 568 (2007) (requirement to reimburse depends on “whether each of those expenses was ‘necessary,’ which in turn depends on the reasonableness of the employee’s choices”); *Cassady v. Morgan, Lewis & Bockius LLP*, 145 Cal. App. 4th 220, 232 (2006), as modified (Dec. 21, 2006) (Labor Code section 2802 “expressly conditions the right to indemnity on a showing that the expenditures arose as a direct consequence of the discharge of the employee’s duties”); *Snap! Mobile, Inc. v. Croghan*, No. 18-CV-04686-LHK, 2019 WL 884177, at *11 (N.D. Cal. Feb. 22, 2019) (“[F]or purposes of § 2802, before an employer’s duty to reimburse is triggered, it must either know or have reason to know that the employee has incurred an expense”) (quoting *Stuart v. RadioShack Corp.*, 641 F. Supp. 2d 901, 903-04 (N.D. Cal. 2009)).

24. **Defenses to the Failure to Pay Wages During Employment Claim:** Defendant would have argued that Plaintiff is not entitled to penalties under Section 210 because such penalties per the statute are only recoverable by the Labor Commissioner. To the extent Section 210 penalties are

1 recoverable under PAGA, Defendant would have argued that it had no policy of failing to pay wages
2 during each pay period, and that this claim was merely derivative of Plaintiff's other minimum wage and
3 meal/rest period claims, the defenses to which are summarized above.

4 **25. Defenses to Failure to Provide Notice of Material Terms of Employment:**

5 Defendant maintained that it did provide Class Members with the material terms of their employment via
6 the publication of its labor policies, etc.

7 **26. Defenses to Sick Pay Claim:** Defendant claimed that its policies concerning sick pay
8 were at all times compliant with the Labor Code and Wage Orders, and that any deviations from those
9 policies were anomalous incidents for which Defendant should not be held accountable on a
10 representative basis.

11 **27. Defenses to Wage Statement Claim:** Although wage statement claims are readily
12 certifiable, they are vulnerable to an unfavorable disposition on summary judgment as defendants
13 commonly argue that, without more, wage statement claims are nothing but technical violations for
14 which Class Members suffer no injury. Specifically, Labor Code section 226 claim imposes penalties
15 only for "knowing and intentional" failures to comply with the statute's itemization requirements. In
16 *Naranjo v. Spectrum Sec. Servs., Inc.*, 88 Cal. App. 5th 937 (2023), the California court of appeal found
17 that if a "good faith dispute" exists as to whether wages are due to an employee, then the employer is not
18 liable for wage statement penalties.

19 **28.** Additionally, Labor Code section 226 requires the employee to prove not only that the
20 violation was "knowing and intentional," but that the violation resulted in an "injury." Defendant would
21 have argued that the "deprivation of [the] information [required by 226(a)]," by itself, is not a cognizable
22 injury. *Price v. Starbucks Corp.*, 192 Cal. App. 4th 1136, 1142-1143 (2011) (internal citations omitted);
23 *see also Maldonado v. Epsilon Plastics, Inc.*, 22 Cal. App. 5th 1308, 1334 (2018) ("But inaccurate wage
24 statements alone do not justify penalties; the plaintiffs must establish injury flowing from the
25 inaccuracy").

26 **29. Defenses to the Failure to Pay:** While Section 203 penalties are relatively
27 straightforward to calculate, the analysis becomes more difficult for settlement purposes as derivative
28 waiting-time penalties are only as strong as the underlying predicate claims, and are subject to good faith

1 defenses. For example, defendants commonly argue that no waiting-time penalties can be awarded
2 unless the failure to pay wages is “willful,” an element that Plaintiff acknowledges would have been
3 difficult to prove. The California Code of Regulations specifically provides:

4 A willful failure to pay wages within the meaning of Labor Code Section 203
5 occurs when an employer intentionally fails to pay wages to an employee when
6 those wages are due. However, a good faith dispute that any wages are due will
preclude imposition of waiting time penalties under Section 203...

7 A “good faith dispute” that any wages are due occurs when an employer presents
8 a defense, based in law or fact which, if successful, would preclude any recover[y]
9 on the part of the employee. The fact that a defense is ultimately unsuccessful will
10 not preclude a finding that a good faith dispute did exist. Defenses presented
which, under all the circumstances, are unsupported by any evidence, are
unreasonable, or are presented in bad faith, will preclude a finding of a “good faith
dispute.”

11 Cal. Code Regs. tit. 8, § 13520.

12 30. Subsequent California cases have held that a good faith dispute as to whether wages
13 were owed (including a good faith belief in a legal defense) precludes an award of waiting time penalties
14 under Section 203. *Nordstrom Comm’n Cases*, 186 Cal. App. 4th 576, 584 (2010) (“There is no willful
15 failure to pay wages [under Section 203] if the employer and employee have a good faith dispute as to
16 whether and when the wages were due”); *see also Armenta v. Osmose, Inc.*, 135 Cal. App. 4th 314, 325
17 (2005) (“A good faith belief in a legal defense will preclude a finding of willfulness”).

18 31. And case law interpreting “willful” holds that even unsuccessful good faith defenses will
19 be sufficient to preclude recovery so long as an employer’s “position is not so untenable as to constitute
20 bad faith” or is not supported by any evidence. *See Estrada v. Royalty Carpet Mills, Inc.*, 76 Cal. App.
21 5th 685, 708, 729 (2022) (finding no liability under Section 203 when the company had a good faith
22 dispute that meal period premiums were owed due to an on-duty meal period policy that restricted
23 employee freedom during meal periods while paying regular wages, even though the policy was found
24 to be unlawful); *see also Woods v. Vector Mktg. Corp.*, No. C-14-0264 EMC, 2015 WL 2453202, at *4
25 (N.D. Cal. May 22, 2015) (holding that the employer’s defense that the plaintiff was properly classified,
26 even if ultimately unsuccessful at trial, was insufficient to amount to a “willful” violation of 203 and
27 granting summary judgment on those claims because the plaintiff could point to no evidence that the
28 defense was raised in bad faith or was unsupported by the evidence).

32. **The Gross Settlement Amount is Fair and Reasonable**—After taking into account the Discount Factors, Plaintiff’s Counsel determined that it would be reasonable to settle for approximately 25% of Defendant’s estimated exposure for the class claims (PAGA discussed in the following section). Such a discount is inherently reasonable given that Plaintiff would have had to overcome multiple, dependent contingencies to prevail on his claims. If anything, the projected odds for each of the above contingencies is generous to the class’s position, since plaintiffs in employment cases rarely prevail on all of the claims at any of these dispositive stages. Courts routinely approve settlements that provide a similar discounted range of the maximum potential recovery.¹⁴

THE CONSIDERATION PROVIDED FOR THE PAGA CLAIM IS FAIR AND REASONABLE IN LIGHT OF THE AMOUNT IN CONTROVERSY DISCOUNTED BY THE RISKS OF CONTINUED LITIGATION

33. Pursuant to the Settlement Agreement, \$20,000 from the Gross Settlement Amount shall be allocated to the resolution of the PAGA claim, of which 75% (i.e., \$15,000) will be paid directly to the LWDA, and the remaining 25% (i.e., \$5,000) will be paid to PAGA Members. (Settlement Agreement ¶ 23.)

34. This result was reached after good-faith negotiation between the parties. The amount was valued as follows: Based on information and evidence produced by Defendant during discovery, Plaintiff’s Counsel determined that aggrieved employees worked a combined total of approximately 7,000 pay periods during the PAGA statute of limitations period (“PAGA Period”). Statutory penalties would be calculated according to Labor Code 2699(f)(2): If, at the time of the alleged violation, the person employs one or more employees, the civil penalty is one hundred dollars (\$100) for each aggrieved employee per pay period for the initial violation and two hundred dollars (\$200) for each aggrieved employee per pay period for each subsequent violation.

¹⁴ See, e.g., *In re Warfarin Sodium Antitrust Litig.*, 212 F.R.D. 231, 256-58 (D. Del. 2002) (recognizing that a reasonable settlement amount can be 1.6% to 14% of the total estimated damages); *In re Armored Car Antitrust Litig.*, 472 F. Supp. 1357, 1373 (N.D. Ga. 1979) (settlements with a value of 1% to 8% of the estimated total damages were approved); *In re Four Seasons Secs. Laws Litig.*, 58 F.R.D. 19, 37 (W.D. Okla. 1972) (approving 8% of damages); *Balderas v. Massage Envy Franchising, LLP*, 2014 WL 3610945, at *5 (N.D. Cal. July 21, 2014) (finding that settlement which amounted to 8% of maximum recovery “[fell] within the range of possible initial approval based on the strength of plaintiff’s case and the risk and expense of continued litigation.”); *In re Omnivision Techs., Inc.*, 559 F. Supp. 2d 1036, 1042 (N.D. Cal. 2008) (approving settlement of 6% to 8% of estimated damages).

35. However, a number of courts have found that the “subsequent” penalty under PAGA applies only after a court or the Labor Commissioner determines that the employer has violated the Labor Code. *See Gunther v. Alaska Airlines, Inc.*, 72 Cal. App. 5th 334, 356 (2021) (“the increased \$200 civil penalty for ‘subsequent violation[s]’ does not apply unless [Plaintiff] presents evidence that the Labor Commission or a court notified [Defendant] that it was in violation of the Labor Code.”); *Bernstein v. Virgin Am., Inc.*, 990 F.3d 1157, 1173 (9th Cir. 2021) (reversing judgment as to “heightened civil penalties” because the defendant was not given notice by the Labor Commissioner when the “subsequent” violations occurred).¹⁵

36. Under this line of cases, Defendant’s realistic exposure for PAGA penalties would be calculated as follows:

Claim	Pay Periods	Penalty	Odds of Recovering Maximum PAGA Penalties	Realistic Exposure at Trial
Off-the-Clock Claim	7,000	\$100	10%	\$70,000.00
Meal Period Claim	7,000	\$100	25%	\$175,000.00
Vacation Pay	7,000	\$100	25%	\$175,000.00
Rest Period Claim	7,000	\$100	25%	\$175,000.00
Failure to Provide Notice of Material Terms of Employment	175	\$100	10%	\$1750.00
Business Expense Reimbursement Claim	7,000	\$100	25%	\$175,000.00
Failure to Pay Wages During Employment	7,000	\$100	10%	\$70,000.00
Sick Pay Claim	100	\$100	25%	\$2500.00
Wage Statement Claim	7,000	\$100	10%	\$70,000.00
Final Pay Claim	100	\$100	10%	\$1000.00
Total				\$915,250.00

¹⁵ See also *Vieyara-Flores v. Sika Corp.*, No. EDCV19606JVSKKX, 2019 WL 2436998, at *5 (C.D. Cal. June 10, 2019) (“employers are not subject to heightened penalties . . . until a court or commissioner notifies the employer that it is in violation of the Labor Code . . . [Plaintiff] has not offered evidence that the Labor Commission or a court has notified them of PAGA violations [thus] PAGA’s heightened penalty of \$200 for subsequent violations will not be calculated to determine the amount in controversy”); *Chen v. Morgan Stanley Smith Barney, LLC*, No. 8:14-CV-01077 ODW (FFMx), 2014 WL 4961182 (C.D. Cal., October 2, 2014) (“Under the Labor Code, if an employer does not have notice that they are committing a violation, they are not subject to the heightened penalties.”); *Trang v. Turbine Engine Components Technologies Corp.*, No. CV 12–07658 DDP (RZx), 2012 WL 6618854 (C.D. Cal. Dec. 19, 2012) (“courts have held that employers are not subject to heightened penalties for subsequent violations unless and until a court or commissioner notifies the employer that it is in violation of the Labor Code”), citing *Amaral v. Cintas Corp. No. 2*, 163 Cal. App. 4th 1157 (2008).

37. It should be noted that PAGA gives the Court wide latitude to reduce the amount of civil penalties “based on the facts and circumstances of a particular case” when “to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory.” Cal. Lab. Code § 2699(h). In reducing PAGA penalties, courts have considered issues including whether the employees suffered actual injury from the violations, whether the defendant was aware of the violations, and the employer’s willingness to fix the violation. *Carrington v. Starbucks Corp.*, 30 Cal. App. 5th 504, 528 (2018) (awarding PAGA penalties of only 0.2% of the maximum); *see also Cotter v. Lyft, Inc.*, 193 F. Supp. 3d 1030, 1037 (N.D. Cal. 2016); *Fleming v. Covidien Inc.*, No. ED CV 10-01487 RGK (OPX), 2011 WL 7563047, at *4 (C.D. Cal. Aug. 12, 2011).

38. For example, during the penalty phase of trial in *Carrington*, the plaintiff requested PAGA penalties in the amount of approximately \$70 million. The trial court instead awarded only \$150,000—or 0.21% of the maximum—and stated that this reduction was warranted because (a) the Court did not believe it was appropriate to impose multiple penalties per pay period in which a violation occurred and (b) imposing the maximum penalty would be “unjust, arbitrary, and oppressive” based on Starbucks’s “good faith attempts” to comply with meal period obligations and because the court found the violations were minimal. *Carrington*, 30 Cal. App. 5th at 517-18. The Court of Appeal affirmed the lower court’s reduced award of a \$150,000 penalty under PAGA. *Id.* at 529. If a similar reduction had been applied here, Plaintiff would have recovered only approximately \$1,922.03 ($\$915,250 \times 0.0021$ reduction).

39. Likewise, in *Covidien*, the Court reduced the potential penalties by over 82%, awarding \$500,000 instead of maximum penalties of \$2.8 million. *Covidien*, 2011 WL 7563047 at *4; *see also Thurman v. Bayshore Transit Mgmt.*, 203 Cal. App. 4th 1112, 1135-36 (2012) (affirming 30% reduction under specified PAGA claim where the employer produced evidence that it took its obligations seriously); *Elder v. Schwan Food Co.*, No. B223911, 2011 WL 1797254, at *5-*7 (Cal. Ct. App. May 12, 2011) (reversing trial court decision denying any civil penalties where violations had been proven, remanding for the trial court to exercise discretion to reduce, but not wholly deny, civil penalties); *Li v. A Perfect Day Franchise, Inc.*, No. 5:10-CV-01189-LHK, 2012 WL 2236752, at *17 (N.D. Cal. June 15, 2012) (denying PAGA penalties for violation of California Labor Code section 226 as redundant with

1 recovery on a class basis pursuant to California Labor Code section 226, directly); *Aguirre v. Genesis*
2 *Logistics*, No. SACV 12-00687 JVS (ANx), 2013 WL 10936035 at *2-*3 (C.D. Cal. Dec. 30, 2013)
3 (reducing penalty for past PAGA violations from \$1.8 million to \$500,000, after rejecting numerous
4 other PAGA claims).

5 40. Plaintiff therefore determined an appropriate range of settlement for PAGA penalties as
6 a percentage of the settlement range that was consistent with other hybrid class/PAGA settlements
7 approved by California courts.¹⁶ Where PAGA penalties are negotiated in good faith and “there is no
8 indication that [the] amount was the result of self-interest at the expense of other Class Members,” such
9 amounts are generally considered reasonable. *Hopson v. Hanesbrands Inc.*, No. CV-08-0844 EDL, 2009
10 WL 928133, at *9 (N.D. Cal. Apr. 3, 2009); *see, e.g., Nordstrom Com. Cases*, 186 Cal. App. 4th 576,
11 579 (2010) (“[T]rial court did not abuse its discretion in approving a settlement which does not allocate
12 any damages to the PAGA claims.”).

13 CAPSTONE LAW APC FIRM PROFILE

14 41. Since its founding in 2012, Capstone has emerged as a major force in aggregate
15 litigation, making law on cutting-edge issues.

16 42. In February, 2015, Ryan H. Wu and I were honored with the *California Lawyer*
17 Attorney of the Year (CLAY) award in labor and employment for our work in the landmark case
18

19 ¹⁶ *Dearaujo v. Regis Corp.*, No. 2:14-cv-01408-KJM-AC, 2016 WL 3549473 at *3 (E.D. Cal.
20 June 29, 2016) (preliminarily approving \$1.95 million settlement containing \$10,000 PAGA penalties
21 with \$7,500 paid to LWDA); *Garcia v. Gordon Trucking, Inc.*, No. 1:10-CV-0324 AWI SKO, 2012
22 WL 5364575 at *7 (E.D. Cal. Oct. 31, 2012) (approving \$3.7 million settlement containing \$10,000
23 PAGA penalties with \$7,500 paid to LWDA); *Chu v. Wells Fargo Invst., LLC*, No. C 05-4526 MHP,
24 2011 WL 672645 at *1 (N.D. Cal. Feb. 16, 2011) (approving \$6.9 million settlement containing \$10,000
25 PAGA penalties with \$7,500 paid to LWDA); *Guerrero v. R.R. Donnelley & Sons Co.*, Case No. RIC
26 10005196 (Riverside County Super. Ct. July 16, 2013; Judge Matthew C. Perantoni) (gross settlement
27 fund of \$1,100,000, of which \$3,000 (or 0.3%) was allocated to the settlement of PAGA penalties);
28 *Parra v. Aero Port Services, Inc.*, No. BC483451 (L.A. County Super. Ct. April 20, 2015; Judge Jane
Johnson) (gross settlement fund of approximately \$1,458,900, of which \$5,000 (or 0.3%) was allocated
to the settlement of PAGA penalties); *Thompson v. Smart & Final, Inc.*, No. BC497198 (L.A. County
Super. Ct. Nov. 18, 2014; Judge William F. Highberger) (gross settlement fund of \$3,095,000, of which
approximately \$13,333 (or 0.4%) was allocated to the settlement of PAGA penalties); *Chavez v. Vallarta*
Food Enterprises, Inc., No. BC490630 (L.A. County Super. Ct. Nov. 10, 2014; Judge William F.
Highberger) (gross settlement fund of \$1,545,900, of which \$10,000 (or 0.6%) was allocated to the
settlement of PAGA penalties); *Coleman v. Estes Express Lines, Inc.*, No. BC429042 (L.A. County
Super. Ct. Oct. 3, 2013; Judge Kenneth R. Freeman) (gross settlement fund of \$1,535,000, of which
\$1,000 (or 0.1%) was allocated to the settlement of PAGA penalties).

1 *Iskanian v. CLS Transportation Los Angeles*, 59 Cal.4th 348 (2014), which preserved the right of
2 California workers to bring representative actions under the Labor Code Private Attorneys General Act
3 (“PAGA”) notwithstanding a representative action waiver in an arbitration agreement.

4 43. Recognized as a leading firm in the prosecution of PAGA enforcement actions,
5 Capstone is responsible for some of the most important decisions in this area. In *Williams v. Superior*
6 *Court (Marshalls of Calif.)*, 3 Cal.5th 531 (2017), Capstone attorneys achieved a watershed decision
7 before the California Supreme Court as to the broad scope of discovery in PAGA actions. In *Baumann v.*
8 *Chase Inv. Servs. Corp.*, 747 F.3d 1117 (9th Cir. 2014), a case of first impression, Capstone successfully
9 argued that PAGA actions are state enforcement actions not covered by the Class Action Fairness Act.

10 44. Capstone has made important contributions to consumer protection law. In *McGill v.*
11 *Citibank N.A.*, 2 Cal. 5th 945 (2017), Capstone represented plaintiffs in a major decision holding that the
12 right to seek public injunctive relief under the state’s consumer protection laws cannot be waived and
13 that consumers need not satisfy class certification requirements to enjoin unfair business practices on
14 behalf of the public. In *Nguyen v. Nissan N.A.*, 726 F.3d 811 (9th Cir. 2019), Capstone attorneys reversed
15 a denial of class certification, making law that clarified the use of “benefit of the bargain” damages
16 models in consumer class actions.

17 45. Capstone served as class counsel in a number of significant wage and hour settlements,
18 including \$12 million on behalf of a nationwide class of in *Hightower v. JPMorgan Chase Bank*, Case
19 No. 11-01802 (C.D. Cal.), over \$10 million on behalf of non-exempt hourly workers in *Zamora v.*
20 *Balboa Life & Casualty LLC*, Case No. BC360026 (L.A. Super. Ct.); and \$9 million on behalf of
21 pharmacists in *Dittmar v. Costco Wholesale Corp.*, No. 14-1156 (S.D. Cal.). In *Vorise v. 24 Hour*
22 *Fitness USA, Inc.*, No. C 15-02051 (Contra Costa Super. Ct.), Capstone and co-counsel negotiated an
23 \$11 million PAGA settlement on behalf of over 36,000 employees for Labor Code violations.

24 46. Capstone has an established practice in automotive defect class actions and is currently
25 appointed sole class counsel, following contested class certification, in *Victorino v. FCA US, LLC*, No.
26 16-1617-GPC, 2019 WL 5268670 (S.D. Cal. Oct. 17, 2019) and *Salas v. Toyota Motor Sales, U.S.A.,*
27 *Inc.*, No. 15-8629-FMO, 2019 WL 1940619 (C.D. Cal. Mar. 27, 2019).

28 47. Capstone has settled over 100 high-stakes class and representative actions. Capstone’s

1 settlements have directly compensated hundreds of thousands of California workers and consumers.
2 Capstone's actions have also forced employers to modify their policies for the benefit of employees,
3 including changing the compensation structure for commissioned employees and changing practices to
4 ensure that workers will be able to take timely rest and meal breaks. A leader in prosecuting PAGA
5 enforcement actions, Capstone has secured millions of dollars in civil penalties for the State of
6 California.

7 48. The following is a representative sample of Capstone's settlements:

- 8 a. *Navarro v. United Parcel Service, Inc.*, No. BC592098 (LA County
9 Superior Court): gross settlement of \$16.5 million on behalf of
10 approximately 180,000 non-exempt employees for wage and hour
11 violations;
- 12 b. *Hightower et al v. Washington Mutual Bank*, No. 2:11-cv-01802-PSG-
13 PLA (N.D. Cal.): gross settlement of \$12 million on behalf of
14 approximately 150,000 personal bankers, tellers, sales associates, and
15 assistant branch manager trainees for wage and hour violations;
- 16 c. *Vargas v. Ford Motor Co.*, 12-08388-AB (C.D. Cal.): providing cash
17 payments and unique buyback program for nearly 2 million consumers;
- 18 d. *Moore v. Petsmart, Inc.*, No. 5:12-cv-03577-EJD (N.D. Cal.): gross
19 settlement of \$10 million on behalf of over 19,000 non-exempt
20 PetSmart employees for wage and hour violations;
- 21 e. *Dittmar v. Costco Wholesale Corp.*, No. 14-1156 (S.D. Cal.): gross
22 settlement of \$9 million on behalf of approximately 1,200 pharmacists
23 for wage and hour violations;
- 24 f. *Perrin v. Nabors Well Services Co.*, No. 56-2007-00288718 (Ventura
25 Super. Ct.): gross settlement of over \$6.5 million on behalf of oil rig
26 workers for sleep time and other wage violations;
- 27 g. *Cook v. United Insurance Co.*, No. C 10-00425 (Contra Costa Super.
28 Ct.): gross settlement of \$5.7 million on behalf of approximately 650

1 sales representatives;

- 2 h. *Alvarez v. MAC Cosmetics, Inc.*, No. CIVDS1513177 (San Bernardino
3 Super. Ct.): gross settlement of \$5.5 million for approximately 5,500
4 non-exempt employees.
- 5 i. *Aceves v. AutoZone, Inc.*, No. 14-2032 (C.D. Cal.): gross settlement of
6 \$5.4 million in a case alleging FCRA violations;
- 7 j. *Berry v. Urban Outfitters Wholesale, Inc.*, No. 13-02628 (N.D. Cal.):
8 gross settlement of \$5 million on behalf of over 12,000 nonexempt
9 employees;
- 10 k. *The Children's Place Retail Stores Wage & Hour Cases*, No. JCCP
11 4790: gross settlement of \$5 million on behalf of 15,000 non-exempt
12 employees;
- 13 l. *York v. Starbucks Corp.*, Case No. 08-07919 (C.D. Cal.): gross
14 settlement of nearly \$5 million on behalf of over 100,000 non-exempt
15 workers for meal break and wage statement claims;
- 16 m. *Rodriguez v. Swissport USA*, No. BC 441173 (Los Angeles Super. Ct.):
17 gross settlement of nearly \$5 million on behalf of 2,700 non-exempt
18 employees following contested certification;
- 19 n. *Asghari v. Volkswagen Group of North America*, Case No. 13-02529
20 (C.D. Cal.): Settlement providing complementary repairs of oil
21 consumption defect, reimbursement for repairs, and extended warranty
22 coverage of certain Audi vehicles valued at over \$20 million;
- 23 o. *Klee v. Nissan of North America*, Case No. 12-08238 (C.D. Cal.):
24 Settlement providing complimentary electric vehicle charging cards and
25 extending warranty coverage for the electric battery on the Nissan Leaf
26 valued at over \$10 million.

27 49. Attached as **Exhibit 2** is a true and correct copy of Capstone's firm resume.
28

1 **CY PRES RECIPIENT**

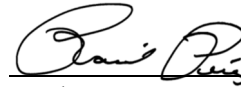
2 50. Pursuant to the Settlement Agreement, Participating Class Members and PAGA
3 Members will have one hundred eighty (180) days to cash their settlement checks. Any checks that are
4 not cashed upon the expiration of that 180-day time period will be void, and the uncashed funds shall be
5 redistributed to Class Members who did deposit their checks. Those Class Members will then have 90
6 days to deposit their checks. After the expiration of the 90-day period, any remaining unclaimed funds
7 will be tendered to Riverside Legal Aid (“RLA”).

8 51. Capstone does not have a connection to, or a relationship with, Riverside Legal Aid
9 (“RLA”) that could reasonably create the appearance of impropriety as between the selection of RLA as
10 the recipient of the unclaimed residuals and the interests of the class.

11 **NO RELATED LITIGATION**

12 52. I am not aware of other related class actions/representative actions against Defendant.
13

14 I declare under penalty of perjury under the laws of the State of California that the foregoing is
15 true and correct. Executed this 16th day of June, 2025, at Los Angeles, California.

16 

17 Raul Perez
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Exhibit 1

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

Case No.: CVRI2401430

JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT AND RELEASE

VS.

Defendants.

JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT AND RELEASE

This Joint Stipulation of Class Action and PAGA Settlement and Release (“Settlement” or “Settlement Agreement”) is made and entered into by and between Plaintiff Luis Corona (“Plaintiff” or “Class Representative”), as an individual and on behalf of all others similarly situated, and Defendant S.P. Richards Company (aka Georgia S. P. Richards Company) (“Defendant”) (collectively with Plaintiff, the “Parties”).

DEFINITIONS

The following definitions are applicable to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement will also be effective:

1. “Action” means *Luis Corona v. S.P. Richards Company, et al.*, No. CVRI2401430 (Riverside County Superior Court) for which the operative complaint shall be the Second Amended Complaint referenced in Section 30 below.

2. “Attorneys’ Fees and Costs” means attorneys’ fees agreed upon by the Parties and approved by the Court for Class Counsel’s litigation and resolution of the Action, and all out-of-pocket costs incurred and to be incurred by Class Counsel in the Action, including but not limited to expert/consultant fees, investigation costs, mediation fees and costs associated with documenting the Settlement, providing any notices required as part of the Settlement or Court order, securing the Court’s approval of the Settlement, administering the Settlement, and obtaining entry of a Judgment terminating the Action. Class Counsel will request attorneys’ fees not in excess of one-third (1/3) of the Gross Settlement Amount, or One Hundred Twenty Five Thousand Dollars (\$125,000). The Attorneys’ Fees and Costs will also mean and include the additional reimbursement of any costs and expenses associated with Class Counsel’s litigation and settlement of the Action, not to exceed Thirty Thousand Dollars (\$30,000), subject to the Court’s approval. Defendant has agreed not to oppose Class Counsel’s request for fees and reimbursement of costs and expenses as set forth above. The Settlement Administrator (and not Defendant) shall issue IRS Form 1099 to Class Counsel reflecting the awarded Attorneys’ Fees and Costs. The Parties agree that if the Court awards less than these amounts, the Settlement will remain in effect.

3. “Class Counsel” means Capstone Law APC.

1 4. “Class List” means a complete list of all Class Members that Defendant will diligently
2 and in good faith compile from its records and provide to the Settlement Administrator within twenty
3 (20) calendar days after Preliminary Approval of this Settlement. The Class List will be formatted in
4 Microsoft Office Excel and will include each Class Member’s full name; most recent mailing address;
5 Social Security number; dates of employment; and the respective number of Workweeks that each Class
6 Member worked during the Class Period and PAGA Period.

7 5. “Class Member(s)” or “Settlement Class” means all persons who worked for Defendant
8 as non-exempt, hourly paid employees in the State of California at any time during the Class Period.

9 6. “Class Notice” means the Notice of Class Action Settlement, substantially in the form
10 attached as Exhibit A.

11 7. “Class Period” means the period from March 15, 2020 through March 9, 2025.

12 8. “Class Representative Enhancement Payment” means the amount to be paid to Plaintiff
13 in recognition of his effort and work in prosecuting the Action on behalf of Class Members, and for his
14 execution of a separate general release of claims (titled “General Release and Settlement Agreement”).
15 Subject to the Court granting final approval of this Settlement Agreement and subject to the exhaustion
16 of any and all appeals, Plaintiff will request Court approval of a Class Representative Enhancement
17 Payment of up to Ten Thousand Dollars (\$10,000). The Parties agree that if the Court awards less than
18 this amount, the Settlement will remain in effect. The Settlement Administrator (and not Defendant)
19 shall issue an IRS Form 1099 to Plaintiff reflecting Plaintiff’s Class Representative Enhancement
20 Payment.

21 9. “Court” means the Riverside County Superior Court where this Action is pending.

22 10. “Defendant” means Defendant S.P. Richards Company (aka Georgia S. P. Richards
23 Company).

24 11. “Effective Date” means the later of: (a) if no timely objections are filed, or are
25 withdrawn prior to Final Approval, and the settlement is not otherwise challenged, then the date of Final
26 Approval; or (b) if a Class Member files an objection to the Settlement, or otherwise challenges the
27 settlement, the Effective Date shall be the sixty-first (61st) calendar day after the date of Final Approval,
28 provided no appeal is initiated by an objector; or (c) if a timely appeal is initiated by an objector, then the

Effective Date will be the date of final resolution of that appeal (including any requests for rehearing and/or petitions for certiorari), resulting in final judicial approval of the Settlement.

12. “Final Approval” means the date on which the Court enters an order granting final approval of the Settlement Agreement.

13. “First Amended Complaint” (“FAC”) means the first Amended Complaint filed by the named Plaintiff in this Action.

14. “Gross Settlement Amount” means the Gross Settlement Amount of Three Hundred Seventy Five Thousand Dollars (\$375,000), to be paid by Defendant in full satisfaction of all Released Class Claims and Released PAGA Claims, which includes all Individual Settlement Payments, Attorneys’ Fees and Costs, the Class Representative Enhancement Payment, the PAGA Settlement Amount, and Settlement Administration Costs. This Gross Settlement Amount has been agreed to by Plaintiff and Defendant based on the aggregation of the agreed-upon settlement value of individual claims. In no event will Defendant be liable for more than the Gross Settlement Amount except as otherwise explicitly set forth herein. There will be no reversion of the Gross Settlement Amount to Defendant. Defendant will be separately responsible for any employer payroll taxes required by law, including any employer FICA, FUTA, and SDI contributions, which shall not be paid from the Gross Settlement Amount.

15. “Individual Settlement Payment” means each Participating Class Member’s and PAGA Member’s respective shares of the Net Settlement Fund and PAGA Fund.

16. “LWDA” means the California Labor and Workforce Development Department Agency.

17. “LWDA Letter” means the letter dated March 26, 2024, Class Counsel sent to the LWDA with a subject line of “Luis Corona v. S. P. Richards Company” alleging violations of the California Labor Code alleged to be recoverable under the PAGA.

18. “Net Settlement Fund” means the portion of the Gross Settlement Amount remaining after deducting the Attorneys’ Fees and Costs, the Class Representative Enhancement Payment, the PAGA Settlement Amount, and Settlement Administration Costs. The Net Settlement Fund will be distributed to Participating Class Members. There will be no reversion of the Net Settlement Fund to

1 Defendant.

2 19. “Notice of Objection” means the form attached as Exhibit C.

3 20. “PAGA” means the Private Attorneys General Act. (Labor Code Section 2698 *et seq.*).

4 21. “PAGA Members” means all persons who worked for Defendant as non-exempt, hourly
5 paid employees in the State of California at any time during the PAGA Period.

6 22. “PAGA Period” means the period from March 15, 2023 through March 9, 2025.

7 23. “PAGA Settlement Amount” means the amount that the Parties have agreed to pay to
8 the LWDA and PAGA Members in connection with Plaintiff’s claim under the PAGA (“PAGA
9 Settlement”). The Parties have agreed that Twenty Thousand Dollars (\$20,000) of the Gross Settlement
10 Amount will be allocated to the PAGA Settlement. Pursuant to PAGA, Seventy-Five Percent (75%), or
11 Fifteen Thousand Dollars (\$15,000), of the PAGA Settlement Amount will be paid to the LWDA
12 (“Labor and Workforce Development Agency Payment”), and Twenty-Five Percent (25%), or Five
13 Thousand Dollars (\$5,000) (“PAGA Fund”), of the PAGA Settlement will be disbursed to PAGA
14 Members, and regardless whether they request to be excluded from the Settlement Class.

15 24. “Parties” means Plaintiff and Defendant collectively.

16 25. “Participating Class Members” means all Class Members who do not submit timely and
17 valid Requests for Exclusion.

18 26. “Plaintiff” means Plaintiff Luis Corona.

19 27. “Preliminary Approval” means the date on which the Court enters an order granting
20 preliminary approval of the Settlement Agreement.

21 28. “Released Class Claims” means all claims, rights, demands, liabilities, causes of action
22 and relief asserted in the Action (including any amended complaint), or which reasonably could have
23 been asserted by reason of, or in connection with, any matter or fact set forth or referred to in the Action
24 (including any amended complaint) and ascertained in the course of the Action (including any amended
25 complaint), including, but not limited to, statutory, constitutional, tort, common law, and/or contract
26 claims and associated relief related to alleged failure to pay wages for off-the-clock work, failure to pay
27 minimum wage, failure to incorporate all compensation, including shift differential pay, incentive pay,
28 nondiscretionary bonuses, and/or other forms of remuneration, into the calculation of the regular rate of

1 pay, failure to properly calculate the regular rate of pay and/or to pay overtime for overtime hours
2 worked, failure to pay meal and/or rest break premium pay, failure to timely pay all wages owed
3 (including but not limited to overtime wages, minimum wages, meal and rest period premiums, and/or
4 vested vacation wages) during employment or on termination of employment, failure to reimburse
5 business expenses and for passing off the cost of doing business and operating costs/expenses onto
6 employees, failure to provide meal periods, failure to authorize and permit rest breaks, improper
7 reimbursement practices, failure to provide accurate itemized wage statements, failure to keep accurate
8 payroll records of hours worked, failure to provide written notice of all material terms of employment,
9 failure to properly calculate paid sick leave and failure to timely pay all wages owed during employment
10 (including but not limited to overtime wages, minimum wages, and/or meal and rest period premiums).

11 This release expressly includes, without limitation, all such claims arising under Labor Code §§ 201,
12 202, 203, 204, 210, 226, 226(a), 226(e), 226(h), 226.3, 226.7, 227.3, 245.5, 246, 246.5, 247, 247.5,
13 248.5, 249, 256, 510, 512(a), 516, 558, 558(a), 558(c), 1021.5, 1174(d), 1174.5, 1182.12, 1194, 1194(a),
14 1194.2, 1197, 1197.1, 1198, 1198.5, 2802, 2810, 2810.5, Business & Professions Code §§ 17200 *et seq.*,
15 California Code of Regulations Title 8, § 11000 *et seq.*, 29 U.S.C. § 211(c), and all other state and local
16 wage/hour and wage payment laws, including wage orders (including, but not limited to, IWC wage
17 order nos. 1, 4, 7, 9 and 17), and common law theories against the Released Parties up to and including
18 March 9, 2025.

19 29. “Released PAGA Claims” means all claims and relief for civil penalties under
20 California Labor Code §§ 2698, *et seq.*, that were asserted or could reasonably have been asserted based
21 on any matter or fact set forth or referred to in Plaintiff’s Second Amended Complaint and Plaintiff’s
22 LWDA letter and ascertained in the course of this Action including, but not limited to claims related to
23 alleged failure to pay wages for off-the-clock work, failure to pay minimum wage, failure to incorporate
24 all compensation, including shift differential pay, incentive pay, nondiscretionary bonuses, and/or other
25 forms of remuneration, into the calculation of the regular rate of pay, failure to properly calculate the
26 regular rate of pay and/or to pay overtime for overtime hours worked, failure to pay meal and/or rest
27 break premium pay, failure to timely pay all wages owed (including but not limited to overtime wages,
28 minimum wages, meal and rest period premiums, and/or vested vacation wages) during employment or

1 on termination of employment, failure to reimburse business expenses and for passing off the cost of
2 doing business and operating costs/expenses onto employees, failure to provide meal periods, failure to
3 authorize and permit rest breaks, improper reimbursement practices, failure to provide accurate itemized
4 wage statements, failure to keep accurate payroll records of hours worked, failure to provide written
5 notice of all material terms of employment, failure to properly calculate paid sick leave and failure to
6 timely pay all wages owed during employment (including but not limited to overtime wages, minimum
7 wages, and/or meal and rest period premiums). This release expressly includes, without limitation, all
8 such claims arising under Labor Code §§ 201, 202, 203, 204, 210, 226, 226(a), 226(e), 226(h), 226.3,
9 226.7, 227.3, 245.5, 246, 246.5, 247, 247.5, 248.5, 249, 256, 510, 512(a), 516, 558, 558(a), 558(c),
10 1021.5, 1174(d), 1174.5, 1182.12, 1194, 1194(a), 1194.2, 1197, 1197.1, 1198, 1198.5, 2802, 2810.5 and
11 §§ 2698 *et seq.* (Private Attorneys General Act). and IWC wage order nos. 1, 4, 7, 9 and 17 and
12 California Code of Regulations Title 8, §§ 11000 *et seq.* based on the preceding claims and relief for
13 civil penalties under California Labor Code §§ 2698, *et seq.*, that were asserted or could reasonably have
14 been asserted based on any matter or fact set forth or referred to in Plaintiff's Second Amended
15 Complaint and Plaintiff's LWDA letter and ascertained in the course of this Action as further detailed
16 herein.

17 30. "Released Parties" means Defendant, its corporate parents, divisions, subsidiaries and
18 affiliates, and its officers, directors, employees (current and former), shareholders, attorneys, insurers,
19 benefit plans, servants and agents, together with their predecessors, successors, assigns and related
20 entities.

21 31. "Request for Exclusion" means the form attached as Exhibit B.

22 32. "Response Deadline" means the deadline by which Class Members must postmark to
23 the Settlement Administrator Requests for Exclusion, postmark disputes concerning the calculation of
24 Individual Settlement Payments, or postmark Notices of Objection to the Settlement Administrator. The
25 Response Deadline will be forty-five (45) calendar days from the initial mailing of the Class Notice by
26 the Settlement Administrator, unless the forty-fifth (45th) calendar day falls on a Sunday or State
27 holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal
28 Service is open.

33. “Second Amended Complaint” means the Second Amended Complaint to be filed by Plaintiff in this Action as referenced in Section 38.

34. “Settlement Administration Costs” means the costs payable from the Gross Settlement Amount to the Settlement Administrator for administering this Settlement, including, but not limited to, printing, distributing, and tracking documents for this Settlement, tax reporting, distributing the Gross Settlement Amount, and providing necessary reports and declarations, as requested by the Parties. The Settlement Administration Costs will be paid from the Gross Settlement Amount, including, if necessary, any such costs in excess of the amount represented by the Settlement Administrator as being the maximum costs necessary to administer the Settlement. Based on an estimated Settlement Class of approximately 284 Class Members, the Settlement Administration Costs are currently estimated to be Seven Thousand Four Hundred Fifty Dollars (\$7,450.00).

35. “Settlement Administrator” means CPT Group, Inc., or any other third-party class action settlement administrator agreed to by the Parties and approved by the Court for the purposes of administering this Settlement. The Parties each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

36. “Settlement Agreement” means this Settlement Agreement, including permitted and executed amendments thereto.

37. “Workweeks” means the number of weeks worked by each Class Member during the Class Period, subtracting weeks on leave of absence (if any). All Class Members will be credited with at least one Workweek during the Class Period, and all PAGA Members will be credited with at least one Workweek during the PAGA Period.

TERMS OF AGREEMENT

The Plaintiff, on behalf of himself and the Settlement Class, and Defendant agree as follows:

38. Second Amended Complaint. As a condition of settlement, Plaintiff will file a Second Amended Complaint (“SAC”) to conform the pleadings with the scope of the Released Class Claims and Released PAGA Claims. Defendant will not be required to file an answer or other responsive pleading to the SAC. If, for any reason, the Court does not approve of the Settlement, or if the Settlement does not

1 become final for any reason, then the SAC will be deemed withdrawn and the First Amended Complaint
2 will again become the operative complaint without prejudice to Plaintiff's right to seek leave to file
3 another amended complaint and without prejudice to Defendant's rights to object and/or challenge the
4 FAC or an other amended pleading. Defendant does not impliedly or expressly waive any arguments or
5 defenses to the FAC or SAC or other amended pleading.

6 39. Funding of the Gross Settlement Amount. Defendant will make a one-time deposit of
7 the Gross Settlement Amount of Three Hundred Seventy Five Thousand Dollars (\$375,000) into a
8 Qualified Settlement Account to be established by the Settlement Administrator. Defendant will pay the
9 employer's share of payroll taxes separately. After the Effective Date, the Gross Settlement Amount will
10 be used for: (a) Individual Settlement Payments; (b) the Labor and Workforce Development Agency
11 Payment; (c) the Class Representative Enhancement Payment; (d) Attorneys' Fees and Costs; and (e)
12 Settlement Administration Costs. Defendant will deposit the Gross Settlement Amount and the
13 employer's share of payroll taxes within thirty (30) calendar days of the Effective Date ("Funding
14 Date"). Disbursement of the Attorneys' Fees and Costs, Class Representative Enhancement Payment
15 and Settlement Administration Costs shall not precede disbursement of the Individual Settlement
16 Payments.

17 40. Attorneys' Fees and Costs. Defendant agrees not to oppose or impede any application or
18 motion for attorneys' fees and costs by Class Counsel for Attorneys' Fees and Costs of not more than
19 One Hundred Twenty Five Thousand Dollars (\$125,000), plus the reimbursement of all out-of-pocket
20 costs and expenses associated with Class Counsel's litigation and settlement of the Action (including
21 expert/consultant fees, investigations costs, etc.), not to exceed Thirty Thousand Dollars (\$30,000), both
22 of which will be paid from the Gross Settlement Amount. The amount of Attorneys' Fees and Costs
23 awarded to Class Counsel shall be deemed to compensate them fully for all the work already performed
24 in this case and all the work remaining to be performed, including, but not limited to documenting the
25 Settlement, securing Court approval of the Settlement, and ensuring that the Settlement is properly
26 administered and implemented. The Settlement Administrator will issue to Class Counsel a Form 1099
27 with respect to their award of attorneys' fees and costs. In the event the Court awards Class Counsel less
28 than the amount of attorneys' fees and costs requested by Class Counsel, and Class Counsel decides not

1 to appeal the reduced award, or is unsuccessful in any appeal of the reduced award, the remaining
2 amount will be distributed amongst Participating Class Members on a *pro rata* basis. Class Counsel
3 assumes full responsibility and liability for taxes owed on the Attorneys' Fees and Costs and holds
4 Defendant harmless, and indemnifies Defendant, from any and all tax liability, including penalties and
5 interest, arising out of or relating to the taxes on any amounts paid pursuant to this Settlement
6 Agreement. Except as otherwise provided herein and in anticipation of the motion by Class Counsel to
7 have the Attorneys' Fees and Costs approved as contemplated herein, the Parties shall bear responsibility
8 for their own fees, costs, and expenses incurred by them or arising out of this litigation and will not seek
9 reimbursement from any party to this Settlement Agreement or the Released Parties.

10 41. Class Representative Enhancement Payment. In exchange for Plaintiff's execution, on
11 behalf of himself and his heirs, representatives, successors, assigns and attorneys, of a separate general
12 release entitled "General Release and Settlement Agreement" of the Released Parties that extends
13 beyond Released Class Claims and Released PAGA Claims, a copy of which is attached hereto as
14 Exhibit D, and in recognition of his effort and work in prosecuting the Action on behalf of Class
15 Members, Defendant agrees not to oppose or impede any application or motion for a Class
16 Representative Enhancement Payment of up to Ten Thousand Dollars (\$10,000). The Class
17 Representative Enhancement Payment will be paid from the Gross Settlement Amount and will be in
18 addition to Plaintiff's Individual Settlement Payment paid pursuant to the Settlement. Plaintiff will be
19 solely and legally responsible to pay any and all applicable taxes on the Class Representative
20 Enhancement Payment. Plaintiff understands and agrees that this Settlement Agreement and the separate
21 General Release and Settlement Agreement shall remain in full force and effect even if the full amount
22 of Class Representative Enhancement Payment sought by Plaintiff is not ultimately awarded by the
23 Court.

24 42. Settlement Administration Costs. The Settlement Administrator will be paid for the
25 reasonable costs of administration of the Settlement and distribution of payments from the Gross
26 Settlement Amount, which is currently estimated to be Seven Thousand Four Hundred Fifty Dollars
27 (\$7,450). These costs, which will be paid from the Gross Settlement Amount, will include, *inter alia*, the
28 required tax reporting on the Individual Settlement Payments, the issuing of 1099 and W-2 IRS Forms,

1 distributing Class Notices, calculating and distributing the Gross Settlement Amount, and providing
2 necessary reports and declarations.

3 43. PAGA Settlement Amount. Subject to Court approval, the Parties agree that the amount
4 of Twenty Thousand Dollars (\$20,000) from the Gross Settlement Amount will be designated for
5 satisfaction of Plaintiff's PAGA claim. Pursuant to PAGA, Seventy-Five Percent (75%), or Fifteen
6 Thousand Dollars (\$15,000), of this sum will be paid to the LWDA and Twenty-Five Percent (25%), or
7 Five Thousand Dollars (\$5,000), will be paid to PAGA Members in proportion to the number of
8 Workweeks worked during the PAGA Period.

9 44. No Right to Exclusion or Objections to the PAGA Settlement. Because this settlement
10 resolves claims and actions brought pursuant to PAGA by Plaintiff acting as a proxy and as a Private
11 Attorney General of, and for, the State of California and the LWDA, the Parties agree that no PAGA
12 Member has the right to exclude himself or herself from the PAGA settlement, and all PAGA Members
13 will receive their shares of the PAGA Fund. Class Counsel will take all necessary steps to provide timely
14 notice of the settlement to the LWDA.

15 45. Net Settlement Fund. The entire Net Settlement Fund will be distributed to Participating
16 Class Members. No portion of the Net Settlement Fund will revert to or be retained by Defendant.

17 46. PAGA Fund. The entire PAGA Fund will be distributed to all PAGA Members. No
18 portion of the PAGA Fund will revert to or be retained by Defendant.

19 47. Individual Settlement Payment Calculations. Individual Settlement Payments will be
20 calculated and apportioned from the Net Settlement Fund and PAGA Fund based on the number of
21 Workweeks a Class Member worked during the Class Period and PAGA Period. Specific calculations of
22 Individual Settlement Payments will be made as follows:

23 47(a) Payments from the Net Settlement Fund. Defendant will calculate the total
24 number of Workweeks worked by each Class Member during the Class
25 Period and the aggregate total number of Workweeks worked by all Class
26 Members during the Class Period. To determine each Class Member's
27 estimated "Individual Settlement Payment" from the Net Settlement Fund,
28 the Settlement Administrator will use the following formula: The Net

1 Settlement Fund will be divided by the aggregate total number of
2 Workweeks during the Class Period, resulting in the “Workweek Value.”
3 Each Class Member’s “Individual Settlement Payment” will be calculated
4 by multiplying each individual Class Member’s total number of Workweeks
5 by the Workweek Value. The Individual Settlement Payment will be
6 reduced by any required deductions for each Participating Class Member as
7 specifically set forth herein, including employee-side tax withholdings or
8 deductions. The entire Net Settlement Fund will be disbursed to all Class
9 Members who do not submit timely and valid Requests for Exclusion. If
10 there are any valid and timely Requests for Exclusion, the Settlement
11 Administrator shall proportionately increase the Individual Settlement
12 Payment for each Participating Class Member according to the number of
13 Workweeks worked, so that the amount actually distributed to the
14 Settlement Class equals 100% of the Net Settlement Fund.

15 47(b) Payments from the PAGA Fund. Defendant will calculate the total number
16 of Workweeks worked by each PAGA Member during the PAGA Period
17 and the aggregate total number of Workweeks worked by all PAGA
18 Members during the PAGA Period. To determine each PAGA Member’s
19 estimated “Individual Settlement Payment,” the Settlement Administrator
20 will use the following formula: The PAGA Fund will be divided by the
21 aggregate total number of Workweeks during the PAGA Period, resulting in
22 the “PAGA Workweek Value.” Each PAGA Member’s “Individual
23 Settlement Payment” will be calculated by multiplying each individual
24 PAGA Member’s total number of Workweeks by the PAGA Workweek
25 Value. The entire PAGA Fund will be disbursed to all PAGA Members.

26 48. No Credit Toward Benefit Plans. The Individual Settlement Payments made to
27 Participating Class Members under this Settlement, as well as any other payments made pursuant to this
28 Settlement, will not be utilized to calculate any additional benefits under any benefit plans to which any

Class Members may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights, contributions, or amounts to which any Class Members may be entitled under any benefit plans.

49. Administration Process. The Parties agree to cooperate in the administration of the Settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in administration of the Settlement.

50. Delivery of the Class List. Within twenty (20) calendar days of Preliminary Approval, Defendant will provide the Class List to the Settlement Administrator.

51. Notice by First-Class U.S. Mail. Within ten (10) calendar days after receiving the Class List from Defendant, the Settlement Administrator will mail a Class Notice to all Class Members via regular First-Class U.S. Mail, using the most current, known mailing addresses identified in the Class List.

52. Confirmation of Updated Contact Information in the Class Lists. Prior to mailing, the Settlement Administrator will perform a search based on the National Change of Address Database for information to update and correct for any known or identifiable address changes. Any Class Notices returned to the Settlement Administrator as non-deliverable on or before the Response Deadline will, within five (5) business days of receipt, be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing on the Class Notice. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace, or other search using the name, address and/or Social Security Number of the Class Member involved, and will then perform a single re-mailing. Those Class Members who receive a re-mailed Class Notice, whether by skip-trace or by request, will have either (a) an additional fifteen (15) calendar days or (b) until the Response Deadline, whichever is later, to submit a Request for Exclusion or an objection to the Settlement.

53. Class Notices. All Class Members will be mailed a Class Notice by the Settlement Administrator. Each Class Notice will provide: (a) information regarding the nature of the Action; (b) a summary of the Settlement's principal terms; (c) the Settlement Class and PAGA Member definitions;

(d) the total number of Workweeks each respective Class Member and PAGA Member worked for Defendant during the Class Period and PAGA Period; (e) each Class Member's and PAGA Member's estimated Individual Settlement Payment and the formula for calculating Individual Settlement Payments; (f) the dates which comprise the Class Period and PAGA Period; (g) instructions on how to submit Requests for Exclusion or Notices of Objection; (h) the deadlines by which the Class Member must postmark or fax Request for Exclusions, or postmark Notices of Objection to the Settlement; and (i) the claims to be released.

54. Disputed Information on Class Notices. Class Members will have an opportunity to dispute the information provided in their Class Notices. To the extent Class Members dispute their employment dates or the number of Workweeks on record, Class Members may produce evidence to the Settlement Administrator showing that such information is inaccurate. Defendant's records will be presumed correct, but the Settlement Administrator shall contact the Parties regarding the dispute and the Parties will work in good faith to resolve it. All disputes must be submitted by the Response Deadline, and will be decided within ten (10) business days after the Response Deadline.

55. Defective Submissions. If a Class Member's Request for Exclusion is defective as to the requirements listed herein, that Class Member will be given an opportunity to cure the defect(s). The Settlement Administrator will mail the Class Member a cure letter within three (3) business days of receiving the defective submission to advise the Class Member that his/her/their submission is defective and that the defect must be cured to render the Request for Exclusion valid. The Class Member will have until (a) the Response Deadline or (b) fifteen (15) calendar days from the date of the cure letter, whichever date is later, to postmark or fax a revised Request for Exclusion. If the revised Request for Exclusion is not postmarked or received by fax within that period, it will be deemed untimely.

56. Request for Exclusion Procedures. Any Class Member wishing to opt-out from the Settlement Agreement must sign and fax or postmark a written Request for Exclusion to the Settlement Administrator within the Response Deadline. In the case of Requests for Exclusion that are mailed to the Settlement Administrator, the postmark date will be the exclusive means to determine whether a Request for Exclusion has been timely submitted.

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1 57. Proportional Increase to Gross Settlement Amount. The Gross Settlement Amount was
2 calculated with, and is premised on, the understanding that Class Members worked approximately
3 Twenty-One Thousand (21,000) Workweeks during the Class Period. If the actual number of
4 workweeks worked by Class Members exceeds Twenty-One Thousand (21,000) by more than Ten
5 Percent (10%) of this number, then Defendant has the option to either: (a) agree to increase the Gross
6 Settlement Amount on a proportional basis above Ten Percent (10%) (i.e., if there is an 11% increase in
7 the number of workweeks during the Class Period, Defendant would agree to increase the Gross
8 Settlement Amount by 1%); or (b) elect to end the Class Period and PAGA Period on an earlier date to
9 limit the covered Workweeks to Ten Percent (10%) more than the estimate provided in lieu of paying an
10 increase to the Gross Settlement Amount.

11 58. Settlement Terms Bind All Class Members Who Do Not Opt-Out. Any Class Member
12 who does not affirmatively opt-out of the Settlement Agreement by submitting a timely and valid
13 Request for Exclusion will be bound by all of its terms, including those pertaining to the Released Class
14 Claims, as well as any Judgment that may be entered by the Court if it grants final approval to the
15 Settlement.

16 59. Releases by Participating Class Members. Upon the Funding Date, and except as to such
17 rights or claims as may be created by this Settlement Agreement, each Participating Class Member,
18 together and individually, on their behalf and on behalf of their respective former and present heirs,
19 executors, administrators, agents, representative, successors, assigns and attorneys, shall fully and forever
20 release and discharge all of the Released Parties, or any of them, from each of the Released Class Claims
21 arising during the Class Period.

22 60. Releases by Plaintiff and the LWDA. Upon the Funding Date, and except as to such
23 rights or claims as may be created by this Settlement Agreement, Plaintiff and the LWDA shall fully and
24 forever release and discharge all of the Released Parties, or any of them, from each of the Released
25 PAGA Claims during the PAGA Period.

26 61. Additional Attorneys' Fees Released By Class Counsel. In consideration of an award of
27 Attorneys' Fees and Costs in accordance with this Settlement, Class Counsel release and waive, on
28 behalf of their present and former attorneys, employees and agents, successors and assigns, the Released

1 Parties from any and all claims to any further attorneys' fees and costs in connection with the Action,
2 provided that nothing herein is intended to waive any right Class Counsel may have to seek fees or costs
3 in connection with an enforcement action pursuant to Paragraph 92 herein.

4 62. Additional Claims, Fees, Costs, Indemnity Released. Plaintiff and the Participating Class
5 Members and PAGA Members further waive any and all claims for fees, costs, indemnity or
6 contribution against the Participating Class Members and PAGA Members, Defendant or their counsel.

7 63. Defendant's Right to Rescind. Defendant will have, in its sole discretion, the right to
8 void and withdraw from the Settlement if, at any time prior to Final Approval, five percent (5%) or more
9 of Class Members opt out of the settlement. Defendant must exercise this right of rescission in writing to
10 Class Counsel within fourteen (14) calendar days after the later of the Response Deadline or any
11 extension of the Response Deadline that may be provided to cure any deficiencies. If the option to
12 rescind is exercised, then Defendant will be solely responsible for all Settlement Administration Costs
13 incurred to the date of rescission.

14 64. Objection Procedures. To object to the Settlement Agreement, a Class Member may
15 either postmark a valid Notice of Objection to the Settlement Administrator on or before the Response
16 Deadline, or appear in person at the Final Approval Hearing. Class Members who fail to object either by
17 submitting a valid Notice of Objection or appearing in person at the Final Approval Hearing will be
18 deemed to have waived all objections to the Settlement and will be foreclosed from making any
19 objections, whether by appeal or otherwise, to the Settlement Agreement. At no time will any of the
20 Parties or their counsel seek to solicit or otherwise encourage Class Members to submit written
21 objections to the Settlement Agreement or appeal from the final approval order and judgment. Class
22 Counsel will not represent any Class Members with respect to any such objections to this Settlement. If a
23 Class Member timely submits both a Notice of Objection and a Request for Exclusion, the Request for
24 Exclusion will be given effect and considered valid, the Notice of Objection shall be rejected, and the
25 Class Member shall not participate in or be bound by the Settlement. A Class Member who submits a
26 Request for Exclusion shall not have standing to object to the Settlement.

27 65. Certification Reports Regarding Individual Settlement Payment Calculations. The
28 Settlement Administrator will provide Defendant's counsel and Class Counsel a weekly report that

certifies the number of Class Members who have submitted valid Requests for Exclusion or objections to the Settlement, and whether any Class Member has submitted a challenge to any information contained in their Class Notice, including those received after the Response Deadline. Additionally, the Settlement Administrator will provide to counsel for both Parties any updated reports regarding the administration of the Settlement Agreement as needed or requested.

66. Distribution Timing of Individual Settlement Payments. Within ten (10) calendar days of the Funding Date, the Settlement Administrator will issue payments to: (a) Participating Class Members and PAGA Members; (b) the LWDA; (c) Plaintiff; and (d) Class Counsel. The Settlement Administrator will also issue a payment to itself for Court-approved services performed in connection with the Settlement.

67. Un-cashed Settlement Checks. Participating Class Members and PAGA Members will have one hundred eighty (180) days to cash/deposit their settlement checks. Any checks that are not cashed/deposited upon the expiration of that 180-day time period will be void, and the uncashed funds shall be redistributed to Class Members who did cash/deposit their checks. Those Class Members will then have 90 days to cash/deposit their checks. After the expiration of the 90-day period, any remaining unclaimed funds will be tendered to Riverside Legal Aid (“RLA”). The Parties do not have a connection to or a relationship with RLA that could reasonably create the appearance of impropriety as between the selection of the RLA as the recipient of the unclaimed residuals and the interests of the Class.

68. Certification of Completion. Upon completion of administration of the Settlement, the Settlement Administrator will provide a written declaration under oath to certify such completion to the Court and counsel for all Parties.

69. Treatment of Individual Settlement Payments. All Individual Settlement Payments will be allocated as follows: (a) Twenty Percent (20%) of each Individual Settlement Payment will be allocated as wages (which will be subject to required withholdings and deductions and reported as wage income as required by applicable law) for which IRS Forms W-2 will be issued by the Settlement Administrator; and (b) Eighty Percent (80%) will be allocated as non-wages for which IRS Forms 1099-MISC will be issued. Payments issued to PAGA Members from the PAGA Fund will be treated as non-wages for which IRS Forms 1099-MISC will be issued by the Settlement Administrator.

1 70. Administration of Taxes by the Settlement Administrator. The Settlement Administrator
2 will be responsible for issuing to Plaintiff, Participating Class Members, PAGA Members, and Class
3 Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to
4 this Settlement. The Settlement Administrator will also be responsible for forwarding all payroll taxes
5 and any penalties to the appropriate government authorities. The Settlement Administrator shall have and
6 use its own EIN for purposes of calculating the payroll tax withholdings and providing reports to local,
7 state and federal tax authorities. The Settlement Administrator shall establish a settlement fund that meets
8 the requirements of a Qualified Settlement Fund under US Treasury Regulations Section 468B-1.

9 71. Tax Liability. Plaintiff and the Class Members and PAGA Members shall be solely
10 responsible for the reporting and payment of their share of any federal, state, and/or local income or other
11 taxes on payments received under the Settlement. The employee portion of all applicable income and
12 payroll taxes, as well as the taxes on any penalties and interest payment, will be the responsibility of the
13 individual Participating Class Member and PAGA Member, who agrees to indemnify and hold harmless
14 Defendant and Defense Counsel for any tax liability, including any penalties and interest, arising out of
15 or relating to the taxes on any amounts paid pursuant to this Settlement Agreement. Participating Class
16 Members and PAGA Members acknowledge that no representations have been or are made herein by or
17 to any signatory of the Settlement Agreement regarding the tax consequences of this Agreement. The
18 Parties make no representation as to the tax treatment or legal effect of the payments called for
19 hereunder, and Plaintiff, Participating Class Members, and PAGA Members are not relying on any
20 statement, representation, or calculation by Defendant or by the Settlement Administrator in this regard.

21 72. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES
22 OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY TO THIS
23 AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER PARTY”)
24 ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND
25 NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES
26 OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR
27 WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED
28 OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES

1 TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE
2 ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS
3 OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX
4 ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS
5 AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY
6 ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY
7 UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO
8 ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE
9 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER
10 PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF
11 ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER
12 SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE
13 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY
14 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS
15 AGREEMENT.

16 73. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant
17 that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign,
18 transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of
19 action or right herein released and discharged.

20 74. Nullification of Settlement Agreement. In the event that: (a) the Court does not finally
21 approve the Settlement as provided herein; or (b) the Settlement does not become final for any other
22 reason, then this Settlement Agreement, and any documents generated to bring it into effect, will be null
23 and void. Any order or judgment entered by the Court in furtherance of this Settlement Agreement will
24 likewise be treated as void from the beginning.

25 75. Preliminary Approval Hearing. Plaintiff will obtain a hearing before the Court to request
26 the Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary Approval Order
27 for: (a) leave to file the Second Amended Complaint for settlement purposes only, (b) conditional
28 certification of the Settlement Class for settlement purposes only, (c) preliminary approval of the

1 proposed Settlement Agreement, and (d) setting a date for a final fairness hearing. The Preliminary
2 Approval Order will provide for the Class Notice to be sent to all Class Members as specified herein. In
3 conjunction with the Preliminary Approval hearing, Plaintiff will submit this Settlement Agreement,
4 which sets forth the terms of this Settlement, and will include the proposed Notice of Class Action
5 Settlement, attached as Exhibit A. Class Counsel will be responsible for drafting all documents necessary
6 to obtain preliminary approval for review by Defense Counsel at least ten (10) days before filing with the
7 Court. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval, Class
8 Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by telephone,
9 and in good faith, to resolve the disagreement.

10 76. Final Settlement Approval Hearing and Entry of Judgment. Upon expiration of the
11 deadlines to postmark Requests for Exclusion or objections to the Settlement Agreement, and with the
12 Court's permission, a final fairness hearing will be conducted to determine the Final Approval of the
13 Settlement Agreement along with the amounts properly payable for: (a) Attorneys' Fees and Costs; (b)
14 the Class Representative Enhancement Payment; (c) Individual Settlement Payments; (d) the Labor and
15 Workforce Development Agency Payment; (e) all Settlement Administration Costs. Class Counsel will
16 be responsible for drafting all documents necessary to obtain final approval for review by Defense
17 Counsel at least ten (10) days before filing with the Court. If the Parties disagree on any aspect of the
18 proposed Motion for Final Approval, Class Counsel and Defense Counsel will expeditiously work
19 together on behalf of the Parties by telephone, and in good faith, to resolve the disagreement. Class
20 Counsel will also be responsible for drafting the attorneys' fees and costs application to be heard at the
21 final approval hearing for review and approval by Defense Counsel at least ten (10) days before filing
22 with the Court.

23 77. Judgment and Continued Jurisdiction. Upon final approval of the Settlement by the
24 Court or after the final fairness hearing, the Parties will present the Judgment to the Court for its
25 approval. After entry of the Judgment, the Court will have continuing jurisdiction solely for purposes of
26 addressing: (a) the interpretation and enforcement of the terms of the Settlement, (b) Settlement
27 administration matters, and (c) such post-Judgment matters as may be appropriate under court rules or as
28 set forth in this Settlement Agreement. A copy of the Judgment will be posted to the Settlement

1 Administrator's website.

2 78. Release by Plaintiff. The Parties further agree that in addition to this Agreement, Plaintiff
3 will also sign a General Release and Settlement Agreement, a copy of which is attached hereto as Exhibit
4 D as a further condition of receiving any Settlement Payment or Enhancement Payment.

5 79. Exhibits Incorporated by Reference. The terms of this Settlement Agreement include the
6 terms set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth
7 herein. Any Exhibits to this Settlement Agreement are an integral part of the Settlement.

8 80. Entire Agreement. This Settlement Agreement and any attached Exhibits constitute the
9 entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements
10 may be deemed binding on the Parties. The Parties expressly recognize California Civil Code Section
11 1625 and California Code of Civil Procedure Section 1856(a), which provide that a written agreement is
12 to be construed according to its terms and may not be varied or contradicted by extrinsic evidence, and
13 the Parties agree that no such extrinsic oral or written representations or terms will modify, vary or
14 contradict the terms of this Settlement Agreement.

15 81. Amendment or Modification. No amendment, change, or modification to this Settlement
16 Agreement will be valid unless in writing and signed, either by the Parties or their counsel, and approved
17 by the Court.

18 82. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and
19 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement
20 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant
21 to this Settlement Agreement to effectuate its terms and to execute any other documents required to
22 effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each
23 other and use their best efforts to effect the implementation of the Settlement. If the Parties are unable to
24 reach agreement on the form or content of any document needed to implement the Settlement, or on any
25 supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties
26 may seek the assistance of the Court to resolve such disagreement.

27 83. Binding on Successors and Assigns. This Settlement Agreement will be binding upon,
28 and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

1 84. California Law Governs. All terms of this Settlement Agreement and Exhibits hereto
2 will be governed by and interpreted according to the laws of the State of California.

3 85. Execution and Counterparts. This Settlement Agreement is subject only to the execution
4 of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All
5 executed counterparts and each of them, including electronic (e.g., DocuSign), facsimile, and scanned
6 copies of the signature page, will be deemed to be one and the same instrument.

7 86. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this
8 Settlement Agreement is a fair, adequate and reasonable settlement of the Action and have arrived at this
9 Settlement after arm's-length negotiations and in the context of adversarial litigation, taking into account
10 all relevant factors, present and potential. The Parties further acknowledge that they are each represented
11 by competent counsel and that they have had an opportunity to consult with their counsel regarding the
12 fairness and reasonableness of this Settlement.

13 87. Invalidity of Any Provision. Before declaring any provision of this Settlement
14 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent
15 possible consistent with applicable precedents so as to define all provisions of this Settlement Agreement
16 valid and enforceable.

17 88. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class
18 certification for purposes of this Settlement only; except, however, that Plaintiff or Class Counsel may
19 appeal any reduction to the Attorneys' Fees and Costs below the amount they request from the Court,
20 and either party may appeal any court order that materially alters the Settlement Agreement's terms.

21 89. Class Action Certification for Settlement Purposes Only. The Parties agree to stipulate to
22 class action certification for purposes of the Settlement only. If, for any reason, the Settlement is not
23 approved, the Parties will not stipulate to class certification and the stipulation to certification will be void
24 and will have no force or effect. The Parties further agree that certification for purposes of the Settlement
25 is not an admission that class action certification is proper under the standards applied to contested
26 certification motions and that this Settlement Agreement will not be admissible in this or any other
27 proceeding as evidence that either (a) a class action should be certified (b) the PAGA representative
28 action should proceed, or (c) Defendant is liable to Plaintiff or any Class Member, other than according

1 to the Settlement's terms.

2 90. Non-Admission of Liability. The Parties enter into this Settlement to resolve the dispute
3 that has arisen between them and to avoid the burden, expense and risk of continued litigation. In
4 entering into this Settlement, Defendant does not admit, and specifically denies, that it violated any
5 federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or
6 any other applicable laws, regulations or legal requirements; breached any contract; violated or breached
7 any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with
8 respect to its employees. Neither this Settlement Agreement, nor any of its terms or provisions, nor any
9 of the negotiations connected with it, will be construed as an admission or concession by Defendant of
10 any such violations or failures to comply with any applicable law. The Parties agree that none of them
11 has prevailed on the merits, nor shall the settlement serve or be construed as evidence that any Party has
12 so prevailed or that Defendant or the Released Parties have engaged in any wrongdoing, or that a class
13 and/or PAGA action is appropriate for any purposes other than pursuant to this Settlement. Except as
14 necessary in a proceeding to enforce the terms of this Settlement, this Settlement Agreement and its
15 terms and provisions will not be offered or received as evidence in any action or proceeding to establish
16 any liability or admission on the part of Defendant or to establish the existence of any condition
17 constituting a violation of, or a non-compliance with, federal, state, local or other applicable law.

18 91. No Public Comment: Prior to Preliminary Approval, the Parties and their counsel agree
19 that they will not issue any press releases, initiate any contact with the press, respond to any press
20 inquiry, or have any communication with the press about the fact, amount or terms of the Settlement.

21 92. Waiver. No waiver of any condition or covenant contained in this Settlement Agreement
22 or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or
23 constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

24 93. Enforcement Actions. In the event that one or more of the Parties institutes any legal
25 action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement
26 or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be
27 entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including
28 expert witness fees incurred in connection with any enforcement actions.

1 94. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and
2 conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed
3 more strictly against one party than another merely by virtue of the fact that it may have been prepared
4 by counsel for one of the Parties, it being recognized that, because of the arms'-length negotiations
5 between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

6 95. Representation By Counsel. The Parties acknowledge that they have been represented
7 by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and
8 that this Settlement Agreement has been executed with the consent and advice of counsel. Further,
9 Plaintiff and Class Counsel warrant and represent that there are no liens on the Settlement Agreement.

10 96. All Terms Subject to Final Court Approval. All amounts and procedures described in
11 this Settlement Agreement herein will be subject to final Court approval.

12 97. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good
13 faith and execute all documents to the extent reasonably necessary to effectuate the terms of this
14 Settlement Agreement.

15 98. Binding Agreement. The Parties warrant that they understand and have full authority to
16 enter into this Settlement Agreement, and further intend that this Settlement Agreement will be fully
17 enforceable and binding on all parties, and agree that it will be admissible and subject to disclosure in
18 any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that
19 otherwise might apply under federal or state law.

20 **READ CAREFULLY BEFORE SIGNING**

21 **PLAINTIFF**

22
23 Dated: _____

Luis Corona

24
25 **DEFENDANT S.P. RICHARDS COMPANY**
26 **(AKA GEORGIA S. P. RICHARDS**
27 **COMPANY)**

27
28 Dated: _____

Please Print Name of Authorized Signatory

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APPROVED AS TO FORM

CAPSTONE LAW APC

Dated: _____

By: _____
Raul Perez
Attorneys for Plaintiff Luis Corona

MARTENSON, HASBROUCK & SIMON LLP

Dated: _____

By: _____

Attorneys for Defendant S.P. Richards Company
(aka Georgia S. P. Richards Company)

Exhibit A

Corona v. S. P. Richards Company, No. CVRI2401430
SUPERIOR COURT OF THE STATE OF CALIFORNIA, FOR THE COUNTY OF RIVERSIDE
NOTICE OF CLASS ACTION SETTLEMENT

You are not being sued. This notice affects your rights. Please read it carefully

Si desea una traducción al Español de este Aviso, por favor llame al administrador al ***--*******

To: All persons who worked for Defendant S.P. Richards Company (“Defendant”) as non-exempt, hourly paid employees in the State of California at any time from March 15, 2020 through March 9, 2025 (“Class Members”).

All persons who worked for Defendant as non-exempt, hourly paid employees in the State of California at any time from March 15, 2023 through March 9, 2025 (“PAGA Members”).

On _____, the Honorable Harold W. Hopp of the Riverside County Superior Court granted preliminary approval of the Joint Stipulation of Class Action and PAGA Settlement and Release (attached as Exhibit 1 to the Declaration of Raul Perez filed on June 16, 2025) and ordered the litigants to notify all Class Members of the settlement. The Court has only determined that there is evidence suggesting that the settlement is fair, adequate, and reasonable but that any final determination will be made at the Final Approval Hearing.

You have received this notice because Defendant’s records indicate that you are a Class Member, and therefore entitled to a payment from the settlement.

Unless you choose to opt out of the settlement by following the procedures described below, you will be deemed a Class Member and, if the Court grants final approval of the settlement, you will be mailed a check for your share of the settlement fund. The Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at _:00 _m. on _____, 2025 in Department 1 of the Riverside County Superior Court located at 4050 Main Street, Riverside, California 92501.

Please also note that the Final Approval Hearing may be rescheduled by the Court to another date and/or time. Please visit [settlement website] for any scheduling changes.

If you move, you must send the Settlement Administrator your new address; otherwise, you may never receive your settlement payment. It is your responsibility to keep a current address on file with the Settlement Administrator.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don’t Have to Do Anything to Participate in the Settlement	If you do nothing, you will be deemed a “Participating Class Member,” and will be eligible for a payment from the Net Settlement Fund and, if you are also a PAGA Member, the PAGA Fund. In exchange, you will be bound by the terms of the proposed Settlement and give up your right to assert wage and hour claims, rights, demands, liabilities, causes of action and relief asserted in the Action against Defendant or which reasonably could have been asserted by reason of, or on connection with, any matter or fact set forth or referred to in the Action and ascertained in the course of the Action during the Class Period.
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You Can Opt-out of the Class Settlement but not the PAGA Settlement	If you don't want to participate in the proposed class settlement, you can opt-out of the class settlement by sending the Settlement Administrator a written Request for Exclusion. Once excluded, you will no longer be eligible for a payment from the Net Settlement Fund and will not be bound by the terms of the proposed class settlement.
The Opt-out Deadline is [DATE]	You cannot opt-out of the PAGA portion of the proposed Settlement. PAGA Members remain eligible to receive a payment from the PAGA Fund and will be bound to the PAGA Settlement regardless of whether they opt out of the class settlement.
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed class settlement.
Written Objections Must be Submitted by [DATE]	
You Can Participate in the [DATE] Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on [DATE] in Department 1 of the Riverside County Superior Court located at 4050 Main Street, Riverside, California 92501. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. If the Court grants final approval of the Settlement despite your objection, you will receive a payment from the Net Settlement Fund and you will be bound by the terms of the Settlement and Release.

Summary of the Litigation

Plaintiff Luis Corona, on his behalf and on behalf of other current and former non-exempt employees, alleges that Defendant violated California state labor laws as a result of its alleged failure to, among other things: (1) pay minimum and overtime wages to employees for all hours worked; (2) provide employees with compliant meal and rest breaks; (3) timely pay all wages owed to employees during each pay period and upon termination of their employment; (4) provide employees with accurate, itemized wage statements and maintain records; (5) pay vested vacation time; (6) reimburse business expenses; (7) engage in lawful and fair business practices; and (8) pay sick pay at the proper rate.

After the exchange of relevant information and evidence, the parties agreed to enter into settlement negotiations in an attempt to informally resolve the claims in the case. On December 20, 2024, the parties participated in a mediation with Steven Serratore, Esq., an experienced and well-respected class action mediator. With Mr. Serratore's guidance, the parties were able to negotiate a complete settlement of Plaintiff's claims.

Counsel for Plaintiff, and the attorneys appointed by the Court to represent the class, Capstone Law APC ("Class Counsel"), have investigated and researched the facts and circumstances underlying the issues raised in the case and the applicable law. While Class Counsel believe that the claims alleged in this lawsuit have merit, Class Counsel also recognize that the risk and expense of continued litigation justify settlement. Based on the foregoing, Class Counsel believe the proposed settlement is fair, adequate, reasonable, and in the best interests of Class Members.

Defendant has denied, and continues to deny the factual and legal allegations in the case and believes that it has valid defenses to Plaintiff's claims. By agreeing to settle, Defendant is not admitting liability on any of the factual allegations or claims in the case or that the case can or should proceed as a class action or representative action. Defendant has agreed to settle the case as part of a compromise with Plaintiff.

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

Summary of The Proposed Settlement Terms

Plaintiff and Defendant have agreed to settle the underlying class claims in exchange for a Gross Settlement Amount of \$375,000. This amount is inclusive of: (1) individual settlement payments to all Participating Class Members; (2) a Class Representative Enhancement Payment of \$10,000 to Luis Corona for his services on behalf of the class, and for a release of all claims arising out of his employment with Defendant; (3) \$125,000 in attorneys' fees and up to \$30,000 in litigation costs and expenses; (4) a \$20,000 settlement of claims under the Labor Code Private Attorneys General Act of 2004 ("PAGA"), inclusive of a \$15,000 payment to the California Labor and Workforce Development Agency ("LWDA") in connection with the PAGA, and a \$5,000 payment ("PAGA Fund") to all PAGA Members; and (5) reasonable Settlement Administrator's fees and expenses currently estimated at \$_. After deducting the above payments, a total of approximately \$_ will be allocated to Class Members who do not opt out of the Settlement Class ("Net Settlement Fund"). Additionally, all PAGA Members will receive a proportional share of the \$5,000 PAGA Fund, regardless whether they opt out of the Settlement Class.

Payments from Net Settlement Fund. Defendant will calculate the total number of Workweeks worked by each Class Member from March 15, 2020 through March 9, 2025 ("Class Period") and the aggregate total number of Workweeks worked by all Class Members during the Class Period. To determine each Class Member's estimated share of the Net Settlement Fund, the Settlement Administrator will use the following formula: The Net Settlement Fund will be divided by the aggregate total number of Workweeks during the Class Period, resulting in the "Workweek Value." Each Class Member's share of the Net Settlement Fund will be calculated by multiplying each individual Class Member's total number of Workweeks by the Workweek Value. The Individual Settlement Payment will be reduced by any required deductions for each Class Members as specifically set forth herein, including employee-side tax withholdings or deductions. If there are any valid and timely Requests for Exclusion, the Settlement Administrator shall proportionately increase each Participating Class Member's share of the Net Settlement Fund according to the number of Workweeks worked, so that the amount actually distributed to the Settlement Class equals 100% of the Net Settlement Fund.

According to Defendant's records, you worked during the Class Period in a non-exempt position for a total of ____ Workweeks. Accordingly, your estimated payment from the Net Settlement Fund is approximately \$_____.

Payments from PAGA Fund. Defendant will calculate the total number of Workweeks worked by each PAGA Member from March 15, 2023 through March 9, 2025 ("PAGA Period") and the aggregate total number of Workweeks worked by all PAGA Members during the PAGA Period. To determine each PAGA Member's estimated share of the PAGA Fund, the Settlement Administrator will use the following formula: The PAGA Fund will be divided by the aggregate total number of Workweeks during the PAGA Period, resulting in the "PAGA Workweek Value." Each PAGA Member's share of the PAGA Fund will be calculated by multiplying each individual PAGA Member's total number of Workweeks by the PAGA Workweek Value. A Request for Exclusion does not exclude a PAGA Member from the release of claims under California Labor Code §§ 2698, *et seq.* and the PAGA Member will receive their portion of the PAGA fund even if he/she/they submits a valid Request for Exclusion.

According to Defendant's records, you worked during the PAGA Period in a non-exempt position for a total of ____ Workweeks. Accordingly, your estimated payment from the PAGA Fund is approximately \$_____.

Your Estimated Payment: Based on the above, your estimated payment from the settlement is approximately \$_____. If you believe the Workweek information provided above is incorrect, please contact the Settlement Administrator to dispute the calculation. You must attach all documentation in support of your dispute (such as check stubs, W2s, or letters from HR). All disputes must be postmarked or faxed on or before [insert date of Response Deadline] and must be sent to:

Settlement Administrator

c/o _____

Fax No. _____

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

If you dispute the information stated above, Defendant's records will control unless you are able to provide documentation that establishes otherwise.

Taxes on Settlement Payments. IRS Forms W-2 and 1099 will be distributed to participating Class Members and the appropriate taxing authorities reflecting the payments they receive under the settlement. Class Members should consult their tax advisors concerning the tax consequences of the payments they receive under the Settlement. For purposes of this settlement, 20% of each settlement payment will be allocated as wages for which IRS Forms W-2 will be issued, and 80% will be allocated as non-wages for which IRS Forms 1099-MISC will be issued. Payments issued to PAGA Members from the PAGA Fund will be treated as non-wages for which IRS Forms 1099-MISC will be issued.

Your Options Under the Settlement

Option 1 – Automatically Receive a Payment from the Settlement

If want to receive your payment from the settlement, then no further action is required on your part. You will automatically receive your settlement payment from the Settlement Administrator if and when the Settlement receives final approval by the Court.

If you choose **Option 1**, and if the Court grants final approval of the settlement, you will be mailed a check for your share of the settlement funds. In addition, on the date on which Defendant fully funds the Gross Settlement Amount, you will be deemed to have released or waived the Released Class Claims during the Class Period:

Released Class Claims: All claims, rights, demands, liabilities, causes of action and relief asserted in the Action (including any amended complaint), or which reasonably could have been asserted by reason of, or in connection with, any matter or fact set forth or referred to in the Action (including any amended complaint) and ascertained in the course of the Action (including any amended complaint), including, but not limited to, statutory, constitutional, tort, common law, and/or contract claims and associated relief related to alleged failure to pay wages for off-the-clock work, failure to pay minimum wage, failure to incorporate all compensation, including shift differential pay, incentive pay, nondiscretionary bonuses, and/or other forms of remuneration, into the calculation of the regular rate of pay, failure to properly calculate the regular rate of pay and/or to pay overtime for overtime hours worked, failure to pay meal and/or rest break premium pay, failure to timely pay all wages owed (including but not limited to overtime wages, minimum wages, meal and rest period premiums, and/or vested vacation wages) during employment or on termination of employment, failure to reimburse business expenses and for passing off the cost of doing business and operating costs/expenses onto employees, failure to provide meal periods, failure to authorize and permit rest breaks, improper reimbursement practices, failure to provide accurate itemized wage statements, failure to keep accurate payroll records of hours worked, failure to provide written notice of all material terms of employment, failure to properly calculate paid sick leave and failure to timely pay all wages owed during employment (including but not limited to overtime wages, minimum wages, and/or meal and rest period premiums). This release expressly includes, without limitation, all such claims arising under Labor Code §§ 201, 202, 203, 204, 210, 226, 226(a), 226(e), 226(h), 226.3, 226.7, 227.3, 245.5, 246, 246.5, 247, 247.5, 248.5, 249, 256, 510, 512(a), 516, 558, 558(a), 558(c), 1021.5, 1174(d), 1174.5, 1182.12, 1194, 1194(a), 1194.2, 1197, 1197.1, 1198, 1198.5, 2802, 2810, 2810.5, Business & Professions Code §§ 17200 *et seq.*, California Code of Regulations Title 8, § 11000 *et seq.*, 29 U.S.C. § 211(c), and all other state and local wage/hour and wage payment laws, including wage orders (including, but not limited to, IWC wage order nos. 1, 4, 7, 9 and 17), and common law theories against the Released Parties up to and including March 9, 2025.

Additionally, Plaintiff will release on behalf of the LWDA and all PAGA Members all Released PAGA Claims during the PAGA Period:

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

Released PAGA Claims: All claims and relief for civil penalties under California Labor Code §§ 2698, *et seq.*, that were asserted or could reasonably have been asserted based on any matter or fact set forth or referred to in Plaintiff's Second Amended Complaint and Plaintiff's LWDA letter and ascertained in the course of this Action including, but not limited to claims related to alleged failure to pay wages for off-the-clock work, failure to pay minimum wage, failure to incorporate all compensation, including shift differential pay, incentive pay, nondiscretionary bonuses, and/or other forms of remuneration, into the calculation of the regular rate of pay, failure to properly calculate the regular rate of pay and/or to pay overtime for overtime hours worked, failure to pay meal and/or rest break premium pay, failure to timely pay all wages owed (including but not limited to overtime wages, minimum wages, meal and rest period premiums, and/or vested vacation wages) during employment or on termination of employment, failure to reimburse business expenses and for passing off the cost of doing business and operating costs/expenses onto employees, failure to provide meal periods, failure to authorize and permit rest breaks, improper reimbursement practices, failure to provide accurate itemized wage statements, failure to keep accurate payroll records of hours worked, failure to provide written notice of all material terms of employment, failure to properly calculate paid sick leave and failure to timely pay all wages owed during employment (including but not limited to overtime wages, minimum wages, and/or meal and rest period premiums). This release expressly includes, without limitation, all such claims arising under Labor Code §§ 201, 202, 203, 204, 210, 226, 226(a), 226(e), 226(h), 226.3, 226.7, 227.3, 245.5, 246, 246.5, 247, 247.5, 248.5, 249, 256, 510, 512(a), 516, 558, 558(a), 558(c), 1021.5, 1174(d), 1174.5, 1182.12, 1194, 1194(a), 1194.2, 1197, 1197.1, 1198, 1198.5, 2802, 2810.5 and §§ 2698 *et seq.* (Private Attorneys General Act). and IWC wage order nos. 1, 4, 7, 9 and 17 and California Code of Regulations Title 8, §§ 11000 *et seq.* based on the preceding claims and relief for civil penalties under California Labor Code §§ 2698, *et seq.*, that were asserted or could reasonably have been asserted based on any matter or fact set forth or referred to in Plaintiff's Second Amended Complaint and Plaintiff's LWDA letter and ascertained in the course of this Action as further detailed herein.

Option 2 – Opt Out of the Settlement

If you do not wish to participate in the settlement, you may exclude yourself from participating by submitting the enclosed Request for Exclusion form. The Request for Exclusion must be postmarked no later than _____, 2025. If you submit a Request for Exclusion which is not postmarked by _____, 2025, your Request for Exclusion will be rejected, and you will be included in the settlement class.

If you choose **Option 2**, you will no longer be a Class Member, and you will:

- Not Receive a Payment from the Net Settlement Fund.
- Not release the Released Class Claims.
- If you are a PAGA Member, you will still be bound by the PAGA settlement, and will receive a payment from the PAGA Fund.

Option 3 – Object to the Settlement

If you want to object to the settlement because you find it unfair or unreasonable, you may submit a written objection stating why you object to the settlement, or you may instead appear at the Final Fairness Hearing to object to the Settlement. Written objections can be submitted via the enclosed form. The objection must be mailed to the administrator at [administrator's address].

All written objections must be received by the administrator by not later than _____ 2025. By submitting an objection, you are not excluding yourself from the settlement. To exclude yourself from the settlement, you must follow the directions described above. Please note that you cannot both object to the settlement and exclude yourself. You must choose one option only.

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

You may also, if you wish, appear at the Final Fairness Hearing set for _____ at _____ a.m./p.m. in the Superior Court of the State of California, for the County of Riverside and discuss your objection with the Court and the Parties at your own expense. You may also retain an attorney to represent you at the hearing.

If you choose **Option 3**, you will still be entitled to the money from the settlement. If the Court overrules your objection, you will be deemed to have released the Released Class Claims.

Additional Information

This Notice of Class Action Settlement is only a summary of the case and the settlement. For a more detailed statement of the matters involved in the case and the settlement, you may refer to the pleadings, the settlement agreement, and other papers filed in the case. All inquiries by Class Members regarding this Class Notice and/or the settlement should be directed to the Settlement Administrator or Class Counsel.

Raul Perez
Capstone Law APC
1875 Century Park E., Suite 1000
Los Angeles, CA 90067
Phone: 1 (877) 495-1081

PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE, DEFENDANT'S ATTORNEYS WITH INQUIRIES.

Exhibit B

REQUEST FOR EXCLUSION

COMPLETE THIS FORM ONLY IF YOU WISH TO EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS.

YOU MUST POSTMARK THIS FORM TO THE SETTLEMENT ADMINISTRATOR NO LATER THAN **[DEADLINE]**.

**THIS MUST BE MAILED TO:
CPT GROUP, INC., THE SETTLEMENT ADMINISTRATOR
50 Corporate Park, Irvine, CA 92606**

IF YOU EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS, YOU **WILL NOT RECEIVE** YOUR PAYMENT FROM THE CLASS SETTLEMENT, BUT IF YOU ARE A PAGA MEMBER, YOU WILL STILL RECEIVE YOUR PAYMENT FROM THE PAGA FUND.

I _____ request to be excluded from the Settlement Class in the matter of *Corona v. S. P. Richards Company*, Case No. CVRI2401430 (Riverside County Superior Court). I understand that by submitting this Request for Exclusion, I will no longer be eligible for a payment from the class settlement.

Sign your name here

Print your name here

Address

Telephone

Exhibit C

OBJECTION FORM

COMPLETE THIS FORM ONLY IF YOU WISH TO OBJECT TO THE SETTLEMENT.

YOU MUST POSTMARK THIS FORM TO THE SETTLEMENT ADMINISTRATOR NO LATER THAN **[DEADLINE]**.

**MAIL OR FAX TO: CPT GROUP, INC., THE SETTLEMENT ADMINISTRATOR
50 Corporate Park, Irvine, CA 92606**

NOTE: If you submit an objection to the settlement, your objection will become a part of the public record and will be available for the public to review.

Please provide the following information for the public record:

Name: _____

Address: _____

Telephone: _____

Signature: _____

I OBJECT TO THE SETTLEMENT BECAUSE _____

Exhibit D

SETTLEMENT AGREEMENT AND GENERAL RELEASE

This Settlement Agreement and General Release (hereinafter referred to as “Agreement”) is made and entered into by and between Luis Corona (hereinafter referred to as “Plaintiff”) and S.P. Richards Company (aka Georgia S.P. Richards Company) (hereinafter referred to as “SPR” or “Company”) (hereinafter collectively referred to as the “Parties”).

WHEREAS, Plaintiff resides in California and was employed by SPR in California;

WHEREAS, Plaintiff filed a lawsuit in the Superior Court of the State of California County of Riverside (hereinafter referred to as “State Court”) styled *Luis Corona, individually and on behalf of other members of the general public similarly situated v. S. P. Richards Company, doing business in California as, Georgia S.P. Richards Company, a Georgia corporation* bearing case number CVRI12401430 (hereinafter with all amendments collectively referred to as the “Lawsuit”) (hereinafter referred to as the “Lawsuit”);

WHEREAS, Plaintiff submitted a letter dated March 26, 2024, to the Labor and Workforce Development Agency (“LWDA”) alleging California Labor Code violations, which was dually incorporated by reference into the Lawsuit (hereinafter all references to the “Lawsuit” also include the March 26, 2024 LWDA letter which was appended to the Lawsuit);

WHEREAS, SPR has denied and continues to deny any and all liability to Plaintiff;

WHEREAS, Plaintiff and SPR wish to permanently resolve all disputes that exist or may exist between them in the future, arising out of or relating to Plaintiff’s employment with SPR and the termination thereof, including but not limited to the Lawsuit;

WHEREAS, Plaintiff and SPR have entered into a Joint Stipulation of Class Action and PAGA Settlement and Release, to which this Agreement is attached and appended as Exhibit D, in the Lawsuit;

WHEREAS, Plaintiff and SPR understand and agree that neither the making of this Agreement or the Joint Stipulation of Class Action and PAGA Settlement and Release nor anything contained herein, shall, in any way, be construed or considered to be an admission by either party of wrongdoing, guilt, or noncompliance with any federal, state, or local statutes, public policy, common law, or any other wrongdoing whatsoever; and

NOW THEREFORE, each intending to be legally bound, Plaintiff and SPR agree as follows:

1. Settlement Amount. In consideration for the execution of this Agreement and the Joint Stipulation of Class Action and PAGA Settlement and Release by Plaintiff and Plaintiff fully abiding by its terms, the Company agrees to provide Plaintiff with certain valuable consideration, the sufficiency of which is hereby acknowledged, including providing Plaintiff the gross total settlement amount of \$10,000.00 (hereafter referred to as Settlement Funds”), payable as follows: a check made

payable to Luis Corona in the gross amount of \$10,000.00, issuing Luis Corona an IRS Form 1099 at yearend for such payment.

The Settlement Funds are provided in settlement of all of Plaintiff's claims against SPR and/or all of its affiliated companies and representatives, including, but not limited to, any claims arising out of or in any way connected with Plaintiff's employment and separation from employment with SPR and Plaintiff's Lawsuit. The parties further acknowledge and agree that, except as expressly set forth herein and in the Joint Stipulation of Class Action and PAGA Settlement and Release, each party to this Agreement will bear its own costs and attorneys' fees.

The Settlement Funds shall be delivered to Plaintiff's attorney of record, Orlando Villalba, Esq., Capstone Law APC, 1875 Century Park East, Suite 1000, Los Angeles, CA 90067, on the terms and time referenced within in the parties' Joint Stipulation of Class Action and PAGA Settlement and Release (presuming the expiration of the consideration and revocation periods in the Agreement) and following receipt by counsel for SPR of the original or a copy of the original of this Agreement executed by Plaintiff before a notary public, and an IRS Form W-9 completed and executed by Plaintiff. The documents referenced in the preceding sentence shall be sent via email or traceable mail delivery to: Lisa M. Szafranic, Esq., lmszafranic@martensonlaw.com, Martenson, Hasbrouck & Simon, LLP, 2573 Apple Valley Road NE, Atlanta, Georgia 30319.

2. General Release by Plaintiff. For and in consideration of the agreements and commitments set forth above, the receipt and sufficiency of which are hereby acknowledged, and except for the "Claims Not Released" as defined below, Plaintiff hereby fully and forever releases, waives, discharges, and promises not to sue or otherwise institute or cause to be instituted any charges, complaints, claims, or legal proceedings against SPR, along with its past or present parents and related companies, divisions, subsidiaries, affiliates, partners, joint ventures, direct and indirect owners, as well as any of its officers, agents, directors, shareholders, board members, principals, partners, trustees, supervisors, employees (current and former), contractors, representatives, benefit plan fiduciaries, attorneys, clients, insurers, and legal predecessors, successors, heirs, executors, administrators, assigns, and all persons acting by, through, under, or in concert with any of them (the "Released Parties") with respect to any and all liabilities, claims, demands, contracts, debts, obligations, and causes of action of any nature, kind, and description, whether in law, equity or otherwise, whether known or unknown, which Plaintiff ever had, now has, or may or might in the future have against the Released Parties, arising out of events, acts or omissions occurring at any time before the moment Plaintiff signs this Agreement, including, but not limited to any matter, cause, or claim arising out of or related to facts or events occurring prior to the execution of this Agreement and/or arising from and relating to Plaintiff's employment with SPR, or the termination therefrom, including, but not limited to including but not limited to any and all claims arising out of or in any way connected with the circumstances surrounding the Lawsuit and including but not limited to all claims and causes of action arising under any federal, state, or local law or statute, including without limitation those arising under the Fair Labor Standards Act, Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, Section 1981 through 1988 of Title 42 of the United States Code, Employee Retirement Income Security Act, Family and Medical Leave Act, National Labor Relations Act, Fair Credit Reporting Act, Worker Adjustment and Retraining Notification Act or any state equivalent, Equal Pay Act, federal and state wage and hour laws, leave laws, sick and safe time

laws, laws of contract, interference, and tort; all claims for discrimination, harassment, retaliation, wrongful termination, emotional distress, defamation, libel, slander, invasion of privacy, unfair business practices, misrepresentation, fraud, interference with business relationships, contractual relationships, or employment relationships of any kind, breach of duty and/or the implied covenant of good faith and fair dealing, interference with and/or breach of contract (express or implied, in fact or in law, oral or written), any claim for recovery of lost wages, vacation or PTO, benefits, other employment compensation, medical expenses, other economic and non-economic damages, penalties, liquidated damages, compensatory damages, punitive damages, injunctive relief, reinstatement, attorneys' fees, costs, expenses; and any other statutory or common law claims relating to or in any way arising out of or connected with the prior employment of Plaintiff with SPR or the termination of that employment, as well as recovery of any other type arising under federal, state, or local law or public policy.

3. Unknown Claims. Plaintiff understands that Plaintiff is releasing the Released Parties from claims that Plaintiff may not know about as of the date of the execution of this Agreement, and that is Plaintiff's knowing and voluntary intent. Plaintiff is expressly assuming that risk and agrees that this Agreement shall remain effective in all respects in any such case. Plaintiff expressly waives all rights Plaintiff might have under any law that is intended to protect him or her from waiving unknown claims, and Plaintiff understands the significance of doing so. In this regard, Plaintiff hereby expressly waives the provisions of California Civil Code Section 1542, which provides as follows: **"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."**

4. Specific Release of ADEA Claims. In further consideration of the payments provided to Plaintiff in this Agreement, Plaintiff hereby irrevocably and unconditionally fully and forever waives, releases and discharges the Released Parties from any and all claims, whether known or unknown, from the beginning of time to the date of Plaintiff's execution of this Agreement arising under the Age Discrimination in Employment Act ("ADEA"), as amended, and its implementing regulations. By signing this Agreement, Plaintiff hereby acknowledges and confirms that: (a) Plaintiff has read this Agreement in its entirety and understands all of its terms; (b) Plaintiff has been advised of and has availed him/herself of Plaintiff's right to consult with Plaintiff's attorney prior to executing this Agreement; (c) Plaintiff knowingly, freely and voluntarily assents to all of the terms and conditions set out in this Agreement including, without limitation, the waiver, release and covenants contained herein; (d) Plaintiff is executing this Agreement, including the waiver and release, in exchange for good and valuable consideration in addition to anything of value to which Plaintiff is otherwise entitled; (e) Plaintiff was given at least 21 days to consider the terms of this Agreement and consult with an attorney of Plaintiff's choice, although Plaintiff may sign it sooner if desired; (f) Plaintiff understands that Plaintiff has seven (7) days from the date Plaintiff signs this Agreement to revoke the release in this section by delivering notice of revocation via e-mail to Heena Patel, Sr. Vice President, Human Resources, S.P. Richards Company, 4300 Wildwood Parkway, Suite 300, Atlanta, Georgia 30339 or *Heena_Patel@sprich.com* before the end of such seven-day period; and (g) Plaintiff understands that the release contained in this section does not apply to rights and claims that may arise after the date on which Plaintiff signs this Agreement. If Plaintiff revokes this Agreement on a timely

basis, there shall be no payments made or benefits provided as set forth in the "Settlement Funds" section of this Agreement. The Agreement shall not be effective and the Settlement Funds will not be distributed, until after the revocation period has expired without this Agreement being revoked and in accordance with the terms of the Joint Stipulation of Class Action and PAGA Settlement and Release.

5. Claims Not Released. Claims not covered by this general release are claims for: (a) state disability insurance benefits pursuant to applicable state law; (b) benefits under applicable workers' compensation and/or unemployment compensation benefits laws; (c) benefit entitlements vested as of the date of Plaintiff's termination, pursuant to written terms of any SPR or other applicable employee benefit plan; (d) COBRA rights which Plaintiff may now have or elect; and (e) any other claims which, by applicable law, cannot be released (collectively, "Claims Not Released").

6. Covenant Not to Sue. Plaintiff further acknowledges and covenants not to sue Released Parties, or to participate or aid in any way in any suit or proceeding or to execute, seek to impose, collect or recover upon, or otherwise enforce or accept any judgment, decision, award, warrant or attachment upon any claim released by Plaintiff herein. Plaintiff warrants that as of the time of execution of this Agreement, Plaintiff has not assigned or transferred any claims of any nature that Plaintiff would otherwise have against Released Parties. Plaintiff also acknowledges and covenants that Plaintiff understands that after signing this Agreement, Plaintiff cannot proceed against any person or party mentioned in it with respect to or on account of any of the matters referred to in it.

7. Confidentiality & Non-Disclosure.

a. Confidential Information. Plaintiff agrees and acknowledges that the Company has developed Confidential Information at great time and expense and further agrees that the Company provided Plaintiff with access to Confidential Information and specialized training. Plaintiff covenants and agrees that, for a period of five (5) years from Plaintiff's last day of employment with the Company: (a) Plaintiff shall keep strictly confidential and not disclose to any person not employed by the Company any Confidential Information; and (b) Plaintiff shall not use for him/herself or for any person or entity other than the Company any Confidential Information. However, this provision shall not preclude Plaintiff from: (i) the use or disclosure of information known generally to the public (other than information known generally to the public as a result of Plaintiff's violation of this Section); or (ii) any disclosure required by law or court order so long as Plaintiff provides the Company immediate written notice of any potential disclosure under this subsection and fully cooperates with the Company to lawfully prevent or limit such disclosure. Moreover, nothing in this Agreement prevents Plaintiff from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that Plaintiff has reason to believe is unlawful. Further, nothing in this Agreement prohibits Plaintiff from speaking with law enforcement, the Equal Employment Opportunity Commission, the state division of human rights, a local commission on human rights, or an attorney retained by the Plaintiff. Moreover, nothing herein shall prohibit or restrain Plaintiff from providing truthful testimony in response to a subpoena or a court order, or from providing truthful information to Government Agencies as defined below.

Plaintiff further acknowledges and agrees that Plaintiff, during the course of Plaintiff's employment, may have been given access to information that qualifies as a "trade secret" under applicable federal or state law. "Trade secrets" are information that derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use. With respect to trade secrets, the confidentiality provisions contained herein shall remain in place for the full five (5) year period set forth above, or for as long as the information in question remains a trade secret, whichever period is longer.

i. "Confidential Information" means all confidential, proprietary or business information related to the Company's Business that is furnished to, obtained by, or created by Plaintiff during Plaintiff's employment with the Company and which could be used to harm or compete against the Company. Confidential Information includes, by way of illustration, such information relating to: (a) the Company's formulae and processes used to calculate and negotiate prices to be charged customers; (b) Company customers, including customer lists, preferences, contact information, contractual terms, prices, and billing histories; (c) the Company's finances, including financial statements, balance sheets, sales data, forecasts, and cost analyses; (d) the Company's plans and projections for business opportunities for new or developing business, including marketing concepts and business plans; (e) the Company's research and development activities, technical data, computer files, and software; and (f) the Company's operating methods, business processes and techniques, services, products, prices, costs, service performance, and operating results. The definition of confidential information does not include information which Plaintiff can discuss with others pursuant to the National Labor Relations Act.

ii. Notwithstanding the foregoing, nothing in this Agreement prohibits Plaintiff from reporting waste, fraud, abuse and/or possible violations of law or regulation to any government agency or entity or making other disclosures that are protected under the whistleblower provisions of federal, state, or local law or regulation. Solely in connection with such reporting, Plaintiff may disclose Confidential Information, in confidence, to a government official or to an attorney to address possible violations of the law; however, any disclosure of Confidential Information must be in good faith and effectuated in a manner that prevents the dissemination of Confidential Information beyond those persons necessary to make the report or filing, such as filing the Confidential Information under seal and otherwise preventing it from being publicly disclosed. While Plaintiff is encouraged to bring any such possible violation to the attention of the Company, Plaintiff does not need the prior authorization of the Company to make any such reports or disclosures to these entities. Nothing in this Agreement is intended to prevent Plaintiff from engaging in any conduct protected by Section 7 of the National Labor Relations Act.

iii. The Company also reserves the right to avail itself of the remedies available under the Defend Trade Secrets Act of 2016, which remedies include

injunctive relief, damages for actual loss or unjust enrichment caused by the misappropriation of the Company's Confidential Information, and exemplary damages in an amount not more than two times the amount of actual damages. However, federal law provides that an individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that is made in confidence to a Federal, State, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law. An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal; and does not disclose the trade secret, except pursuant to court order.

8. Ongoing Obligations and Forfeiture of Settlement. In the event Plaintiff violates any of the provisions in this Agreement or the Joint Stipulation of Class Action and PAGA Settlement and Release, the Company shall have the right to discontinue the Settlement Funds if not already provided. In the event of such discontinuance, however, Plaintiff's obligations and commitments under this Agreement shall remain in effect and binding.

9. Return of Property. All property, documents, data, and Confidential Information prepared or collected by Plaintiff as part of Plaintiff's employment with the Company, in whatever form, are and shall remain the property of the Company. Plaintiff agrees that Plaintiff shall return, within one (1) week of the Plaintiff's execution of this Agreement, all documents, data, Confidential Information, and other property belonging to the Company in Plaintiff's possession or control, regardless of how stored or maintained and including all originals, copies and compilations.

10. No Voluntary Participation In Claims Against Released Parties. Plaintiff agrees that Plaintiff will not voluntarily participate in any other individual's or class's litigation, grievance, or administrative claim against SPR and/or any Released Party, nor encourage any other individual to pursue any litigation, grievance or administrative claim against SPR and/or any Released Party. Nothing in this section is intended to preclude Plaintiff from disclosing information in response to a subpoena duly issued by a court of law, arbitrator, or a government agency having jurisdiction or power to compel such disclosure or from giving full, complete, truthful and cooperative answers in response to a duly issued subpoena. Should Plaintiff be served with a subpoena relating to SPR or any Released Party, Plaintiff agrees to promptly notify SPR in writing of the subpoena, and to provide SPR with a copy of the subpoena no later than seven (7) days prior to providing testimony or producing any documents in compliance with the subpoena. Notice shall be provided to Heena Patel, Sr. Vice President, Human Resources, S.P. Richards Company, 4300 Wildwood Parkway, Suite 300, Atlanta, Georgia 30339 or *Heena_Patel@sprich.com*.

Plaintiff further understands that nothing contained in this Agreement limits Plaintiff's ability to file a charge or complaint with the Equal Employment Opportunity Commission, the National

Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission ("Government Agencies"). Plaintiff further understands that this Agreement does not limit Plaintiff's ability to communicate or share information with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agencies. However, based on the release of claims set forth above, Plaintiff acknowledges and agrees that Plaintiff is releasing all claims and causes of action that Plaintiff might personally pursue or that might be pursued in Plaintiff's name and, to the extent permitted by applicable law, his/her right to recover monetary damages or obtain injunctive relief that is personal to Plaintiff in connection with such claims and causes of action. Notwithstanding any other provision contained herein, nothing in this Agreement shall be construed as a waiver of any right which, by law, cannot be waived.

11.

12. Attorneys' Fees and Expenses. Except as otherwise provided in the Joint Stipulation of Class Action and PAGA Settlement and Release, the Parties agree to bear their own respective attorneys' fees and expenses related to the subject matter of this Agreement. In the event that any Party shall institute any action, proceeding, or litigation against another Party to enforce the provisions of this Agreement, the prevailing party shall be entitled to recover its expenses, including reasonable attorneys' fees, in addition to any other relief to which the Party is found entitled.

13. Tax Liabilities. The Company makes no representation as to the tax consequences or liability arising from the Settlement Funds herein. Plaintiff further agrees that: (i) Plaintiff shall be solely responsible for all federal, state, and/or local tax liability, if any, arising from receipt of the Settlement Funds pursuant to this Agreement, including any interest or penalties associated with tax liability, and Plaintiff will not look to or seek from the Company compensation for any tax liability or related costs Plaintiff incurs as a result of the Settlement Funds; (ii) no tax advice has been provided to Plaintiff whatsoever by the Company or its attorneys; and (iii) should any taxing authority seek to recover from the Company any taxes, interest or penalties deemed to be due as a result of the Settlement Funds, Plaintiff shall indemnify, defend and hold harmless the Company and its successors and assigns from and against any and all such claims for taxes, interest or penalties.

14. No Admission. The Parties hereby acknowledge, recognize, and understand that nothing contained in this Agreement shall constitute, be construed, or be treated as an admission of liability or wrongdoing by SPR, or by any current or former employees of SPR. The Parties further agree that the payment and benefits conferred herein are not to be construed as an admission of liability on the part of the persons, corporations and entities hereby released, by whom liability is expressly denied.

15. Successors. This Agreement shall be binding upon the Parties, and their heirs, representatives, executors, administrators, successors, insurers, and assigns, and shall inure to the benefit of each and all of the Released Parties, and to their heirs, representatives, executors, administrators, successors, and assignees.

16. Medicare Warranty. Plaintiff warrants that Plaintiff is not a Medicare beneficiary as

of the date of this Agreement. Because Plaintiff is not a Medicare recipient as of the date of this Agreement, no conditional payments have been made by Medicare.

17. Governing Law. The Parties hereby agree that California law shall govern the construction, interpretation, and enforcement of this Agreement.

18. Severability. The Parties hereby agree that if any provision, or portion thereof, of this Agreement shall for any reason be held to be invalid or unenforceable or to be contrary to public policy or any law, then the remainder of the Agreement shall not be affected thereby and shall be enforced as if the invalid provision or portion thereof were not a part of this Agreement. Should any provision or portion thereof be held unenforceable for any reason, then such provision or portion thereof shall be enforced to the maximum extent permitted by law. Nothing in this section or in any other provision of this Agreement shall, or is intended to, limit any other rights or remedies SPR may have by virtue of this Agreement or otherwise.

19. Nullification of this Agreement. In the event that: (a) the Court does not finally approve the Joint Stipulation of Class Action and PAGA Settlement and Release as provided therein; or (b) the Joint Stipulation of Class Action and PAGA Settlement and Release does not become final for any other reason, then this Agreement will be null and void.

20. Scanned and Counterpart Signatures. The Parties agree that scanned signatures are deemed to be originals and that this Agreement may be executed in counterpart originals with like effect as if executed in a single original document.

21. Entire Agreement. The Parties hereby acknowledge and agree that no promises or representations were or are made which do not appear written in this Agreement, that this Agreement and the Joint Stipulation of Class Action and PAGA Settlement and Release in the Lawsuit contains the entire agreement between Plaintiff and SPR, and that no Party is relying on any representation or promise that does not appear in this Agreement or the Joint Stipulation of Class Action and PAGA Settlement and Release in the Lawsuit. This Agreement constitutes the entire agreement between the Parties pertaining to the subjects contained herein and supersedes any and all prior and/or contemporaneous agreements, representations, or understandings, written or oral, with the exception of the Joint Stipulation of Class Action and PAGA Settlement and Release in the Lawsuit, SPR's Code of Conduct and/or any confidentiality agreement executed by Plaintiff, which remain in effect and binding. It is expressly understood and agreed that this Agreement may not be altered, amended, modified, or otherwise changed in any respect or particular whatsoever except in writing duly executed by Plaintiff and an authorized representative of SPR.

[SIGNATURE BLOCK APPEARS ON THE FOLLOWING PAGE.]

Dated: _____

Luis Corona

Dated: _____

For and on behalf of S.P. Richards Company
(aka Georgia S.P. Richards Company)

Title

Exhibit 2

FIRM PROFILE

Capstone Law APC is one of California's largest plaintiff-only labor and consumer law firms. Since its founding in 2012, Capstone has emerged as a major force in aggregate litigation, making law on cutting-edge issues and obtaining over five hundred million dollars in recovery for employees and consumers:

- In February, 2015, Capstone attorneys Raul Perez and Ryan H. Wu were honored with the *California Lawyer* Attorney of the Year (CLAY) award in labor and employment for their work in the landmark case *Iskanian v. CLS Transportation Los Angeles*, 59 Cal.4th 348 (2014), which preserved the right of California workers to bring representative actions under the Labor Code Private Attorneys General Act ("PAGA") notwithstanding a representative action waiver in an arbitration agreement.
- Recognized as a leading firm in the prosecution of PAGA enforcement actions, Capstone is responsible for some of the most important decisions in this area. In *Williams v. Superior Court (Marshall's of Calif.)*, 3 Cal.5th 531 (2017), Capstone attorneys achieved a watershed decision before the California Supreme Court as to the broad scope of discovery in PAGA actions. In *Baumann v. Chase Inv. Servs. Corp.*, 747 F.3d 1117 (9th Cir. 2014), a case of first impression, Capstone successfully argued that PAGA actions are state enforcement actions not covered by the Class Action Fairness Act.
- Capstone has made important contributions to consumer protection law. In *McGill v. Citibank N.A.*, 2 Cal. 5th 945 (2017), Capstone represented plaintiffs in a major decision holding that the right to seek public injunctive relief under the state's consumer protection laws cannot be waived and that consumers need not satisfy class certification requirements to enjoin unfair business practices on behalf of the public. In *Nguyen v. Nissan N.A.*, 726 F.3d 811 (9th Cir. 2019), Capstone attorneys reversed a denial of class certification, making law that clarified the use of "benefit of the bargain" damages models in consumer class actions.
- Capstone served as class counsel in a number of significant wage and hour settlements, including \$16.5 million on behalf of a California class in *Navarro v. United Parcel Service, Inc.*, BC592098 (Los Angeles Super. Ct.), \$12 million on behalf of a nationwide class of in *Hightower v. JPMorgan Chase Bank*, Case No. 11-01802 (C.D. Cal.), over \$10 million on behalf of non-exempt hourly workers in *Zamora v. Balboa Life & Casualty LLC*, Case No. BC360026 (L.A. Super. Ct.); and \$9 million on behalf of pharmacists in *Dittmar v. Costco Wholesale Corp.*, No. 14-1156 (S.D. Cal.). In *Vorise v. 24 Hour Fitness USA, Inc.*, No. C 15-02051 (Contra Costa Super. Ct.), Capstone and co-counsel negotiated an \$11 million PAGA settlement on behalf of over 36,000 employees for Labor Code violations.
- Capstone has an established practice in automotive defect class actions and is currently appointed sole class counsel, following contested class certification, in *Victorino v. FCA US, LLC*, No. 16-1617-GPC, 2019 WL 5268670 (S.D. Cal. Oct. 17, 2019) and *Salas v. Toyota Motor Sales, U.S.A., Inc.*, No. 15-8629-FMO, 2019 WL 1940619 (C.D. Cal. Mar. 27, 2019). Capstone was also lead counsel in *Vargas v. Ford Motor Co.*, No. 12-08388-AB, 2020 WL 1164066 (C.D. Cal. Mar. 5, 2020), which delivered over \$100 million to the Class.

SUMMARY OF SIGNIFICANT SETTLEMENTS

Since its founding, Capstone has settled over 500 high-stakes class and representative actions totaling well over \$500 million dollars. Capstone's settlements have directly compensated hundreds of thousands of California workers and consumers. Capstone's actions have also forced employers to modify their policies for the benefit of employees, including changing the compensation structure for commissioned employees and changing practices to ensure that workers will be able to take timely rest and meal breaks. A leader in prosecuting PAGA enforcement actions, Capstone has secured millions of dollars in civil penalties for the State of California.

The following is a representative sample of Capstone's settlements:

- *Vargas v. Ford Motor Co.*, 12-08388-AB (C.D. Cal.): providing cash payments and unique buyback program that will pay out more than \$100 million to class members;
- *Navarro et al v. United Parcel Service, Inc.*, No. BC592098 (Los Angeles Super. Ct.): gross settlement of \$16.5 million on behalf of approximately 180,000 non-exempt employees;
- *Hightower et al v. Washington Mutual Bank*, No. 2:11-cv-01802-PSG-PLA (N.D. Cal.): gross settlement of \$12 million on behalf of approximately 150,000 personal bankers, tellers, sales associates, and assistant branch manager trainees for wage and hour violations;
- *Moore v. PetSmart, Inc.*, No. 5:12-cv-03577-EJD (N.D. Cal.): gross settlement of \$10 million on behalf of over 19,000 non-exempt PetSmart employees for wage and hour violations;
- *Dittmar v. Costco Wholesale Corp.*, No. 14-1156 (S.D. Cal.): gross settlement of \$9 million on behalf of approximately 1,200 pharmacists for wage and hour violations;
- *Perrin v. Nabors Well Services Co.*, No. 56-2007-00288718 (Ventura Super. Ct.): gross settlement of over \$6.5 million on behalf of oil rig workers for sleep time and other wage violations;
- *Cook v. United Insurance Co.*, No. C 10-00425 (Contra Costa Super. Ct.): gross settlement of \$5.7 million on behalf of approximately 650 sales representatives;
- *Alvarez v. MAC Cosmetics, Inc.*, No. CIVDS1513177 (San Bernardino Super. Ct.): gross settlement of \$5.5 million for approximately 5,500 non-exempt employees.
- *Aceves v. AutoZone, Inc.*, No. 14-2032 (C.D. Cal.): gross settlement of \$5.4 million in a case alleging FCRA violations;
- *Berry v. Urban Outfitters Wholesale, Inc.*, No. 13-02628 (N.D. Cal.): gross settlement of \$5 million on behalf of over 12,000 nonexempt employees;
- *The Children's Place Retail Stores Wage & Hour Cases*, No. JCCP 4790: gross settlement of \$5 million on behalf of 15,000 nonexempt employees;
- *York v. Starbucks Corp.*, Case No. 08-07919 (C.D. Cal.): gross settlement of nearly \$5 million on behalf of over 100,000 non-exempt workers for meal break and wage statement claims;
- *Rodriguez v. Swissport USA*, No. BC 441173 (Los Angeles Super. Ct.): gross settlement of nearly \$5 million on behalf of 2,700 non-exempt employees following contested certification;
- *Asghari v. Volkswagen Group of North America*, Case No. 13-02529 (C.D. Cal.): Settlement providing complementary repairs of oil consumption defect, reimbursement for repairs, and extended warranty coverage of certain Audi vehicles valued at over \$20 million.

PROFESSIONAL BIOGRAPHIES

Partners

Rebecca Labat. Rebecca Labat is co-managing partner of Capstone Law APC, supervising the litigation for all of the firm's cases. She also manages the firm's co-counsel relationships and assists the firm's other partners and senior counsel with case management and litigation strategy. Under Ms. Labat's leadership, Capstone has successfully settled over 100 cases, delivering hundreds millions of dollars to California employees and consumers while earning statewide recognition for its cutting-edge work in developing new law.

Ms. Labat's career accomplishments representing consumers and employees in class actions include the certification of a class of approximately 3,200 current and former automobile technicians and shop employees for the miscalculation of the regular rate for purposes of paying premiums for missed meal and rest breaks.

Before her work representing plaintiffs in class and representative actions, Ms. Labat was an attorney with Wilson Elser and represented life, health, and disability insurers in litigation throughout California in both state and federal courts. She graduated from the University of California, Hastings College of the Law in 2002, where she was a member of the Hastings Civil Justice Clinic, served as a mediator in Small Claims Court for the City and County of San Francisco, and received the CALI Award for Excellence in Alternative Dispute Resolution. She received her undergraduate degree from the University of California, Los Angeles. Ms. Labat is a member of the National Employment Lawyers Association (NELA), the Consumer Attorneys Association of Los Angeles (CAALA), and the Beverly Hills Bar Association.

Raul Perez. Raul Perez is co-managing partner at Capstone, and has focused exclusively on wage and hour and consumer class litigation since 2011. Mr. Perez is the lead negotiator on numerous large settlements that have resulted in hundreds of millions to low-wage workers across California, including many of the most valuable settlements reached by Capstone.

During his career, Mr. Perez has successfully certified by way of contested motion and/or been appointed Lead Counsel or Interim Lead Counsel in several cases, including: *Lopes v. Kohl's Department Stores, Inc.*, Case No. RG08380189 (Alameda Super. Ct.); *Hightower v. JPMorgan Chase Bank*, Case No. 11-01802 (C.D. Cal.); *Tameifuna v. Sunrise Senior Living Managements, Inc.*, Case No. 13-02171 (C.D. Cal.) (certified class of over 10,000 hourly-paid employees); and *Berry v. Urban Outfitters Wholesale, Inc.*, Case No. 13-02628 (N.D. Cal.) (appointed lead counsel in a class action involving over 10,000 non-exempt employees). As the lead trial attorney in *Iskanian v. CLS Transportation Los Angeles*, 59 Cal. 4th 348 (2014), Mr. Perez, along with Mr. Wu, received the 2015 CLAY Award in labor and employment.

Mr. Perez received both his undergraduate degree and his law degree from Harvard University and was admitted to the California Bar in December 1994. Earlier in his career, Mr. Perez handled a variety of complex litigation matters, including wrongful termination and other employment related actions, for corporate clients while employed by some of the more established law firms in the State of California, including Morgan, Lewis & Bockius; Manatt Phelps & Phillips; and Akin Gump Strauss Hauer & Feld. Before Capstone, Mr. Perez was a partner at another large plaintiff's firm, helping to deliver millions of dollars in relief to California workers.

Melissa Grant. Melissa Grant is a partner and lead trial attorney at Capstone. Ms. Grant is responsible for litigating many of the firm's most contentious and high-stakes class actions and PAGA cases. The author of

numerous successful motions for class certification, Ms. Grant is the lead or co-lead attorney on numerous certified class actions currently on track for trial, representing over hundreds of thousands of California employees in pursuit of their wage and hour claims. She is also at the forefront in developing the law on the California Labor Code's Private Attorneys General Act (PAGA), including administrative exhaustion, the scope of discovery, manageability, and PAGA trial plans. Recently, Ms. Grant has taken two PAGA cases to trial and worked on several key PAGA appellate decisions, including *Williams v. Superior Court (Marshall's of CA LLC)*, 3 Cal.5th 531 (2017). Ms. Grant also represented the plaintiff in *Davidson v. Seterus, Inc.*, 21 Cal. App. 5th 283 (2018), which, in a case of first impression, found that the Defendant, a mortgage servicer, was a debt collector under California's Rosenthal Fair Debt Collection Practices Act. The case led to enactment of legislation that expressly includes "mortgage debt" within the Rosenthal Act's definition of "consumer credit" and amends the Rosenthal Act to expressly apply to debt collection activities involving residential mortgage loans.

Ms. Grant began her legal career as a law clerk for the Honorable Harry Pregerson, Justice, Ninth Circuit Court of Appeals. Thereafter, she was an associate with Sidley Austin LLP, where she represented Fortune 500 companies in commercial litigation and consumer class actions. Before joining Capstone, Ms. Grant was a Senior Associate with Quinn Emanuel Trial Attorneys, where she was on the trial team that prosecuted *Mattel v. Bratz (I)*, and a staff attorney in the Enforcement Division of the Securities and Exchange Commission, investigating ongoing violations of federal securities regulations and statutes. Ms. Grant graduated summa cum laude and first in her class from Southwestern Law School in 1999, where she served as editor-in-chief of the Law Review. She earned her undergraduate degree from Cornell University's College of Arts & Sciences, where she received the JFK Public Service Award and the Outstanding Senior Award (graduating class of 4,000 students). Ms. Grant has been a panelist and speaker on PAGA actions and wage-and-hour class actions at various annual and biannual California Bar Association, California Law Association, and Bridgeport Continuing Education conferences. Her published articles include: Los Angeles Lawyer: A PAGA Rollercoaster (September 2023), Battling for ERISA Benefits in the Ninth Circuit: Overcoming Abuse of Discretion Review, 28 Sw. U. L. Rev. 93 (1998), and CLE Class Actions Conference (SF) CAFA: Early Decisions on Commencement and Removal of Actions (2006).

Ms. Grant is a member of the Los Angeles County Women Lawyers Association of Los Angeles, the Consumer Attorneys Association of Los Angeles (CAALA), and the Consumer Attorneys of California. She was recently named a 2024 Worker Health & Safety Hero by Worksafe for her work in advancing workplace safety and justice. She also currently serves on the Los Angeles County Bar Association's President's Commission on Women in the Legal Profession, the Subcommittee on Gender Bias and Civility, and the Amicus Subcommittee, and is a member of the Executive Board of Los Angeles Lawyer magazine. Ms. Grant was recognized by the Daily Journal as a Top Employment & Labor Attorney in 2023 and has been selected as one of Southern California's "Super Lawyers" in 2022, 2023, and 2024.

Ryan H. Wu. Ryan H. Wu is a partner at Capstone and is primarily responsible for complex motion work and supervising court approval of class action settlements. Mr. Wu handles many of the most challenging legal issues facing Capstone's clients, including the scope and operation of PAGA, contested attorneys' fees motions, responding to objectors, and high-impact appeals. Mr. Wu is responsible for the merits briefing in *McGill v. Citibank, N.A.*, 2 Cal. 5th 945 (2017), where the California Supreme Court unanimously held that consumers' right to pursue public injunctive relief cannot be impeded by a contractual waiver or class certification requirements. He briefed the closely-watched *Williams v. Superior Court (Marshall's of CA LLC)*, 3 Cal.5th 531(2017), an important pro-employee ruling that broadened the scope of discovery in PAGA actions

and resolved a longstanding conflict regarding third-party constitutional privacy rights. He also authored the briefs in *Baumann v. Chase Inv. Servs. Corp.*, 747 F.3d 1117 (9th Cir. 2014), where, on an issue of first impression, the Ninth Circuit sided with Plaintiffs in holding that PAGA actions are state enforcement actions not covered by the CAFA. In February 2015, Mr. Wu, along with Mr. Perez, received the prestigious CLAY award for his successful appellate work, including briefing to the California Supreme Court, in *Iskanian*. Mr. Wu recently achieved an important consumer victory in *Nguyen v. Nissan N.A.*, 932 F.3d 811 (9th Cir. 2019), which clarified the use of “benefit of the bargain” damages models in consumer class actions. He also oversees the firm’s high-stakes fee disputes and settlement approval, with a highlight being his central role in achieving the highly publicized Ford transmission settlement, valued at over \$100 million.

Mr. Wu graduated from the University of Michigan Law School in 2001, where he was an associate editor of the *Michigan Journal of Law Reform* and contributor to the law school newspaper. He received his undergraduate degree in political science with honors from the University of California, Berkeley. He is a State Bar-certified Specialist in Appellate Law, and currently serves on the Committee for Appellate Courts for the California Lawyers Association (CLA) and the Los Angeles County Bar’s State Appellate Judicial Evaluation Committee. He is an editor of CLA’s monthly *Litigation Update*, and his work has been published by the *California Litigation Review*, *California Labor & Employment Review*, *Daily Journal*, and the *Los Angeles Lawyer*. He is a contributor to Continuing Education of the Bar (CEB) and is regularly invited to speak at professional conferences. He was named a Southern California Super Lawyer for 2023, 2024, 2025 and the 2024 Worker Health & Safety Hero by Worksafe for his work in advancing workplace safety and justice.

Robert Drexler. Robert Drexler is a partner with Capstone Law where he leads one of the firm’s litigation teams prosecuting wage-and-hour class actions. He has more than 25 years of experience representing clients in wage-and-hour and consumer rights class actions and other complex litigation in state and federal courts. Over the course of his career, Mr. Drexler has successfully certified dozens of employee classes for claims such as misclassification, meal and rest breaks, and off-the-clock work, ultimately resulting in multi-million dollar settlements. He has also arbitrated and tried wage-and-hour and complex insurance cases. Mr. Drexler has been selected as one of Southern California’s “Super Lawyers” in 2009 and every year from 2001 through 2024.

Before joining Capstone, Mr. Drexler was head of the Class Action Work Group at Khorrami Boucher, LLP and led the class action team at The Quisenberry Law Firm. Mr. Drexler graduated from Case Western Reserve University School of Law, where he served as Managing Editor of the *Case Western Reserve Law Review* and authored *Defective Prosthetic Devices: Strict Tort Liability for the Hospital?* 32 CASE W. RES. L. REV. 929 (1982). He received his undergraduate degree in Finance at The Ohio State University where he graduated *cum laude*. Mr. Drexler has been a member of Consumer Attorneys of California (CAOC) and Consumer Attorneys of Los Angeles (CAALA). He has been a featured speaker at class action and employment litigation seminars, and has published articles in CAOC’s *Forum Magazine* and *The Daily Journal*.

Jamie Greene. Jamie Greene is a partner with Capstone Law, where she leads the firm’s business development and case generation team. Ms. Greene is responsible for evaluating all potential new cases and referrals, developing new claims, and managing the firm’s client and cocounseling relationships. She also supervises the pre-litigation phase for all cases, including investigation, analysis, and client consultation.

Before joining Capstone, Ms. Greene began her legal career at Makarem & Associates representing clients in a wide array of cases ranging from wrongful death, insurance bad faith, employment, personal injury,

construction defect, consumer protection, and privacy law. Ms. Greene is a graduate of the University of Southern California Gould School of Law and earned her bachelor's degree from Scripps College in Claremont, California.

Bevin Allen Pike. Bevin Allen Pike is a partner with Capstone Law, where she focuses primarily on wage-and-hour class actions. Ms. Pike has spent her entire legal career representing employees and consumers in wage-and-hour and consumer rights class actions. Over the course of her career, Ms. Pike has successfully certified dozens of employee and consumer classes for claims such as meal and rest breaks, unpaid overtime, off-the-clock work, and false advertising.

Before joining Capstone, Ms. Pike's experience included class and representative action work on behalf of employees and consumers at some of the leading plaintiffs' firms in California. Ms. Pike graduated from Loyola Law School, Los Angeles, where she was an Editor for the International and Comparative Law Review. She received her undergraduate degree from the University of Southern California. Ms. Pike has been selected as one of Southern California's "Super Lawyers – Rising Stars" every year from 2012 through 2015.

Senior Counsel

Theresa Carroll. Theresa Carroll is a senior counsel at Capstone Law. Her practice is devoted to the Appeals & Complex Motions team, working on various settlement and approval projects.

Prior to joining Capstone, Ms. Carroll was an associate with Parker Stanbury, LLP, advising small business owners on various employment matters and worked as an associate attorney for O'Donnell & Mandell litigating employment discrimination and sexual harassment cases. In 1995, she graduated from Southwestern University School of Law where she was on the trial advocacy team and was awarded the prestigious Trial Advocate of the Year award sponsored by the American Board of Trial Advocates (ABOTA) for Southwestern University School of Law. Ms. Carroll received her Bachelor of Science degree in speech with an emphasis in theatre from Iowa State University.

Liana Carter. Liana Carter is a senior counsel with Capstone Law APC, specializing in complex motions, writs, and appeals. Her work on recent appeals has included reversing a denial of class certification decision in *Brown v. Cinemark USA, Inc.*, No. 16-15377, 2017 WL 6047613 (9th Cir. Dec. 7, 2017), affirming a denial of a motion to compel arbitration in *Jacoby v. Islands Rests., L.P.*, 2014 Cal. App. Unpub. LEXIS 4366 (2014) and reversal of a dismissal of class claims in *Rivers v. Cedars-Sinai Med. Care Found.*, 2015 Cal. App. Unpub. LEXIS 287 (Jan. 13, 2015). Ms. Carter was responsible for drafting the successful petition for review in *McGill v. Citibank N.A.*, as well as the petition for review and briefing on the merits in *Williams v. Superior Court*, 2017 WL 2980258. Ms. Carter also has extensive prior experience in overseeing settlement negotiations and obtaining court approval of class action settlements.

Ms. Carter was admitted to the California bar in 1999 after graduating from the University of Southern California Gould School of Law, where she was an Articles Editor on the board of the *Southern California Law Review*. She received her undergraduate degree with honors from the University of California, Irvine.

Anthony Castillo. Anthony Castillo is a senior counsel with Capstone Law. His practice focuses on analyzing and developing pre-litigation wage-and-hour and consumer claims, including PAGA representative actions and class actions for failure to pay overtime and minimum wages, meal and rest period violations, and claims under the Fair Labor Standards Act and the Investigative Consumer Reporting Agency Act. Prior to joining Capstone, he was an associate at a California bankruptcy practice, where he represented individual and

business debtors in liquidations and re-organizations as well as various debt and foreclosure defense-related issues.

Mr. Castillo graduated from Loyola Law School, Los Angeles in 2009, where he volunteered with the Disability Rights Legal Center. He attended Stanford University for his undergraduate degree, majoring in Political Science and minoring in History. Anthony is admitted to practice law in California and Washington and before the United States District Court for the Central and Southern Districts of California.

Abigail Gertner. Abigail Gertner is a senior counsel with Capstone Law. Ms. Gertner pursues automotive defect and other consumer class action litigation, with a focus on defective products. Her efforts have contributed to the successful resolution of numerous cases, including *Weckwerth v. Nissan North America, Inc.*, No. 18-00588 (M.D. Tenn.) (providing a \$407 to \$547 million-dollar benefit to a class of nearly 3 million consumers); *Hickman v. Subaru of America, Inc.*, No. 21-02100 (D.N.J.) (providing reimbursements transmission repairs and warranty extensions to approximately 160,000 consumers); *Rieger v. Volkswagen Group of America, Inc.*, No. 21-10546 (D.N.J.) (providing reimbursements for engine repairs and warranty extensions to over 300,000 consumers); and *Gioffe v. Volkswagen Group of America, Inc.*, No. 22-00193 (D.N.J.) (providing 100% reimbursement for repairs or replacement of gateway control modules damaged by water intrusion).

Prior to joining Capstone Law, Ms. Gertner accumulated over two decades of litigation experience as a class action attorney, working in consumer protection, ERISA, healthcare, securities, and antitrust litigation at several nationally recognized law firms. During her time at Santa Clara University School of Law, she interned at the Santa Clara County District Attorney's Office in the Child and Elder Abuse unit. Prior to that, she graduated from Tulane University with a Bachelor of Science in Psychology and a Bachelor of Arts in Classical Studies.

Helga Hakimi. Helga Hakimi is a senior counsel at Capstone Law. Her practice primarily involves employment law class action litigation, namely wage-and-hour class actions and PAGA litigation on behalf of employees for failure to pay overtime and minimum wages, provide meal and rest breaks, and provide compensation for off-the-clock work, and related employer violations under the Fair Labor Standards Act and California Labor Code.

Prior to joining Capstone, Ms. Hakimi was a partner at a civil litigation firm in West Los Angeles, where she handled mainly real estate litigation, business litigation, and defense of some employment law matters; prior to that, she worked as a civil litigation attorney handling complex personal injury litigation. Ms. Hakimi's interest in advocating for employee rights began in law school, where she volunteered for the Workers' Rights Clinic and assisted low-income community members in Northern California's greater Bay Area region with employment-related legal issues. Upon graduating from law school, Ms. Hakimi worked as an associate for a municipal law firm, and thereafter at the local City Attorney's Office, where she advised municipalities and cities in civil matters involving land use, environmental law, development issues, Constitutional law, and First Amendment rights. Ms. Hakimi graduated from Berkeley Law (Boalt Hall School of Law), where she earned her Juris Doctorate and was awarded the Prosser Award in Remedies. Ms. Hakimi received her Bachelor of Arts degree in Political Science with a minor in Education Studies from the University of California, Los Angeles, and graduated summa cum laude and with Departmental Highest Honors.

Majdi Hijazin. Majdi Hijazin is a senior counsel at Capstone Law. His practice primarily focuses on representing consumers in complex litigation matters. Currently, Mr. Hijazin prosecutes automotive defect and other consumer class action lawsuits throughout the United States. Prior to joining Capstone, Mr. Hijazin

led a national team of six attorneys in bringing claims under the Illinois Biometric Information Privacy Act (BIPA), where he and his team routinely obtained high-value settlements for their clients.

Mr. Hijazin has prosecuted many individual and class action lawsuits under the Fair Credit Reporting Act (FCRA), the Fair Debt Collection Practices Act (FDCPA), the Telephone Consumer Protection Act (TCPA), and the Illinois Consumer Fraud Act (ICFA). On behalf of aggrieved homeowners, Mr. Hijazin was part of a trial team where his efforts were instrumental in securing two multi-million-dollar jury verdicts. See *Hammer v. Residential Credit Solutions, Inc.*, No. 13 C 6397 (N.D. Ill. Dec. 3, 2015), and *Saccameno v. Ocwen Loan Servicing, LLC*, 372 F. Supp. 3d 609 (N.D. Ill. 2019). Most recently, in late 2023, Mr. Hijazin's work was vital in securing a seven-digit settlement on the third day of trial. Mr. Hijazin graduated from the University of Illinois Chicago School of Law.

Daniel Jonathan. Daniel Jonathan is a senior counsel at Capstone Law. His practice primarily involves wage-and-hour class actions and PAGA litigation on behalf of employees for the failure to pay overtime and minimum wages, failure to provide meal and rest breaks, claims under the Fair Labor Standards Act, and other California Labor Code violations.

Prior to joining Capstone, Mr. Jonathan began his career as an associate at Kirkland & Ellis representing Fortune 500 clients in high-stakes litigation in various matters, including class action defense and plaintiff's actions for accounting fraud. Following that, he was a senior counsel at a boutique litigation firm where he successfully first-chaired several trials. Mr. Jonathan graduated from the Northwestern University School of Law. He received his undergraduate degree in Accounting from the University of Southern California, where he graduated cum laude. He has passed the CPA examination and worked as an auditor at Deloitte before attending law school.

Jonathan Lee. A senior counsel with Capstone, Jonathan Lee primarily litigates employment class actions. At Capstone, Mr. Lee has worked on several major successful class certification motions, and his work has contributed to multi-million dollar class settlements against various employers, including restaurant chains, retail stores, airport staffing companies, and hospitals. Prior to joining Capstone, Mr. Lee defended employers and insurance companies in workers' compensation actions throughout California.

Mr. Lee graduated in 2009 from Pepperdine University School of Law, where he served as an editor for the Journal of Business, Entrepreneurship and the Law; he received his undergraduate degree from UCLA.

Shealene Mancuso. Shealene Mancuso is a senior counsel with Capstone, specializing in employment class action litigation. Her practice is devoted to wage-and-hour class actions and Private Attorneys General Act litigation on behalf of employees for the failure to pay overtime and minimum wages, failure to provide meal and rest breaks, failure to provide compensation for off-the-clock work, claims under the Fair Labor Standards Act, and other California Labor Code violations.

Prior to joining Capstone Law, Ms. Mancuso was a Partner at a California maritime law firm, representing employers in federal claims brought by domestic and foreign civilian employees for benefits for injuries sustained while working on U.S. military bases for government contractors. She also has extensive litigation experience representing individuals in federal vaccine injury, personal injury, and family law matters. She served on the Board of Directors of a Philadelphia domestic violence organization and as a pro bono attorney assisting low-income families with custody and grandparent's rights matters. In 2020, she was recognized as a Rising Star by Super Lawyers.

Ms. Mancuso graduated from Temple University, Beasley School of Law in 2014, where she was a Fellow in the Rubin Public Interest Law Honor Society, served as the Volunteer Chair of the Women's Law Caucus, Women's Rights Chair of the National Lawyers Guild, Membership Coordinator of the American Constitution Society, and board member of the School to Prison Pipeline, and volunteered with the Domestic Violence Assistant Project. She began to develop her litigation skills through the Integrated Trial Advocacy Program at Temple Law, as a certified law clerk with the Ventura County District Attorney's Office, and through internships with non-profit organizations. She received her undergraduate degree from the University of California, Riverside, where she majored in Sociology: Law and Society.

Robert Myong. Robert Myong is a senior counsel at Capstone Law. His practice focuses on helping employees recover their unpaid wages, overtime, and penalties in class actions and PAGA representative actions in state and federal court.

Prior to joining Capstone, Mr. Myong managed a team of attorneys that recovered millions of dollars on behalf of employees for their unpaid wages, discrimination, harassment, retaliation, and wrongful termination claims. Robert is a graduate of Whittier Law School and earned his bachelor's degree in economics from the University of Southern California.

Cody Padgett. Cody Padgett is a senior counsel with Capstone Law. Mr. Padgett prosecutes automotive defect and other consumer class action lawsuits during all stages of litigation. His work has been integral to achieving contested class certification in several automotive defect cases, including *Falco v. Nissan N. Am. Inc.*, No. 13-00686 (C.D. Cal.) (certifying a class of owners/lessees of Nissan vehicles), *Salas v. Toyota Motor Sales, U.S.A., Inc.*, No. 15-08629 (C.D. Cal.) (certifying a class of owners/lessees of Toyota vehicles), and *Victorino v. FCA US, LLC*, No. 16-01617 (S.D. Cal.) (certifying a class of owners/lessees of Dodge Dart vehicles). Mr. Padgett's efforts have also contributed to major settlements of automotive defect and consumer cases, providing substantial monetary relief to millions of class members, valued in the hundreds of millions of dollars. See, e.g., *Weckwerth v. Nissan North America, Inc.*, No. 18-00588 (M.D. Tenn.) (providing a \$407 to \$547 million-dollar benefit to a class of nearly 3 million consumers).

Prior to joining Capstone Law, Mr. Padgett assisted with the defense of major felony cases at the San Diego County Public Defender's Office. During law school, Mr. Padgett served as a judicial extern to the Honorable C. Leroy Hansen, United States District Court for the District of New Mexico. He graduated from California Western School of Law in the top 10% of his class and received his undergraduate degree from the University of Southern California, where he graduated *cum laude*. Mr. Padgett is admitted to practice in California, before the Ninth Circuit Court of Appeals, and before United States District Court for the Northern, Eastern, Central, and Southern Districts of California.

Shahin Rezvani. Shahin Rezvani is a senior counsel with Capstone Law. His practice involves litigating consumer class action lawsuits. Mr. Rezvani has significant experience in high-stakes trials. He played a pivotal role in the *Freedom Wireless v. Boston Communications* five-month patent infringement jury trial, securing a then-monumental \$128 million verdict. Equally significant was his role in the *Rambus v. Micron* antitrust jury trial, defeating a \$4 billion claim, and the *Micron v. Rambus* spoliation trial resulting in Rambus's SDRAM and DDR SDRAM patents being rendered unenforceable. Mr. Rezvani's impact extends beyond big cases as well, including securing a favorable verdict for an executive in the entertainment industry and successfully defending against claims for breach of contract and fraud in the electronics sector. He has also obtained judgments as a matter of law on post-trial motions and secured summary judgments, such as a victory in an early cybersquatting suit for the Academy of Motion Picture Arts and Sciences.

Prior to Capstone, Mr. Rezvani was a senior attorney at a plaintiff's class action firm, where he handled wage & hour, consumer fraud, data breach, and other class actions. While there, he helped achieve the second largest settlement in the nation for an ADA class action case against Hyatt Corporation. With over two decades of legal expertise in antitrust, class action, consumer fraud, copyright, employment, patent, securities, and trademark disputes, his skills and accomplishments span a wide range of practice areas. Mr. Rezvani has previously represented both plaintiffs and defendants in antitrust, ERISA, employment and other matters. Mr. Rezvani graduated from UC Berkeley School of Law, and earned his Bachelor of Arts from University of California, Los Angeles.

Eduardo Santos. Eduardo Santos is a senior counsel at Capstone Law, and concentrates his practice on managing and obtaining court approval of many of Capstone's wage-and-hour, consumer, and PAGA settlements, from the initial contract drafting phase to motion practice, including contested motion practice on attorneys' fees. Over the course of his career, Mr. Santos has helped to secure court approval of over one hundred high-stakes class and representative action settlements totaling over \$100 million.

Before joining Capstone, Mr. Santos began his career at a prominent plaintiff's firm in Los Angeles specializing in mass torts litigation, with a focus on complex pharmaceutical cases. Most notably, he was involved in the national Vioxx settlement, which secured a total of \$4.85 billion for thousands of individuals with claims of injuries caused by taking Vioxx. Mr. Santos graduated from Loyola Law School, Los Angeles, where he was a recipient of a full-tuition scholarship awarded in recognition of academic excellence. While in law school, Mr. Santos served as an extern for the Honorable Thomas L. Willhite, Jr. of the California Court of Appeal. He graduated magna cum laude from UCLA and was a recipient of the Ralph J. Bunche Scholarship for academic achievement.

Mao Shiokura. Mao Shiokura is a senior counsel with Capstone. Her practice focuses on identifying, evaluating, and developing new claims, including PAGA representative actions and class actions for wage-and-hour violations and consumer actions under the Consumers Legal Remedies Act, False Advertising Law, Unfair Competition Law, and other consumer protection statutes. Prior to joining Capstone, Ms. Shiokura was an associate at a California lemon law firm, where she represented consumers in Song-Beverly, Magnuson-Moss, and fraud actions against automobile manufacturers and dealerships.

Ms. Shiokura graduated from Loyola Law School, Los Angeles in 2009, where she served as a staff member of Loyola of Los Angeles Law Review. She earned her undergraduate degree from the University of Southern California, where she was a Presidential Scholar and majored in Business Administration, with an emphasis in Cinema-Television and Finance.

John Stobart. John Stobart is a senior counsel with Capstone Law. He focuses on appellate issues in state and federal courts and contributes to the firm's amicus curiae efforts to protect and expand the legal rights of California employees and consumers. Mr. Stobart has significant appellate experience having drafted over two dozen writs, appeals and petitions, and having argued before the Second, Fourth, and Fifth Districts of the California Court of Appeal.

Prior to joining Capstone, Mr. Stobart was a law and motion attorney who defended against civil liability in catastrophic injury and wrongful death cases brought against his clients, which included the railroad, public schools, small businesses, and commercial and residential landowners. He has drafted and argued scores of dispositive motions at the trial court level and had success in upholding judgments and verdicts on appeal. He

graduated cum laude from Thomas Jefferson School of Law where he was on the mock trial competition team and earned his undergraduate degree from the Ohio State University.

Roxanna Tabatabaepour. Roxanna Tabatabaepour is a senior counsel with Capstone Law. Her practice primarily involves representing employees in class actions and representative actions for various violations of the California Labor Code.

Before joining Capstone, Ms. Tabatabaepour's experience included representing workers in single-plaintiff and class/representative action lawsuits regarding wage-and-hour violations, as well as individual claims for discrimination, retaliation, failure to accommodate, harassment, and wrongful termination, under both California and federal laws. Ms. Tabatabaepour received her undergraduate degrees from the University of California San Diego. She subsequently graduated from the American University, Washington College of Law, where she was a Marshall-Brennan Constitutional Literacy Fellow and taught Constitutional Literacy to teens in marginalized communities.

Ryan Tish. Ryan Tish is a senior counsel at Capstone Law. His practice primarily involves wage-and-hour class actions and Private Attorneys General Act ("PAGA") representative actions on behalf of employees for the failure to pay overtime and minimum wages, failure to provide meal and rest breaks, failure to reimburse necessary business expenses, and other claims under the Fair Labor Standards Act and California Labor Code.

Before joining Capstone, Mr. Tish was an associate at a civil litigation firm in Los Angeles, handling a variety of matters, including commercial contracts, real estate, and employment law. Mr. Tish has represented both employers and employees in actions ranging from individual claims of discrimination, harassment, retaliation, and wrongful termination, to class and representative actions for wage-and-hour and privacy law violations. Mr. Tish is a graduate of the University of Southern California Gould School of Law and earned his bachelor's degree in civil and environmental engineering from the University of California, Los Angeles. Mr. Tish is admitted to practice law in California and before the United States District Court for the Northern, Eastern, Central, and Southern Districts of California.

Orlando Villalba. Orlando Villalba is a senior counsel at Capstone Law. His practice primarily involves wage-and-hour class actions and PAGA litigation on behalf of employees for the failure to pay overtime and minimum wages, failure to provide meal and rest breaks, claims under the Fair Labor Standards Act, and other California Labor Code violations.

Mr. Villalba began his career at Kirkland & Ellis where he handled a wide range of business litigation matters, including transnational contract disputes, insurance-related tort claims, developer litigation, and civil rights actions. He also has extensive plaintiff-side experience representing government agencies and note-holders in the pursuit of mortgage and other fraud losses. Mr. Villalba graduated from Stanford Law School, where he served as an articles editor on the Stanford Journal of Law, Business & Finance. After law school, he clerked for the Honorable Warren Matthews of the Alaska Supreme Court. Orlando received his bachelor's degree in International Business from the University of Southern California.

Associates

Tyler Anderson. Tyler Anderson is an associate with Capstone Law. His practice focuses on complex motions, writs, and appeals. Before joining Capstone, Mr. Anderson was Co-Director of the Los Angeles Center for Community Law and Action ("LACCLA"), a nonprofit law firm that represents tenant unions and

union organizers. While there, Mr. Anderson tried a disparate impact federal Fair Housing Act case that resulted in a jury verdict of over \$1,000,000. He also frequently used California Anti-SLAPP laws to block attempts to silence tenant union organizers. Prior to working at LACCLA, Mr. Anderson clerked for the Honorable Martha Vazquez, a federal district court judge for the District of New Mexico who, at the time, sat on the Executive Committee of the Federal Judiciary. Before that, Mr. Anderson was a litigation associate at the international law firm Jenner & Block LLP. Mr. Anderson graduated from Harvard Law School, where he was the Executive Articles Editor of the Harvard Journal on Legislation as well as President of one of the largest student-run pro bono organizations at Harvard University, Project No One Leaves. He graduated with several “Dean’s Scholar” prizes for receiving top grades in his constitutional law courses.

Sairah Budhwani. Sairah Budhwani is an associate with Capstone Law. Her practice focuses on evaluating and analyzing pre-litigation wage-and-hour claims, including claims for violations of overtime and minimum wage law, meal and rest period requirements, and off-the-clock work violations. Previously, Ms. Budhwani litigated employment discrimination, harassment, and retaliation claims, and also represented incarcerated individuals contesting the conditions of their confinement. Ms. Budhwani graduated from UCLA School of Law in 2019 and received an undergraduate degree in Urban Studies from University of California, Irvine in 2012. Ms. Budhwani is admitted to practice law in California. She is fluent in Urdu.

Jaime “Jimmy” Castañeda. Jaime Castañeda is an associate with Capstone Law. His practice focuses on prosecuting wage-and-hour class actions and Private Attorneys General Act (“PAGA”) representative actions on behalf of employees. Mr. Castañeda has experience representing both plaintiffs and defendants in employment law matters. Before joining Capstone, Mr. Castañeda was an associate at a California civil litigation firm where he represented employees in cases involving whistleblower retaliation, disability discrimination, racial discrimination, wrongful termination, and other forms of discrimination in the workplace. Mr. Castañeda graduated from Boston University School of Law in 2021. Prior to attending law school, Mr. Castañeda worked in the non-profit sector, providing free legal immigration services to the undocumented community in Los Angeles County. He received his undergraduate degree from the University of California, Los Angeles, where he double majored in Political Science and History.

Olivia Green. Olivia Green is an associate with Capstone Law. Her practice focuses on analyzing and evaluating pre-litigation wage-and-hour claims, including potential violations of overtime and minimum wage law, meal and rest period requirements, and off-the-clock work violations. Previously, Ms. Green litigated wage-and-hour class and PAGA actions as well as employment discrimination, harassment, and wrongful termination claims. As a result of her advocacy, she was named a Southern California Rising Star by Super Lawyers in 2023 and 2024. Ms. Green graduated from Loyola Law School, Los Angeles, in 2020 where she served as President of the Black Law Student Association and was a member of the Entertainment Moot Court. She received her undergraduate degree from California State University, Fullerton where she majored in Political Science.

Nate Kiyam. Nate Kiyam is an associate with Capstone. His practice focuses on prosecuting automotive defect and other consumer class action cases in state and federal court. Prior to joining Capstone Law, Mr. Kiyam was an associate with the Auto Fraud Legal Center representing individuals who have been defrauded by dealers into purchasing a defective vehicle. Previous to that, Mr. Kiyam was an associate with DLA Piper, Allen Matkins, and Buchalter on various corporate and employment matters. Throughout his career, Mr. Kiyam has helped many organizations and individuals on various pro bono matters including winning an

administrative trial for a young refugee in his asylum hearing. Mr. Kiyam is admitted to practice law in California and the District of Columbia.

Ninel Kocharyan. Ninel Kocharyan is an associate with Capstone. Her practice focuses on evaluating and analyzing pre-litigation wage-and-hour claims, including claims for violation of overtime and minimum wage law, meal and rest period requirements, and off-the-clock work violations. Ms. Kocharyan began her career in entertainment law reviewing, drafting, and negotiating contracts for talent and ensuring FTC compliance. She immigrated to the United States from Russia at the age of 15 with a passion to pursue a career in law. Ms. Kocharyan graduated from Thomas Jefferson School of Law in 2014 and received her undergraduate degree from University of California, Los Angeles where she majored in Political Science. Ms. Kocharyan is admitted to practice law in California.

Alexander Lima. Alexander Lima is an associate with Capstone Law. His practice focuses on evaluating pre-litigation wage-and-hour claims, including potential violations of overtime and minimum wage law, meal and rest period requirements, and off-the-clock work issues, as well as consumer protection claims. Previously, Mr. Lima was an associate at a California civil litigation practice representing individuals and entities in real estate disputes. Mr. Lima graduated from Santa Clara University, School of Law in 2018, where he served as an Executive Board Member of the Honors Moot Court and was selected as a regional finalist for the American Bar Association Negotiation Competition. He received his undergraduate degree from the University of California, Riverside in 2014.

Trisha Monesi. Trisha Monesi is an associate with Capstone. Her practice focuses on prosecuting consumer class actions in state and federal court. Ms. Monesi graduated from Loyola Law School, Los Angeles in 2014, where she served as an editor of the Loyola of Los Angeles Entertainment Law Review and was a certified law clerk at the Center for Juvenile Law and Policy. She earned her undergraduate degree from Boston University in 2011, where she majored in Political Science and International Relations. She is an active member of the Women Lawyers Association of Los Angeles, and the Los Angeles County and Beverly Hills Bar Associations.

Alexander Wallin. Alexander Wallin is an associate at Capstone Law. He is a passionate litigator who has successfully represented employees against corporate injustice. Mr. Wallin has recovered millions of dollars in numerous wage-and-hour class actions, PAGA actions, and individual discrimination lawsuits. He has a particular interest in representing economically disadvantaged employees who cannot afford legal representation on a retainer-fee basis. Mr. Wallin is a member of the Los Angeles County Bar Association's Employment Law Section and stays up-to-date with the rapidly evolving areas of wage-and-hour protections. He graduated from Loyola Law School in 2017 and is admitted to practice law in California, as well as before the United States District Court for Central and Northern Districts of California. He has been selected as a Southern California "Super Lawyers – Rising Star" in 2022 and 2023.

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Attorneys for Plaintiff Luis Corona

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

LUIS CORONA, individually, and on behalf of
other members of the general public similarly
situated,
Plaintiff,

vs.

S. P. RICHARDS COMPANY, doing business
in California as, GEORGIA S.P. RICHARDS
COMPANY, a Georgia corporation; and DOES
1 through 10, inclusive,
Defendants.

Case No. CVRI2401430
Assigned to the Hon. Harold W. Hopp
RESERVATION NO. 172241745083

**DECLARATION OF LUIS CORONA
IN SUPPORT OF MOTION FOR
PRELIMINARY APPROVAL OF
CLASS ACTION AND PAGA
SETTLEMENT**

Date: July 10, 2025
Time: 8:30 a.m.
Place: Department 1

Complaint Filed: March 15, 2024
Trial Date: None Set

DECLARATION OF LUIS CORONA

I, Luis Corona, hereby declare as follows:

1. I am over eighteen years old. Unless the context indicates otherwise, I have personal knowledge of the following facts, and if called as a witness, I could and would testify competently to them. I am the named plaintiff in the above-captioned action, and a representative for the Settlement Class. I make this declaration in support of the Motion for Preliminary Approval of Class Action and PAGA Settlement.

2. I was employed by Defendant S.P. Richards Company (“Defendant”) as a Maintenance Employee, Warehouse Associate, and Order Puller (all non-exempt positions) at its facility in Mira Loma, California from approximately June 2016 to April 2023.

3. I decided to file this lawsuit because I had a number of grievances against Defendant stemming from its labor policies. These grievances are set forth in detail in the operative Complaint and my letter to California Labor and Workforce Development Agency (“LWDA”).

4. Prior to filing the action, my attorneys and I had multiple conferences about the factual bases for the claims that I wanted to pursue against Defendant.¹ During those conferences, my attorneys provided me with an overview of how those claims would be litigated and generally educated me about the nature of complex/representative litigation and my role as the representative Plaintiff.

5. After retaining my attorneys, I spent considerable time on the phone discussing the facts of my case with my attorneys. I discussed the facts related to my employment with Defendant, including discussing my job duties and responsibilities, my job position, the hours and days I worked, and how I was compensated.

6. My attorneys provided me with a draft of the Complaint for my review and approval. I closely reviewed the Complaint to ensure accuracy and completeness. Following the filing of the Complaint, I collaborated with my attorneys on the prosecution of my claims, and I regularly contacted my attorneys to stay current on the status of the litigation, and to discuss my attorneys’ progress in

¹ Although the preservation of my attorney-client privilege requires that I refrain from revealing the specifics of my communications with my attorneys, I understand that the privilege is not waived by stating generally the matters that I have discussed with my attorneys.

prosecuting the claims.

7. I have worked to the best of my ability to prosecute this action on behalf of the entire class, always considering the interests of the class members just as I would consider my own interests. I believe class actions are an important tool to assure compliance with the law even where an individual's losses may be relatively small. I have no interests which are inconsistent with the interests of the class.

8. When I agreed to represent other non-exempt employees performing duties for Defendant in the State of California, I understood it was my duty to be readily available and to participate actively in this case. I knew that I would be required to review documents, search for documents and produce them to my attorneys, answer written questions, potentially answer oral questions and testify truthfully under oath, and be available to appear in court, if necessary.

9. I understood that I needed to maintain awareness of the status and progress of the lawsuit.

10. Since initiating this lawsuit until now, I have kept aware of the status of the lawsuit and provided my attorneys with information used by them in the litigation. I have spent large amounts of time and effort pursuing my claims and the claims of the other employees from the time I retained my attorneys to the present date.

11. I have carefully reviewed the terms of the proposed settlement. My attorneys explained the specifics of how the settlement would work and I accepted the settlement only after I had spent time evaluating the proposed outcome to assure that it was fair. Based on my attorneys' evaluation and recommendation, and my own review, I believe the settlement is fair and reasonable and adequately compensates Class Members.

12. In summary, over the course of this litigation I have spent a significant amount of time conferring and working with my attorneys on the prosecution of my claims and evaluating the settlement and related documents. I estimate that I have spent between 25 and 35 hours assisting my attorneys in the prosecution of this lawsuit.

13. Throughout this case, I have not sought individual benefits from the lawsuit. Rather, I maintained this lawsuit because I wanted to hold Defendant accountable for its unlawful conduct. I believe that I have fulfilled my responsibilities, and I will continue to fulfill those responsibilities, to the

best of my ability, until the conclusion of the case.

14. I am committed to this case and will continue to make myself available as needed in the settlement process.

15. I can confirm that I do not have a connection to, or a relationship with, Riverside Legal Aid (“RLA”) that could reasonably create the appearance of impropriety as between the selection of RLA as the recipient of the unclaimed residuals and the interests of the class.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on [Date] 6/13/2025, at [City] Colton, California.

DocuSigned by:

Luis Corona

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Luis Corona

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7 Attorneys for Plaintiff Luis Corona

8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

9 **FOR THE COUNTY OF RIVERSIDE**

10 LUIS CORONA, individually, and on behalf of
11 other members of the general public similarly
situated,

12 Plaintiff,

13 vs.

14 S. P. RICHARDS COMPANY, doing business
in California as, GEORGIA S.P. RICHARDS
15 COMPANY, a Georgia corporation; and DOES
1 through 10, inclusive,

16 Defendants.
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Case No. CVRI2401430

Assigned to the Hon. Harold W. Hopp

RESERVATION NO. 172241745083

**DECLARATION OF JULIE GREEN ON
BEHALF OF CPT GROUP, INC.**

Date: July 10, 2025

Time: 8:30 a.m.

Place: Department 1

Complaint Filed: March 15, 2024

Trial Date: None Set

DECLARATION OF JULIE GREEN

I, Julie Green, declare as follows:

1. I have personal knowledge of the facts set forth herein and if called upon to testify, I could and would do so competently under oath.

2. I am employed by CPT Group, Inc., ("Settlement Administrator" or "CPT"), as President.

3. CPT Group, Inc. is located at 50 Corporate Park, Irvine, CA 92606.

4. For this matter, CPT is able and willing to provide Administration services as provided in the parties' Settlement Agreement and described further in this declaration.

5. I have been employed by CPT for over 20 years, managing the operations and supervising multiple notice and claims administration programs. As President, I am responsible for the oversight of the entire organization including the departments related to administration of class action matters and ensure superior quality and successful execution of each component required to complete the settlement process. In my career at CPT, I have been responsible for the oversight, design and/or implementation of thousands of class action notice plans.

6. As a company, CPT has extensive experience in providing court-approved notice of class actions and administering various types of notice programs and settlements. In the past 40-plus years, we have provided notification and/or claims administration services in thousands of class action cases. CPT offers a wide range of class action administrative services for developing, managing and executing all stages of integrated settlement plans. A true and correct copy of CPT's company resume ("CPT CV") is attached as Exhibit A, which provides detailed information concerning our class action claims administration qualifications, experience, as well as our Information Security Statement that details CPT's procedures for the protection of confidential class member information.

7. Except for CPT's own counsel, which is not one of the law firms representing the parties, CPT does not have affiliation with any law firm or attorney. Neither CPT nor I have any affiliation with the law firms representing the parties in this matter.

8. CPT was selected by the parties in the above-captioned matter to provide administration services for this settlement. In this capacity, CPT will complete the following tasks as part of its administration duties: (a) prepare, print, and mail to class members notification of the pending settlement in

1 both English and Spanish; (b) establish a dedicated toll-free number where class members are able to speak
2 to a live, bi-lingual representative regarding case information, as well as establish a dedicated static website
3 that posts pertinent case information; (c) process undeliverable mail and locate updated addresses for class
4 members; (d) receive objections submitted by class members; (e) receive and validate requests for exclusion
5 submitted by class members; (f) notify the parties of the identity of class members that filed timely requests
6 for exclusion; (g) receive other communications about the settlement; (h) file any required reports with the
7 court; (i) establish a fund for authorized claimants; (j) calculate the amounts due to each class member
8 pursuant to the settlement; (k) make payments to class members through the established fund and file all
9 applicable tax returns; and (l) handle any uncashed checks as directed by the court.

10 9. Due to the sensitive nature of settlement administration, CPT follows a series of strict
11 protocols to protect the integrity of our work that include, but are not limited to, the following: employing
12 security controls and procedures throughout our business that comply with AICPA SOC 2 Type II; requiring
13 of secure file transfer of all Class Member data, account and wire information; multifactor authentication to
14 secure all email accounts; monitoring each endpoint with modern Data Loss Prevention (“DLP”) software;
15 implementation of strict policy regarding the transmittal and storage of SI; requiring staff to complete regular
16 cyber security training; monthly external and internal vulnerability scans to ensure the integrity of our security
17 measures. Further, to protect against potential losses, CPT holds \$5,000,000 in Errors and Omissions
18 insurance, \$1,000,000 in Crime/Fidelity insurance, and \$5,000,000 in cyber insurance.

19 10. A true and correct copy of CPT’s estimate associated with the administration of this matter
20 is attached as Exhibit B, which demonstrates how the price was calculated. It provides for a flat fee of \$7,450,
21 based on the hours and work involved as represented by counsel and the terms of the parties’ Settlement
22 Agreement at the time the quote was provided. This is a fixed fee so long as the class size has been accurately
23 represented.

24 I declare under penalty of perjury under the laws of the United States and the state of
25 California that the foregoing is true and correct.

26 Executed on June 4, 2025, at Irvine, California.

27
28 
JULIE GREEN

EXHIBIT A

CURRICULUM VITAE



50 Corporate Park
Irvine, CA 92606



www.CPTGROUP.com



1 (800) 542-0900



COMPANY PROFILE

CPT Group, Inc. ("CPT"), founded in 1984, is a leading provider of notice and settlement class action administration services and has been appointed as the third-party administrator by all major courts. Throughout our history, CPT has disbursed billions of dollars in settlement funds, serviced over 250,000,000 class members, and administrated over 7,000 cases. CPT offers a wide range of class action administrative services for developing, managing, and executing all stages of integrated notice plans and settlements. This includes pre-certification and discovery mailings, class-certification mailings, claims processing and administration, data management, data reporting, settlement fund administration, legal noticing campaigns, website design, and web hosting. The project management team, call center, data entry center, IT, and production facilities are all located at the corporate headquarters in Irvine, CA.

QUALITY ASSURANCE & SECURITY

The integrity of CPT's work and our stringent quality assurance protocols are strengthened by the staff's ability to operate in close proximity keeping the work managed in-house. With a commitment to rigorous security protocols and controls, CPT upholds an obligation to its clients to maintain data and cyber security practices that comply with AICPA SOC 2 - Type II.

DIVERSITY & INCLUSION

CPT believes that promoting diversity starts with a commitment to building understanding and awareness. Diversity is not just cultural or ethnic, it includes people of all ages and backgrounds. We are guided by a commitment to removing barriers to the recruitment, retention, and advancement of talented individuals from historically excluded populations. CPT recruits and rewards team members based on capability and performance, regardless of race, gender, sexual orientation, gender identity or expression, lifestyle, age, educational background, national origin, religion, or physical ability.

AREAS OF EXPERTISE

- **PROJECT MANAGEMENT** - At the heart of our administrative capabilities is the ability to manage and process our cases as a neutral TPA with efficiency, accuracy, and in compliance with the terms of the parties' agreement. Our skilled approach in the use of technology, effective management, and quality assurance is the core of our operation.
- **Claims Administration** - CPT conducts extensive Quality Assurance processes throughout the duration of the claims period. Any responses received from Class Members are processed according to our strict internal procedures and in accordance with the Settlement Agreement. Counsel is provided with all required reporting, including, where applicable, a list of approved claimants and the settlement calculations for each.
- **Call Center** - CPT's case support representatives stand ready to service all case inquiries offering live, multi-lingual, 1-1 response, 5 days a week during business hours (extended hours available). Interactive Voice Response (IVR) assures that class members receive the assistance and support they require 24 hours a day. A proprietary call tracking system combined with highly trained representatives ensures an accurate class member history for each and every call.
- **Data Management/Reporting** - Through programmatic analysis, CPT will standardize the class data to compile a master mailing list. CPT prepares weekly status reports for each case that summarize the status of returns and responses such as mail pieces and claim form submissions. CPT is SOC 2 Type II certified, which ensures necessary measures are taken to safeguard all class member data.
- **Noticing Expertise** - CPT's legal notice experts have a combined experience of over 25 years in the industry and come together to plan a successful notice campaign based on the requirements of the Settlement. After strategizing and consulting with Counsel, our team will determine the best method of notification to reach your intended target audience. Whether notification will be through means of a known or unknown data set, CPT will execute the campaign with precision and accountability.
- **Settlement Fund Administration** - CPT's team of tax and accounting professionals manages all fund distributions through a rigorous and supervised process. Stringently following the terms of the Court Order, CPT maintains its Qualified Settlement Fund (QSF) accounts through federally insured banks with access restricted to authorized personnel only. On behalf of the QSF, CPT will handle all remittances and reporting to local, state, and federal tax authorities.

EXPERIENCE

CPT has extensive experience providing court-approved notice and administration services in complex, large fund, and top-tier class action settlements across a broad spectrum of unique subject matters. Below are highlights from a few relevant cases we handled:

- ***Helmick v. Air Methods Corp., Alameda County Superior Court, Case No. RG13665373***: (*Top Settlements*, 2020) Administration of this \$78,000,000 employment settlement included direct mailed notice to class members, production and maintenance of a settlement website, and distribution of over \$48,000,000 to eligible claimants.
- ***Wackenhut Wage and Hour Cases, Los Angeles County Superior Court, Case No. JCCP Np. 4545***: (*Top Settlements*, 2019) To notify potential class members in this \$130,000,000 wage and hour settlement, CPT' provided email and text notice in both English and Spanish, maintained a dedicated settlement website with an online claims portal, and a toll-free support hotline. CPT's outreach efforts resulted in a 57.14% filing rate.
- ***Sanchez v McDonald's Restaurants of California, Los Angeles County Superior Court, Case No. BC499888***: (*Top Settlements*, 2019) Notice methods in this \$26,000,000 wage and hour settlement included both mailed notice in both English and Spanish and email notification, as well as a settlement website and toll-free case support hotline.
- ***Augustus et al. v. American Commercial Security Services, Inc., Los Angeles County Superior Court, Case No. BC336416***: (*Top Settlements*, 2018) Administration duties in this \$110,000,000 employment settlement included direct mailed notice to class members in both English and Spanish and distributing over \$72,000,000 in settlement funds to valid claimants.
- ***Abdullah v U.S. Security Associates, Inc., Case No. 2:15-cv-09-00984 PSG-E (C.D. Cal.)***: (*Top Settlements*, 2018) Administration of this \$21,000,000 wage and hour settlement included direct mailed notice to class members, class member support hotline and distribution of over \$13,000,000 to eligible claimants.
- ***Thompson v. 1-800 Contacts, Inc., Vision Direct, Inc., Walgreens Boots Alliance, Inc., Walgreen Co., Arlington Contact Lens Service, Inc., National Vision, Inc., Luxottica of America, Inc. (f/k/a Luxottica Retail North America, Inc.), Case No. 2:16-cv-01183 (D. Utah)***: This \$40 million-dollar anti-trust settlement comprised of four settlement classes required design and implementation of a robust, multi-faceted two-part notice program with a multi-layered media campaign combining the use of various digital advertisement platforms, a press release, a dedicated settlement website with an online claims portal, and a toll-free support hotline. The notice program also included an e-mail notice campaign to approximately 10,000,000 potential class members. Combined notice efforts resulted in over 140,000 claimants.
- ***Broomfield v. Craft Brew Alliance, Inc., Case No. 5:17-cv-01027-BLF (N.D. Cal.)***: CPT's outreach efforts in this \$20 million consumer settlement included a multi-media channel approach to notice which employed direct mailed notice and a digital, social, and mobile media campaign which reached an impressive 91.43% of the targeted 8,000,000 class members. CPT processed both electronic and hard copy claim forms and valid claimants were paid via paper checks, e-Check, and ACH.
- ***Livingston v. MiTAC Digital Corporation, Case No. 4:18-cv-05993-JST (N.D. Cal.)***: In this matter, CPT was charged with distributing direct notice via email and mail as well as the design and execution of a multi-media channel supplemental notice campaign that combined the use of various digital advertisement platforms, a nationwide press release, print publication, a dedicated settlement website, and a toll-free support hotline. Combined, these efforts reached 82% of the targeted audience. Claims processing included claim forms submitted both digitally and hard copy and valid claimants received paper checks.
- ***Lim, et al. v. In re Vendi, Inc., Superior Court of the State of California, County of Santa Clara, Case No. 1-14-CV-259897***: In this \$3 million data breach settlement, CPT notified approximately 9,000,000 potential class members through a combination of email, postcard, and publication notice. Claims processing included claim forms submitted both digitally and hard copy, and valid claimants received paper checks.

EXPERIENCE

- ***Mael v. Evanger's Dog and Cat Food Co., Inc., et al. Case No. NO. 3:17-cv-05469-RBL (W.D. Wash):*** Notice efforts included a multi-media program designed to reach settlement class members through a combination of direct and supplemental notification methods. Email, internet banner and social media advertisements, a dedicated settlement website, and a toll-free support hotline were used to effectively reach 87% of the target audience nationwide. CPT processed both electronic and hard copy claim forms and valid claimants were paid cash awards or product certificates.
- ***Jacobo, et al. v. Ross Stores, Inc., Case No. 2:15-cv-04701-MWF-AGRx (C.D. Cal.):*** In this \$4.85 million consumer settlement, CPT notified approximately 9,000,000 potential class members via direct email notice and a media campaign that combined the use of various digital advertisement platforms, a nationwide press release, print publication in People magazine, a dedicated settlement website, and a toll-free support hotline. Ultimately, CPT processed 285,000 claims and disbursed \$3,000,000 in merchandise certificates.
- ***Gold, et al. v. Lumber Liquidators, Inc., Case No. NO. 3:14-cv-05373-RS (N.D. Cal.):*** The Notice Plan for this matter relied heavily on direct notice, but to ensure effective reach also encompassed supplemental notice efforts including digital advertisements, a nationwide press release, a dedicated settlement website, and a toll-free support hotline. CPT processed claims submitted electronically, and hard copy and valid claimants were paid via a combination of paper checks and vouchers.
- ***Bokelman, et al. v. Zippy's/FCH Enterprises, Inc., United States District Court for the District of Hawaii, Case No. 18-00209-RJB-RLP:*** Notice efforts for this data breach settlement included a multi-media program designed to reach settlement class members through a combination of direct mail, email, in-store notice, and supplemental media. The digital notice campaign served impressions for 8-weeks across Google Display Network (GDN), programmatic display, press releases, Facebook, Instagram, Twitter, print publication, and Google Ads. Overall, the supplemental notice campaign alone reached 72% of the target audience nationwide.
- ***Coleman, et al. v. Boys Town National Research Hospital, District Court of Douglas County, Nebraska, Case No. D01C118008162:*** Notice to 98,957 class members in this data breach settlement was mailed in April 2020 when CA businesses were under stay-at-home orders. CPT was able to execute and carry out all administrative duties outlined in the settlement agreement without any disruption due to our robust Pandemic Policy that was immediately put into practice once the Governor gave executive orders.
- ***Christofferson, et al., v. Creation Entertainment, Inc., Superior Court of the State of California, County of Los Angeles, Case No. 19STCV11000:*** Notice efforts for this data breach settlement included a multi-media program designed to reach settlement class members through direct mail, email, and supplemental media. The digital notice campaign served impressions across Google Display Network (GDN), programmatic display, PR Newswire national Newswire, Facebook, Instagram, Twitter, print publication, Google Ads and Bing Ads. CPT's supplemental notice program reached 75% of the target audience nationwide. In addition, CPT served notice to 94.6% of the class members for whom the defendant provided an email address and 99.5% by mail. CPT reported a 3.79% filing rate.



QUALIFICATIONS & EXPERIENCE OF KEY PERSONNEL



JULIE N. GREEN, **Senior Vice President of Operations** **Notice Expert**

With 17 years at CPT, Julie Green is a driving force behind the company's ongoing success. Through oversight responsibilities for the entire operation, she has an expert hand in all aspects of notice administration and demands quality and success for each step of the process. Making informed recommendations to meet the goals of complex and unique settlements, Julie has been responsible for the design and or implementation of thousands of class action notice programs. She understands the necessary mechanics to ensure that effective notice is executed while making certain neutrality and client confidentiality is continually maintained. In her position, Julie leverages the Operations Team's abilities to meet the goals and objectives of the Business Development Team, while ensuring that CPT's clients are met with exceptional service and a successful notice program. Julie holds a BA in Drama and Psychology & Social Behavior from the University of California, Irvine.

RANDI J. MARTZ, **Director of Marketing & Business Development** **Notice Expert**

Ms. Martz serves as Director of Marketing and Business Development and has been with CPT Group for more than 14 years. Randi is responsible for critically analyzing the requirements of a settlement for legal notification through secondary market research, data analysis, planning, and execution. Upon consulting with clients to determine the needs of the Settlement parties, Randi finds ways to increase efficiencies to implement cost savings for the RFPs. She is also tasked with researching and analyzing target markets to develop strategic and tactical plans to grow the business. As the liaison between the Business Development and Operations Teams, Randi collaborates on identifying critical business development and marketing opportunities to strengthen the Settlement and Client's core objectives. Randi received her B.A. in Business Administration, a Professional Concentration, from California State University of Fullerton.

TIM PHILLIPS, **Vice President, Business Development**

Tim Phillips has been a member of CPT Group since 2010, and in the attorney service and litigation support industry for 15 years. As a senior staff member of the sales team, Tim is an intricate piece of the overall puzzle and has been a driving force behind the success at CPT. His leading sales, consulting, and marketing strategies have established CPT as a premier Class Action Settlement Administrator. Tim has proven to be the leading wage and hour consultant in California and brings in over 200 settlements a year in all realms of class action. Tim provides exemplary service to his clients with a steadfast goal that longevity of the relationship is most important.

JACQUELINE N.K. HITOMI, **Director of Settlement & Treasury Services**

Jackie Hitomi is the Director of Settlement & Treasury Services at CPT Group. With 15 years of experience in the class action industry, Jackie oversees the distribution process and is responsible for ensuring the accuracy of settlement calculations and compliance with court-approved agreements. Jackie manages a team of disbursement and tax administrators and provides guidance to the case management team for complex settlements. As a Director, Jackie serves as a trusted contact for clients and assists with the effectuation of multifaceted projects. She is also a key contributor to the development and execution of the settlement administration process. Jackie began her legal career as a Paralegal at the Orange County District Attorney's Office and has also held Senior Paralegal positions in several law firms in Orange County and Los Angeles. She received her B.A. in International Relations and Law & Public Policy, from the University of Southern California, and completed the ABA Paralegal Studies from the University of California, Los Angeles.

ABEL E. MORALES, **Director of Operations**

Abel Morales is the Director of Operations at CPT Group. Since joining CPT in 2010, Abel has handled hundreds of class action cases from inception through distribution and has become an expert in complex settlements. He is the primary client contact and is well trusted for his expertise in the class action industry. Abel oversees the Claims Processing Department, Production Department, and Class Member Support Services. His wide range of expertise provides valuable insight into all facets of the Administration process. Prior to CPT Group, Abel was a Senior Analyst for 9 years at a prominent Fortune 500 mutual insurance holding company. Abel also holds a B.A. in International Finance from the California State University of Fullerton. He is bilingual in Spanish.

QUALIFICATIONS & EXPERIENCE OF KEY PERSONNEL



J. LES GAINOUS, **Software Development Manager**

J. Les Gainous has over 30 years of experience in developing and architecting enterprise-level software applications, with 10 of those years as a solutions architect with the Microsoft Corporation. At Microsoft, Les was involved with major software application projects at many Fortune 50 companies, including corporations such as Motorola, Toyota America, Merck Pharmaceuticals, Chevron, VISA America, and Charles Schwab. At CPT his team is primarily responsible for architecting and engineering CPT's Line of Business software application. The application allows cross-case functionality via a centralized system-of-record data store. Having this cross-case functionality, the application allows for automating sets of processes around the administration of class action cases. Along with automation, his team minimizes data redundancies. Les is a graduate of Florida State University with a BS in Business Administration and a minor degree in Computer Science.

ALEJANDRA ZARATE, **Supervising Case Manager**

Alejandra Zárate de Landa is CPT Group's Case Quality Assurance Manager. In her role, she is responsible for analyzing the Stipulations of Settlement as well as the Court Orders to ensure compliance in all aspects of case administration as well as the allocation of settlement funds to class members. Alejandra started with CPT Group over 15 years ago in the claims department and became a Case Manager in 2009. She was promoted into her current role in 2016. Alejandra received her degree in Computer Engineering from Autonomous University of Baja California in Ensenada, B.C. Mexico. While earning her degree, she worked as a web development assistant and helped develop a web page for students interested in taking off-campus classes.

TIM CUNNINGHAM, **Supervising Case Manager**

Tim Cunningham has successfully managed over 400 cases in his 11 years at CPT Group. As Supervising Case Manager, under his direction, a team of Case Managers and Assistants are trained and guided to oversee all case activity—from administrative conception to disbursement. Tim and his team are also the primary contact between the firm and Counsel while also working closely throughout administration with the IT, Mailing, Claims, and Call Center departments. Prior to CPT Group, Tim was a Lead Relationship Manager for 10 years at a prominent Fortune 500 mutual insurance holding company. Tim earned his B.A. in Public Administration with a minor in English from California State University San Diego.

CAROLE THOMPSON, **Supervising Case Manager**

Carole Thompson is a Supervising Case Manager at CPT Group. In this role, she leads a team of Case Managers and Assistants and ensures the proper guidance and supervision is upheld for high accuracy levels and prompt adherence to court-ordered deadlines. She is also responsible for overseeing all case activities and having a comprehensive understanding of each case her team handles. Carole initially joined CPT in 2010 as a Case Manager. In her career prior, she spent 12 years in the Financial Industry at a prominent Fortune 500 annuities company. Then, when an opportunity took her family to Minot, North Dakota, she had to leave CPT, but gained 5 years of Human Resources expertise, first as Benefits Specialist at Trinity Health and then as a Benefits Coordinator at Food Management Investors, Inc. Upon returning to California in 2016, Carole rejoined CPT, providing a strong professional background to the team.

TARUS DANCY **Supervising Case Manager**

As a Supervising Case Manager at CPT Group, Tarus leads a team of Case Managers that oversee a breadth of cases, including Wage & Hour, pre-settlement Belaire, and Class Certification matters. With over a decade of experience in project management, Tarus brings a track record of guaranteeing projects are completed on schedule and in accordance with case specifications. In addition, his exceptional communication and leadership abilities support the continuity of the various projects he oversees. Tarus holds an M.B.A. in Project Management from the Florida Institute of Technology and a B.A. in Communications from the University of Memphis.

EXHIBITS

EXHIBIT 1. CPT'S INFORMATION SECURITY STATEMENT

EXHIBIT 2. CPT'S DATA AND SETTLEMENT FUND TRANSMISSION METHODS

EXHIBIT 1

INFORMATION SECURITY STATEMENT

Confidential



CPT Group, Inc. ("Company" or "CPT") maintains a comprehensive, written Information Security Program that complies with all applicable laws and regulations and is designed to (a) ensure the security, privacy and confidentiality of Class Member Information, (b) protect against any reasonably anticipated threats or hazards to the security or integrity of the Class Member Information, and (c) deny unauthorized access to, use, deletion, or modification of Class Member Information. As part of an ongoing effort, throughout its business CPT has implemented the following security controls and procedures:

- 1) Company uses Class Member Information only for the purposes for which Client provided it, as described in any Agreements and/or Court Order's governing the provisions of the Company's services on any particular engagement.
- 2) Company has designated one or more specifically named employees to be responsible for the administration of its Information Security Program.
- 3) Company has and maintains processes for identifying, assessing, and mitigating the risks to Class Member Information in each relevant area of the Company's operations and evaluating the effectiveness of the safeguards for controlling these risks.
- 4) Company utilizes an EDR that runs and analyzes daily Risk Assessment and Threat Intelligence scans on all company computer stations, servers and protected network subnets. These scans search for any software vulnerabilities along with data containing sensitive information ("SI").
- 5) All computers are provisioned with an advanced security stack. Company's Endpoint Protection centrally reports activity, handles patch management and security policies. Company's security stack is based on DNS and content filtering, deep packet inspection at the firewall level, antivirus/antimalware, email filtering and user behavior analysis. Each endpoint is monitored with modern Data Loss Prevention ("DLP") software. Company's DLP system prevents connection to unauthorized external storage, or cloud systems. It actively blocks screen prints and will not allow confidential user information to be sent out of our trusted network.
- 6) Login access to Company email or systems requires two factor authentication, which requires not only a password and username but also something physical, like user location, secure ID token or biometrics.
- 7) Company regularly monitors, tests and updates its Information Security Program.
- 8) Company restricts access to Class Member Information only to those employees, agents, or subcontractors who need to know the information to perform their jobs.
- 9) Company performs an annual audit of its Information Security Program and maintains compliance with **AICPA SOC 2 Type II**. This includes a review of the controls: vulnerability scans, secure software development life cycle, patch management, intrusion detection and prevention, encryption of storage media and devices. Company makes reasonable changes to its Information Security Program to ensure it can maintain safeguards that are appropriate for the Class Member Information at issue.
- 10) At Client's request, but only when and in a manner consistent with applicable Agreements and/or Court Orders, Company will securely destroy or return all Class Member Information in its possession and certify to Client in writing that Company has done so. If Company destroys Class Member Information rather than return it, Company will use destruction methods in compliance with all applicable state and federal laws and regulations, including NIST Special Publication 800-88, Revision 1 (2015). This obligation to return or destroy information shall not apply to Class Member Information that is stored in backup or other disaster recovery systems, archives or other storage systems that make it impractical to destroy the information, but if Company retains Class Member Information for these reasons, its obligation under the Settlement Agreement will continue to apply for so long as it retains the information. Additionally, the Company will retain all hard copy documents (i.e. Claim Forms, etc.) for a period of 6 months, at which time they are scanned and shredded on Company premises in compliance with NIST and SOC Cybersecurity Framework.
- 11) Company performs extensive background checks (County Criminal, County Civil and National Criminal Database Search) of all its employees, including a review of their references, employment edibility, and education verification to ensure they do not pose a risk to the security of Class Member Information or Clients employees. Company will provide, upon request, a copy of its background check requirements for Clients review and approval. Nothing in this document shall compel Company to disclose the results of such background information of its employees.

INFORMATION SECURITY STATEMENT

Confidential

12) Company conducts a monthly third-party credentialed vulnerability assessment with Trustwave. Vulnerabilities rated as high are patched/resolved within 48 hours, medium within 1 week, and low within 2 weeks. If a vulnerability cannot be resolved within our standard timeframe, a compensating control will be introduced to protect the vulnerable systems. To ensure Company receives timely information regarding new threats and vulnerabilities, Company subscribes to US-CERT notices as well as notices are received from Sonicwall and Crowdstrike. New threats are communicated to our executive and leadership team to disseminate to all employees within the company.

13) Company has implemented the following safeguards for systems that process, store or transmit Class Member Information:

- Identify and Access Management.
- Windows password complexity with a specific length, history, upper and lower characters, numbers, expiration every 45 days.
- Two-Factor authentication for remote access.
- Removable media devices, personal web-based email, instant message, or online storage (i.e. Dropbox, Google Drive, iCloud, etc.) are blocked and restricted.
- Company uses the Microsoft Office 365 to host corporate email.
- Company uses the HTTPS or SFTP standard for all data transmissions and ensures that all Client Data is encrypted while in transmission between Company's data center and the Company's computer system or other devices (as applicable) and at rest, consistent with SOC 2 Type II standard, but no less than a 128-bit key for symmetric encryption and a 1024-bit key for asymmetric encryption.
- Company requires its clients and self to transfer files with sensitive Class Member Information via a secure transmission protocol through Citrix Sharefile FTP which secures file during transfer with SSL/TFL encryption protocols and in storage using AES 256-bit encryption. Links to files expire after 7 days. Company requires all files transferred in this method to be password protected during transmission and password to be provided telephonically. Files are retrieved by Company, and then deleted manually upon successful download (or auto deleted after 7 days from upload by system).
- Upon hire and annually thereafter, security training of all employees using the online security training platform Knowbe4. Users are required to complete one hour of security training per year. Users are required to take tests online to ensure they've retained the knowledge. Topics covered are spear phishing emails, compromised website, social engineering, strong passwords, ransomware, handling sensitive information, mobile device security.
- Company actively tests security defenses. Staff participate in simulated phishing exercises to reinforce previous training. Company also conducts monthly external penetration tests and daily internal vulnerability scans to ensure the integrity of our security measures.
- Terminated employees are immediately prevented from accessing Class Member Information.
- Appropriately configured and updated firewall, antivirus, and spyware software;
- Separation of Duties.
- Business Continuity Planning.
- Disaster Recovery Planning.
- Pandemic Recovery Planning

14) Company's physical security requires that employees use an encoded card-key to gain access to the facility as all doors are mechanically locked at all times. Employees can only enter or exit through a front door or back door, both of which are protected by security cameras. Inside the facility, secure areas in the office that contain checks or sensitive material are also protected by electronic card-key badge access and limited to select employees. Security cameras monitor the areas that contain the sensitive material and audits are conducted periodically on the area. Access to the server room is strictly limited to only five individuals and protected by the encoded card-key badge access. Security cameras monitor the inside and outside of the secured area with audits being conducted periodically.

INFORMATION SECURITY STATEMENT

Confidential

15) Company staff are required to maintain in compliance with the Information Security Policies, Compliance Manual, and Non-Disclosure Agreement. The matters covered in the Code of Business Conduct and Ethics are of the utmost importance to the Company and are essential to the Company's ability to conduct its business in accordance with its stated values. We expect all officers, directors, employees, agents, contractors and consultants to adhere to these rules in carrying out their duties for the Company. The Company will take appropriate action against any officer, director, employee, agents, contractor or consultant whose actions are found to violate these policies or any other policies of the Company. Disciplinary actions may include immediate termination of employment or business relationship at the Company's sole discretion. If the Company has suffered a loss, then it may pursue its remedies against the individuals or entities responsible. If laws have been violated, then the Company will fully cooperate with the appropriate authorities.

Definitions

- 1) **"Class Member Information"** means Class Member name, address, or other contact information and class member claim filing information necessary for Company to perform services required by applicable Agreements or Court Orders in context to the Administration of a Settlement or other Class Action litigation.
- 2) **"Client"** means collectively Plaintiff Counsel and Defense Counsel, Plaintiff and Defendant.
- 3) **"Client Data"** means proprietary or personal data regarding Client or any of its Class Members under the Settlement Agreement, as provided by Client.
- 4) **"Company"** means CPT Group, Inc. a reputable third-party Claims Administrator selected by all the Parties (Plaintiff and Defense Counsel) to administer the Settlement or Notification Mailing.
- 5) **"Sensitive Personal Information"** means any non-public information of CPT or Client disclosed by either party to the other party, either directly or indirectly, in writing, orally or by inspection of tangible objects, or to which the other party may have access, which a reasonable person would consider confidential and/or which is marked "confidential" or "proprietary" or some similar designation by the disclosing party. Confidential Information shall not include any information which the recipient can establish: (i) was or has become generally known or available or is part of the public domain without direct or indirect fault, action, or omission of the recipient; (ii) was known by the recipient prior to the time of disclosure, according to the recipient's prior written documentation; (iii) was received by the recipient from a source other than the discloser, rightfully having possession of and the right to disclose such information; or (iv) was independently developed by the recipient, where such independent development has been documented by the recipient.



EXHIBIT 2

TRANSMISSION METHODS FOR SENSITIVE INFORMATION

CPT Group, Inc. ("CPT") maintains strict guidelines for the submission, transfer, and protection of Client Data and Wire Information.

A. CLIENT DATA TRANSMISSION METHODS

Counsel shall submit all Client Data to CPT as follows:

- 1.Link provided by CPT to secure FTP (sharefile) for transfer of data files.
- 2.All files uploaded should be password protected.
- 3.Password provided to CPT personnel telephonically.
- 4.Once files are uploaded to and retrieved, files are deleted (files set on autodelete after 7 days of upload).

Counsel agrees and acknowledges that the above method is the only method authorized by CPT to receive Client Data. Attempts to transmit Client Data by other means are customarily not accepted. In the event Counsel utilizes other means to transmit or attempt to transmit Client Data, CPT disclaims all responsibility for such transmissions or attempted transmissions.

B. BANK WIRE INFORMATION

Incoming from Defense Counsel to QSF.

CPT provides Qualified Settlement Fund bank account wire instructions to Defense Counsel as follows:

- 1.Wire instructions are printed in PDF format, are uploaded with password protection, and are made available to Defense Counsel via secure Sharefile.
- 2.CPT will call Defense Counsel directly and provide the password telephonically.
- 3.Defense Counsel is requested to then call CPT prior to wiring funds to confirm receipt of all applicable information.

Defense Counsel agrees and acknowledges that the above method is the only method authorized by CPT to communicate QSF wire instructions. CPT will decline attempts by Defense Counsel to receive such instructions by other means. In the event Defense Counsel utilizes other means to transmit or attempt to transmit wire instructions, CPT disclaims all responsibility and liability for such transmissions or attempted transmissions including without limitation for any unauthorized access, acquisition, destruction, or loss of such wire instructions.

Outgoing from QSF to Plaintiff Counsel.

- 1.CPT does not send passwords via email either internally or externally.
- 2.For wire instructions for Plaintiff Counsel, such instructions should be communicated to CPT either by phone or by secure Sharefile.
- 3.CPT will confirm wire information on file with the bank name and last four digits of the account number only.

Plaintiff Counsel agrees and acknowledges that the above method is the only method authorized by CPT to communicate wire instructions. CPT will decline attempts by Plaintiff Counsel to receive such instructions by other means. In the event Plaintiff Counsel utilizes other means to transmit or attempt to transmit wire instructions, CPT disclaims all responsibility and liability for such transmissions or attempted transmissions including without limitation for any unauthorized access, acquisition, destruction, or loss of such wire instructions.

EXHIBIT 3



Class Action Administrators

The Industry's Premier
Class Action Administrator



CPT Group is the Nation's premier Class Action Claims Administrator handling a broad spectrum of cases with value-added, single-source expertise, and premier service.

Putting CPT Group in place as your Administrator influences every element of the process thereafter. Rely on us to analyze, plan, and administrate with integrity, drawing from a broad base of administration experience with class action settlement and beyond.

Value Added Philosophy

CPT Group's cadre of experts understands how each piece of the administrative puzzle fits seamlessly into the big picture. Dynamic, capable, and service-centric our elite staff delivers peak productivity and value. The longevity of our Administrators, stringently tested Case Managers, and trusted Consultants merge to assure neutrality, attention to detail and quality for "true-number" proposals and no costly surprises.

Best In Class Service

From informed Case Managers who are your single point of contact, to secure in-house resources, we work as one to bring you superior service you can rely on. Count on us to be fully up to date, aware of all contingencies, and espond with speed and accuracy.

Capabilities

Selecting CPT Group is the first step in determining the outcome of your settlement. Multifaceted capabilities, the distinct advantage of experience, particularly in cross category settlements, require that all pieces are organized, positioned correctly and put into place.

One team. One purpose. We put you first.

Proprietary Technology and Superior Workflow

Without doubt, the security of settlement information is of the utmost importance.

AdminLink: Internal Case Information Access Management

Exclusive proprietary technology offers access to real time reports, response rates and more, 24/7. With AdminLink, our operations staff can access current case information in one single location, ensuring every CPT staff member involved in your case is up to date and has all the information they need at their fingertips.

Comprehensive Marketing

Our onsite print/mail house and web development team not only affords you greater value and tighter security, we assure full legal compliance in all materials and up to date information for all class members, thereby reducing demands on client time and resources.

Comprehensive Service

Pre-Settlement Consulting

Entrusting class action administration to CPT Group is the first step in the confident achievement of the goals of the lawsuit. Our full spectrum consultation services address every critical area of need, providing clear and actionable planning combined with cost-effective administration.

- Preliminary Approval Declarations
- Settlement Agreement Consultation
- Timelines
- Scheduling
- Statistical Reporting
- Notice Campaign Planning
- Neutral Third Party Administrator

Legal Notification

CPT Group is adept at third-party data hosting and communication services using proprietary technology across multiple platforms, including print, media and online. Clear-language

documents, translated according to class member needs, support and guide members through a seamless case rollout, regardless of scope or complexity.

- Pre-Certification/Belaire West/Privacy Mailing
- Class Certification Noticing
- Settlement Notification
- Formatting Legal Notices
- Electronic Notification email/website
- Translation Services
- In-House Production
- Expert Legal Noticing Campaigns
- In-House Translation Services

Data Management

Quality, accuracy, speed and security are the cornerstones of CPT's proprietary technology and data management systems. We developed our specialized data management, analysis and reporting tools to move the skillset up, innovate new and better solutions and create a superior workflow with complete and timely accountability and efficiency.

- Data Analysis
- Data Entry
- Data Management
- Secure Data Transfer
- Data Reporting

Class Member Assistance

Customer response and targeted outreach receive multilevel attention. We have a massive capacity to handle this all-important aspect of settlement administration. Our multilingual call center offers class members 1:1 responsiveness. Interactive Voice Response assures that class members receive the assistance and support they require. Our proprietary, case-specific call tracking system uses dedicated toll-free numbers, and highly trained



representatives to document and maintain an accurate class member history of interaction.

- Live Call Center Support (multilingual)
- Interactive Voice Response (IVR) capabilities
- Proprietary Call Tracking System

Claims Administration

At the heart of CPT's administrative capabilities is our ability to process claims accurately, efficiently and in full compliance. Our skilled approach to using technology and controlling management costs is the bedrock of our effectiveness. Regardless of class size or case intricacy, we address all aspects of administration to provide comprehensive and complete solutions.

- In-House Secure Data Processing
- Track & Process Undeliverable Mail
- Claims Processing (mail/online)
- Host & Maintain Case Websites
- Secure Claims Validation

Settlement Fund Administration

CPT's centralized fund distribution process manages fully audited and securely supervised accounts, handling all aspects of Federal and State tax filings and forms printing and distribution to all recipients.

- Secure Disbursement Processing

- Qualified Settlement Fund (QSF) Management (establish/maintain)
- Federal and Multi-State Tax Reporting (W2/1099)
- Physical Checks, ACH, eCheck, Merchant eGift Cards, Merchant Physical Gift Cards, and Prepaid Debit Cards Options
- Escheatment of Unclaimed Settlement Funds
- Cy Pres Distribution

Widespread Experience

- | | |
|----------------------------|-----------------------|
| • FLSA | • Government Services |
| • Wage & Hour | • Insurance |
| • Labor & Employment | • Securities |
| • PAGA | • Finance |
| • Consumer | • Antitrust |
| • Product Liability | • ERISA |
| • Data Breach Notification | |

Contact Us 800.542.0900

CPT Group, Inc. is not just part of the solution. It is the solution. Please allow us to answer your questions and discuss your immediate and future needs.

EXHIBIT B

CASE NAME: CORONA

Requesting Attorney: Eduardo Santos

Plaintiff or Defense: Plaintiff

Firm Name: Capstone Law, APC

Telephone: (310) 712-8018

Email: eduardo.santos@capstonelawyers.com

Date: April 9, 2025

Prepared By: Tim Phillips

50 Corporate Park, Irvine CA 92606

Tim@CPTGroup.com

Direct Number: (818) 415-2703

Main Number: (800) 542-0900

PROJECT ASSUMPTIONS & ADMINISTRATIVE COSTS

Class Size: 285	Undeliverable Mail Rate: 8%
Opt-Out Filing Rate: 1.5%	Payment Option: Check
No. of Checks Issued: 281	Unclaimed Funds: Redistribution
Language Translation Services: Yes	Postage Total: \$706.28
Settlement Website: Static Website	Grand Total: \$14,749.00
Notice Procedures: Mail	CPT'S DISCOUNTED FEE: \$7,450.00

The services and numbers reflected herein are estimates based on the information provided by counsel at the time of this Bid. If the actual services and numbers are different, our cost estimate will change accordingly. Client expressly acknowledges and agrees that estimated fees and costs may fluctuate and agrees to pay for any such increases to such estimates as if set forth herein.

The attached Terms and Conditions are included as part of and incorporated by reference to our cost proposal. By accepting our cost proposal for this matter, you are thereby agreeing to the Terms and Conditions.

CASE SETUP

After receiving the data, CPT will scrub all records to eliminate duplicates and anomalies; this process is designed to achieve a higher success percentage in delivering the Class Notice. Each Class Member will receive a unique mailing ID that will be utilized for all administrative purposes. If necessary, CPT will translate the court approved Notice documents and opt-out form into Spanish. The Settlement website will publish the full Notice and all relevant case documents for downloading.

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Project Manager: Case Intake & Review	\$95.00	2	\$190.00
Programming: Data Base Setup	\$150.00	2	\$300.00
Spanish Translation	\$1,200.00	1	\$1,200.00
Static Website	\$500.00	1	\$500.00
Sub Total:			\$2,190.00

DIRECT MAIL NOTIFICATION

CPT will perform an address update via NCOA and, if necessary, conduct an additional skip trace in order to ensure that mail is delivered to the most current address possible. A detailed notice and a one-page opt-out form will be mailed in English and Spanish.

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Project Manager: Format Documents	\$95.00	2	\$190.00
National Change of Address Search (NCOA)	\$135.00	1	\$135.00
XML Lex ID Skip Trace	\$0.85	29	\$24.65
Print & Mail Notice Packets	\$1.50	285	\$427.50
First-Class Postage (up to 2 oz.)*	\$0.97	285	\$276.45
Sub Total:			\$1,053.60

*Postage costs are subject to change at anytime. The final rate will be determined at the time of mailing.

PROCESS RETURNED UNDELIVERABLE MAIL

According to CPT's historical data, 8% of the notices are returned as undeliverable. Upon notification from USPS, CPT performs a skip trace to locate a current address. Typically, 70% of the undeliverable notice packets are eligible for remail with an updated address.

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Clerical Staff	\$60.00	1	\$60.00
Update Undeliverable Mail Database	\$0.50	23	\$11.50
Skip Trace for Best Address	\$1.00	20	\$20.00
Print & Remail Notice Packets	\$1.50	16	\$24.00
First-Class Postage (up to 2 oz.)	\$0.97	16	\$15.52
Sub Total:			\$131.02

OPT-OUT PROCESSING

CPT will thoroughly examine the submissions to identify and remove any duplicates, fraudulent responses, or otherwise invalid submissions. CPT will process and verify opt-outs, objections, and other responses submitted by class members. Deficient responses will be sent a follow-up notice, offering the class member a chance to cure.

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Programming: De-duplication/Scrubbing	\$150.00	2	\$300.00
Project Manager: Validate Opt-Outs	\$95.00	1	\$95.00
Clerical Staff	\$60.00	1	\$60.00
Opt-Out Processing	\$2.50	4	\$10.69
Print & Mail Deficiency/Dispute Notices	\$1.50	1	\$1.50
First-Class Postage (up to 1 oz.)	\$0.69	1	\$0.69
Review & Process Deficiency Responses	\$10.00	1	\$10.00
Sub Total:			\$477.88

CLASS MEMBER SUPPORT

CPT will establish a toll-free telephone number equipped with interactive voice response (IVR) capabilities and live customer support representatives. Live support will be available during regular business hours, Monday to Friday, 9:00 AM to 5:30 PM, Pacific Time (PT). The dedicated case phone number shall be operational for a maximum of 120 days following the disbursement.

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Toll-Free Number Establish/Setup	\$150.00	2	\$300.00
Live Call Center Support Reps.	\$2.50	29	\$72.50
Sub Total:			\$372.50

SSN VERIFICATION

Authenticate Social Security Number for validity using IRS verification processes and/or IRS backup withholdings processes.

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Programming: SSN Selection	\$150.00	1	\$150.00
Department Manager: Analysis & Reporting	\$95.00	3	\$285.00
IRS SSN Verification	\$0.10	281	\$28.07
Sub Total:			\$463.07

DISTRIBUTION SERVICES

CPT will establish a 26 CFR § 1.468B-1 compliant Qualified Settlement Fund (QSF). Upon Final Approval, CPT will perform the required settlement payment calculations, and once approved by the parties, CPT will issue a (MICR) check to all eligible claimants. CPT will also issue an IRS Form 1099 and/or IRS Form W2 when applicable. CPT utilizes the bank's Payee Positive Pay to prevent check fraud and performs monthly account reconciliations for the QSF bank account. Undeliverable checks are skip-traced to obtain a current address and are remailed accordingly. Requests for check reissues will be processed throughout the check cashing period. CPT's administration of the QSF will continue for a maximum duration of one year following the initial distribution of funds.

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Programming: Calculation Totals	\$150.00	3	\$450.00
Project Supervisor: Review of Distribution	\$150.00	3	\$450.00
Project Manager: Correspondence w/Parties	\$95.00	2	\$190.00
Programming: Setup & Printing of Checks	\$150.00	3	\$450.00
Obtain EIN, Setup QSF/Bank Account	\$150.00	3	\$450.00
Print & Mail Notice, Checks & W2/1099	\$2.50	281	\$701.81
First-Class Postage (up to 1 oz.)	\$0.69	281	\$193.70
Project Supervisor: Account Reconciliation	\$150.00	6	\$900.00
Update Undeliverable Checks Database	\$0.50	14	\$7.02
Skip Trace for Best Address	\$1.00	14	\$14.04
Remail Undeliverable Checks	\$2.50	13	\$32.50
First-Class Postage (up to 1 oz.)	\$0.69	13	\$8.97
Re-Issue Checks as Required	\$5.00	12	\$60.00
First-Class Postage (up to 1 oz.)	\$0.69	12	\$8.28
Sub Total:			\$3,916.32

REDISTRIBUTION SERVICES

Upon Final Approval, CPT will perform the required settlement payment calculations, and once approved by the parties, CPT will issue a (MICR) check to all eligible claimants. CPT will also issue an IRS Form 1099 and/or IRS Form W2 when applicable. CPT utilizes the bank's Payee Positive Pay to prevent check fraud and performs monthly account reconciliations for the QSF bank account. Undeliverable checks are skip-traced to obtain a current address and are remailed accordingly. Requests for check reissues will be processed throughout the check cashing period. CPT's administration of the QSF will continue for a maximum duration of one year following the initial distribution of funds.

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Programming: Calculation Totals	\$150.00	2	\$300.00
Project Supervisor: Review of Distribution	\$150.00	2	\$300.00
Project Manager: Correspondence w/Parties	\$95.00	2	\$190.00
Programming: Setup & Printing of Checks	\$150.00	3	\$450.00
Print & Mail Notice, Checks & W2/1099	\$2.50	281	\$701.81
First-Class Postage (up to 1 oz.)	\$0.69	281	\$193.70
Project Supervisor: Account Reconciliation	\$150.00	6	\$900.00
Update Undeliverable Checks Database	\$0.50	8	\$4.21
Skip Trace for Best Address	\$1.00	8	\$8.42
Remail Undeliverable Checks	\$2.50	7	\$17.50
First-Class Postage (up to 1 oz.)	\$0.69	7	\$4.83
Re-Issue Checks as Required	\$5.00	6	\$30.00
First-Class Postage (up to 1 oz.)	\$0.69	6	\$4.14
Sub Total:			\$3,104.62

TAX REPORTING & SETTLEMENT CONCLUSION

CPT prepares annual tax reporting on behalf of the QSF and Federal and State taxes in accordance with current state and federal regulations. All parties will be furnished with weekly and final reports. A declaration attesting to due process will be provided to all parties.

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Project Supervisor: Reconcile Uncashed Chk	\$150.00	1	\$150.00
Programming: Weekly & Final Reports	\$150.00	2	\$300.00
Project Supervisor: Final Declaration	\$150.00	2	\$300.00
Project Manager: Account Files Sent to Atty	\$95.00	2	\$190.00
CA Tax Preparation*	\$600.00	1	\$600.00
Annual Tax Reporting to IRS*	\$1,000.00	1	\$1,000.00
QSF Annual Tax Reporting	\$500.00	1	\$500.00
Sub Total:			\$3,040.00

*CPT will file Federal and California taxes in accordance with current state and federal regulations. Additional charges will apply if the Settlement/Order/parties require(s) multiple state tax filings.

Total Administration Costs:	\$14,749.00
Courtesy Discount:	-\$7,299.00
CPT'S DISCOUNTED FLAT FEE:	\$7,450.00

TERMS AND CONDITIONS

These Terms and Conditions (“**Terms and Conditions**”) are made a part of, and incorporated by reference into, any Bid presented by CPT Group, Inc. (“**CPT**”) to Client. Each of Client and CPT is a “**Party**” to this Agreement, and collectively, the “**Parties**”.

1. Definitions.

- a) “**Affiliate**” means a party that partially (at least 50%) or fully controls, is partially or fully controlled by, or is under partial (at least 50%) or full common control with another party.
 - b) “**Agreement**” means these Terms and Conditions and the Bid.
 - c) “**Applicable Laws**” means all applicable local, state and federal laws, ordinances, rules and regulations.
 - d) “**Approved Bank**” means any financial institution that is insured by the Federal Deposit Insurance Corporation.
 - e) “**Bid**” means a proposal, statement of work, order form, and/or schedule for Services (including any and all addendums, exhibits, or amendments thereto) provided by CPT to Client.
 - f) “**Case**” means the case referred to in the attached Bid and/or the particular judicial matter identified by the name of plaintiff(s) and defendant(s) on the caption of the applicable Court Order.
 - g) “**Class**” means Members and putative Members collectively.
 - h) “**Client**” means the party or parties engaging CPT for Services as set forth in the Bid, namely Plaintiff Counsel and/or Defense Counsel.
 - i) “**Confidential Information**” means any non-public information of CPT or Client disclosed by either Party to the other Party, either directly or indirectly, in writing, orally or by inspection of tangible objects, or to which the other Party may have access, which a reasonable person would consider confidential and/or which is marked “confidential” or “proprietary” or some similar designation by the disclosing Party. Confidential Information shall also include the terms of this Agreement, except where this Agreement specifically provides for disclosure of certain items. Confidential Information shall not, however, include the existence of the Agreement or any information which the recipient can establish: (i) was or has become generally known or available or is part of the public domain without direct or indirect fault, action, or omission of the recipient; (ii) was known by the recipient prior to the time of disclosure, according to the recipient’s prior written documentation; (iii) was received by the recipient from a source other than the discloser, rightfully having possession of and the right to disclose such information; or (iv) was independently developed by the recipient, where such independent development has been documented by the recipient.
 - j) “**Court Order**” means a legal command or direction issued by a court, judicial office, or applicable administrative body requiring one or more Parties To The Case to carry out a legal obligation pursuant to the Case.
 - k) “**Defendant**” means the named Party and/or Parties in the Case against whom action is brought.
 - l) “**Defense Counsel**” means the attorney(s) of record for the Defendant(s) in the Case.
 - m) “**Intellectual Property Right**” means any patent, copyright, trade or service mark, trade dress, trade name, database right, goodwill, logo, trade secret right, or any other intellectual property right or proprietary information right, in each case whether registered or unregistered, and whether arising in any jurisdiction, including without limitation all rights of registrations, applications, and renewals thereof and causes of action for infringement or misappropriation related to any of the foregoing.
 - n) “**Member**” means an individual who is eligible under the Case or Class to receive a communication about their pending legal rights under the matter and/or designated amount of the Settlement, including the named Plaintiff(s) in the Case and all other putative persons or other parties in the representative action so designated or addressed therein.
 - o) “**Member Content**” means all Member written document communications relating to the Case, including claim forms, opt-out forms, and/or objections, which may contain Member Data.
 - p) “**Member Data**” means proprietary or personal data regarding Members under this Agreement.
 - q) “**Parties To The Case**” shall mean collectively Defendant(s) and Plaintiff(s) as defined in the Settlement Agreement or Court Order.
 - r) “**Plaintiff**” means the named party and/or parties in the Case who are bringing the action.
 - s) “**Plaintiff Counsel**” means the attorney(s) of record for Plaintiff(s) in the Case, and/or upon certification by the Court the attorney(s) of record designated to represent the Class.
 - t) “**Products**” means any and all CPT Services and work product resulting from Services.
 - u) “**Qualified Settlement Fund**” or “**QSF**” means a bank account established pursuant to U.S. Department of Treasury Regulations §1468B-1.
 - v) “**Service**” means any service rendered by CPT specifically to Client, including, but not limited to: (i) notifications to Members; (ii) setting up a QSF with an Approved Bank; (iii) management of disbursement of funds from the QSF to applicable parties pursuant to the Settlement Agreement; (iv) provision of customer support relating to the Case; (v) management of Case claim forms and correspondence; and/or (vi) any administrative or consulting service.
 - w) “**Settlement Agreement**” means the contract between Parties To The Case to resolve the same, which specifies amounts to be disbursed from the Qualified Settlement Fund to attorneys, CPT, and individual Members.
 - x) “**Settlement Amount**” means the total dollar amount agreed to between Parties To The Case to resolve the Case to mutual satisfaction.
 - y) “**Software**” means any and all of CPT’s software applications, including, without limitation, all updates, revisions, bug-fixes, upgrades, and enhancements thereto.
 - z) “**Transmission Methods**” means the secure authorized manner to send Member Data and/or Wire Information as specified on a schedule or exhibit hereto.
 - aa) “**Term**” means the period commencing on the date set forth on the Bid and continuing until the date of final judgment (if a settlement) or upon completion of all Services as set forth in the Bid.
 - bb) “**Wire Information**” means instructions for (i) Defense Counsel to transfer funds from Defendant to the Qualified Settlement Fund or (ii) CPT to transfer funds from the Qualified Settlement Fund to applicable parties pursuant to the Settlement Agreement.
2. **Client Obligations.** Client will ensure that it has obtained all necessary consents and approvals for CPT to access and use Member Data for the purposes permitted under this Agreement and shall only transmit Member Data and/or Wire Information to CPT via the Transmission Methods. Client shall use and maintain appropriate administrative, technical, and physical safeguards designed to protect Member Data provided under this Agreement. Client further warrants that any Member Data, Wire Information, or other content, data, materials or information it transmits shall be free of viruses, worms, Trojan horses, or other harmful or disabling codes which could adversely affect Member Data and/or CPT. If Client is in breach of this section, CPT may suspend Services, in addition to any other rights and remedies CPT may have at law or in equity.
3. **CPT Obligations.** CPT will (i) maintain appropriate safeguards designed to protect Member Data, including regular back-ups, security and incident response protocols, and (ii) not access or disclose Member Data except (A) as compelled by law, (B) to prevent or address service or technical issues, (C) in accordance with this Agreement or the provisions of the Settlement Agreement, or (D) if otherwise permitted by Parties To The Case, Members, Plaintiff Counsel or Defense Counsel as applicable.
4. **Security.** Client and CPT shall each use reasonable administrative, technical, and physical safeguards that are reasonably designed to: (a) protect the security and confidentiality of any Member Data in its possession or control under this Agreement; (b) protect against any anticipated threats or hazards to the security or integrity of such Member Data; (c) protect against unauthorized access to or use of such Member Data that could result in substantial harm or inconvenience to any individual; and (d) protect against unauthorized access to or use of such Member Data in connection with its disposal.
- a) **Incident Notification.** In the event a Party discovers that Member Data relating to the Case is the subject of (i) any unauthorized acquisition, loss, access or use and/or (ii) an actual or suspected breach concerning such Party’s systems (items (i) and/or (ii) a “**Security Incident**”), or a Party has a reasonable belief that a Security Incident has occurred or is at risk of occurring, such Party will promptly but no later than forty-eight (48) hours of its discovery of such circumstances, inform the other Parties in the event of such Security Incident, and shall utilize best efforts to assist the other Parties to mitigate the effects of such Security Incident.
 - b) **Response Procedures.** In the event of a Security Incident, the breached party shall (i) cooperate with any reasonable investigation concerning the Security Incident by the other Parties, regulators and/or law enforcement; and (ii) cooperate with the other Parties to comply with Applicable Laws concerning such Security Incident, including any notification to affected individuals. The Parties acknowledge that the breached party in any Security Incident shall be the Party responsible for

- any and all remedies and costs under Applicable Laws concerning such Security Incident, unless such breach occurred due to another Party's actions hereunder, in which instance such party shall be comparatively responsible for all remedies and costs. In no event will any Party serve notice or otherwise publicize a Security Incident without the prior written consent of the other Parties. The Parties shall reasonably cooperate and coordinate with each other to respond to the Security Incident, including with regard to the content of notification to affected individuals.
6. **Qualified Settlement Fund Account.** When the Case has a Settlement Amount CPT shall be authorized to establish one or more QSF bank accounts at an Approved Bank if and as applicable to the Services as set forth in the Bid. The amounts held at the Approved Bank under this Agreement are at the sole risk of Defendant. Without limiting the generality of the foregoing, CPT shall have no responsibility or liability for any diminution of the funds that may result from the deposit thereof at the Approved Bank, including deposit losses, credit losses, or other claims made against the Approved Bank. It is acknowledged and agreed that CPT has acted reasonably and prudently in depositing funds at an Approved Bank, and CPT is not required to conduct diligence or make any further inquiries regarding such Approved Bank.
 7. **Fees and Payment.** Pricing for Services is as stated on the Bid, and Client agrees to pay CPT in the amounts set forth on the Bid. Client will be invoiced per the schedule set forth in the Bid, and payment of fees will be due within 30 days after the date of the invoice, except where the Bid or terms of the Settlement Agreement or Court Order expressly prescribes other payment dates. All fees set forth in a Bid are in U.S. dollars, must be paid in U.S. dollars, and are exclusive of taxes and applicable transaction processing fees. Late payments hereunder will incur a late charge of 1.5% per month (or the highest rate allowable by law, whichever is lower) on the outstanding balance from the date due until the date of actual payment, which such late charge(s) may be charged against the QSF account if incurred in connection with Services provided pursuant to administration of a settlement. In addition, Services are subject to suspension for failure to timely remit payment therefor. If travel is required to effect Services, Client shall reimburse CPT for pre-approved, reasonable expenses arising from and/or relating to such travel, including, but not limited to, airfare, lodging, meals, and ground transportation. In connection with CPT's administration of a QSF, unless otherwise stated in the Settlement Agreement or Court Order concerning disbursement of unclaimed funds in the QSF account, CPT reserves the right, after one (1) year of issuance of disbursements to Members, to classify any remaining balance in such QSF account as additional administrative fees payable to CPT until such time as the QSF account balance becomes zero (\$0.00), and thereafter close such account.
 8. **Term and Termination.**
 - a) **Term.** The Term is set forth in the Bid. The Agreement may be renewed by mutual written agreement of the parties.
 - b) **Termination for Cause.** Either Party may immediately terminate this Agreement if the other Party materially breaches its obligations hereunder, and, where capable of remedy, such breach has not been materially cured within forty-five (45) days of the breaching Party's receipt of written notice describing the breach in reasonable detail.
 - c) **Bankruptcy Events.** A Party may immediately terminate this Agreement if the other Party: (i) has a receiver appointed over it or over any part of its undertakings or assets; (ii) passes a resolution for winding up (other than for a bona fide scheme of solvent amalgamation or reconstruction), or a court of competent jurisdiction makes an order to that effect and such order is not discharged or stayed within ninety (90) days; or (iii) makes a general assignment for the benefit of its creditors.
 - d) **Effect of Termination.** Immediately following termination of this Agreement, upon written request, Member Data may be retrieved via the secure FTP site in the same format in which the Member Data was originally inputted into the Software, at no additional charge. Alternatively, Member Data can be returned in a mutually agreed format at a scope and price to be agreed upon. CPT will maintain a copy of Member Data and Member Content for no more than four (4) years following the date of the final check cashing deadline for Members under the Settlement Agreement, after which time any Member Data and Member Content not retrieved will be destroyed.
 - e) **Final Payment.** If Client terminates this Agreement due to Section "Termination", Client shall pay CPT all fees owed through the termination date. If CPT terminates the Agreement in accordance with Section "Termination," Client shall pay CPT all fees invoiced through the termination date, plus all fees remaining to be invoiced during the Term, less any costs CPT would have incurred had the Agreement not been terminated.
 9. **Confidentiality.** Each Party agrees: (i) not to disclose any Confidential Information to any third parties except as mandated by law and except to those subcontractors of CPT providing Products hereunder who agree to be bound by confidentiality obligations no less stringent than those set forth in this Agreement; (ii) not to use any Confidential Information for any purposes except carrying out such Party's rights and responsibilities under this Agreement; and (iii) to keep the Confidential Information confidential using the same degree of care such Party uses to protect its own confidential information; provided, however, that such Party shall use at least reasonable care. These obligations shall survive termination of this Agreement.
 - a) **Compelled Disclosure.** If receiving Party is compelled to disclose any Confidential Information by judicial or administrative process or by other requirements of law, such Party shall (i) promptly notify the other Party, (ii) reasonably cooperate with the other Party in such Party's efforts to prevent or limit such compelled disclosure and/or obtain confidential treatment of the items requested to be disclosed, and (iii) shall disclose only that portion of such information which each Party is advised by its counsel in writing is legally required to be disclosed.
 - b) **Remedies.** If either Party breaches any of its obligations with respect to confidentiality or the unauthorized use of Confidential Information hereunder, the other Party shall be entitled to seek equitable relief to protect its interest therein, including but not limited to, injunctive relief, as well as money damages.
 10. **Intellectual Property.** CPT retains all right, title and interest (including, without limitation, all Intellectual Property Rights) in and to the Products. CPT does not claim any ownership rights to Member Data.
 11. **Indemnification.** Client agrees to indemnify, defend, and hold harmless CPT, its Affiliates, and the respective officer, directors, consultants, employees, and agents of each (collectively, "**Covered CPT Parties**") from and against any and all third party claims and causes of action, as well as related losses, liabilities, judgments, awards, settlements, damages, expenses and costs (including reasonable attorney's fees and related court costs and expenses) (collectively, "**Damages**") incurred or suffered by CPT which directly relate to or directly arise out of (i) Client's breach of this Agreement; (ii) CPT's performance of Services hereunder; (iii) the processing and/or handling of any payment by CPT; (iv) any content, instructions, information or Member Data provided by Client to CPT in connection with the Services provided by CPT hereunder. The foregoing provisions of this section shall not apply to the extent the Damages relate to or arise out of CPT's willful misconduct. To obtain indemnification, indemnitee shall: (i) give written notice of any claim promptly to indemnitor; (ii) give indemnitor, at indemnitor's option, sole control of the defense and settlement of such claim, provided that indemnitor may not, without the prior consent of indemnitee (not to be unreasonably withheld), settle any claim unless it unconditionally releases indemnitee of all liability; (iii) provide to indemnitor all available information and assistance; and (iv) not take any action that might compromise or settle such claim.
 12. **Warranties.** Each Party represents and warrants to the other Party that, as of the date hereof: (i) it has full power and authority to execute and deliver the Agreement; (ii) the Agreement has been duly authorized and executed by an appropriate employee of such Party; (iii) the Agreement is a legally valid and binding obligation of such Party; and (iv) its execution, delivery and/or performance of the Agreement does not conflict with any agreement, understanding or document to which it is a party. CPT WARRANTS THAT ANY AND ALL SERVICES PROVIDED BY IT HEREUNDER SHALL BE PERFORMED IN A PROFESSIONAL MANNER CONSISTENT WITH PREVAILING INDUSTRY STANDARDS. TO THE EXTENT PERMITTED BY APPLICABLE LAW, CPT DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT AND ANY WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE OR TRADE PRACTICE
 13. **Liability.**
 - a) **Liability Cap.** EXCEPT FOR A PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, EACH PARTY'S MAXIMUM AGGREGATE LIABILITY ARISING OUT OF OR RELATING TO THIS AGREEMENT, REGARDLESS OF THE THEORY OF LIABILITY, WILL BE LIMITED TO THE TOTAL FEES PAID OR PAYABLE BY CLIENT AND/OR THE PARTIES TO THE CASE TO CPT HEREUNDER. THE EXISTENCE OF MORE THAN ONE CLAIM SHALL NOT EXPAND SUCH LIMIT. THE PARTIES ACKNOWLEDGE THAT THE FEES AGREED UPON BETWEEN CLIENT AND CPT ARE BASED IN PART ON THESE LIMITATIONS, AND THAT THESE LIMITATIONS WILL APPLY NOTWITHSTANDING ANY FAILURE OF ANY ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. THE FOREGOING LIMITATION SHALL NOT APPLY TO A PARTY'S PAYMENT OBLIGATIONS UNDER THE AGREEMENT.
 - b) **Exclusion of Consequential Damages.** NEITHER PARTY WILL BE LIABLE FOR LOST PROFITS, LOST REVENUE, LOST BUSINESS OPPORTUNITIES, LOSS OF DATA, INTERRUPTION OF BUSINESS, OR ANY OTHER INDIRECT, SPECIAL, PUNITIVE, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR RELATING TO THIS AGREEMENT, REGARDLESS OF THE THEORY OF LIABILITY, EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
 14. **Communications.** CPT may list Client's name and logo alongside CPT's other clients on the CPT website and in marketing materials, unless and until Client revokes such permission. CPT may also list the Case name and/or number, and

certain Qualified Settlement Fund information, on the CPT website and in marketing materials, unless stated otherwise in the Settlement Agreement.

15. Miscellaneous Provisions.

- a) Governing Law; Jurisdiction. This Agreement will be governed by and construed in accordance with the laws of the State of California and the federal laws of the United States of America, without regard to conflict of law principles. CPT and Client agree that any suit, action or proceeding arising out of, or with respect to, this Agreement or any judgment entered by any court in respect thereof shall be brought exclusively in the state or federal courts of the State of California located in the County of Orange, and each of CPT and Client hereby irrevocably accepts the exclusive personal jurisdiction and venue of those courts for the purpose of any suit, action or proceeding.
- b) Force Majeure. Neither Party will be liable for any failure or delay in its performance under this Agreement due to any cause beyond its reasonable control, including without limitation acts of war, acts of God, earthquake, flood, weather conditions, embargo, riot, epidemic, acts of terrorism, acts or omissions of vendors or suppliers, equipment failures, sabotage, labor shortage or dispute, governmental act, failure of the Internet or other acts beyond such Party's reasonable control, provided that the delayed Party: (i) gives the other Party prompt notice of such cause; and (ii) uses reasonable commercial efforts to correct promptly such failure or delay in performance.
- c) Counterparts. This Agreement may be executed in any number of counterparts and electronically, each of which shall be an original but all of which together shall constitute one and the same instrument.
- d) Entire Agreement. This Agreement contains the entire understanding of the parties in respect of its subject matter and supersedes all prior agreements and understandings (oral or written) between the Parties with respect to such subject matter. The schedules and exhibits hereto constitute a part hereof as though set forth in full herein.
- e) Modifications. Any modification, amendment, or addendum to this Agreement must be in writing and signed by the Parties.
- f) Assignment. Neither Party may assign this Agreement or any of its rights, obligations, or benefits hereunder, by operation of law or otherwise, without the other Party's prior written consent; provided, however, either Party, without the consent of the other Party, may assign this Agreement to an Affiliate or to a successor (whether direct or indirect, by operation of law, and/or by way of purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of such Party, where the responsibilities or obligations of the other Party are not increased by such assignment and the rights and remedies available to the other Party are not adversely affected by such assignment. Subject to that restriction, this Agreement will be binding on, inure to the benefit of, and be enforceable against the parties and their respective successors and permitted assigns.
- g) No Third-Party Beneficiaries. The representations, warranties, and other terms contained herein are for the sole benefit of the Parties hereto and their respective successors and permitted assigns and shall not be construed as conferring any rights on any other persons.
- h) Statistical Data. Without limiting the confidentiality rights and Intellectual Property Rights protections set forth in this Agreement, CPT has the perpetual right to use aggregated, anonymized, and statistical data ("**Statistical Data**") derived from the operation of the Software, and

nothing herein shall be construed as prohibiting CPT from utilizing the Statistical Data for business and/or operating purposes, provided that CPT does not share with any third-party Statistical Data which reveals the identity of Client, Client's Class Members, or Client's Confidential Information.

- i) Export Controls. Client understands that the use of CPT's Products is subject to U.S. export controls and trade and economic sanctions laws and agrees to comply with all such Applicable Laws, including the Export Administration Regulations maintained by the U.S. Department of Commerce and the trade and economic sanctions maintained by the Treasury Department's Office of Foreign Assets Control.
- j) Severability. If any provision of this Agreement is held by a court or arbitrator of competent jurisdiction to be contrary to law, such provision shall be changed by the court or by the arbitrator and interpreted so as to best accomplish the objectives of the original provision to the fullest extent allowed by law, and the remaining provisions of this Agreement shall remain in full force and effect.
- k) Notices. Any notice or communication required or permitted to be given hereunder may be delivered by hand, deposited with an overnight courier, sent by electronic delivery, or mailed by registered or certified mail, return receipt requested and postage prepaid to the address for the other Party as set forth on the Bid or at such other address as may hereafter be furnished in writing by either Party hereto to the other Party. Such notice will be deemed to have been given as of the date it is delivered, if by personal delivery; the next business day, if deposited with an overnight courier; upon receipt of confirmation of electronic delivery (if followed up by such registered or certified mail); and five days after being so mailed.
- l) Independent Contractors. Client and CPT are independent contractors, and nothing in this Agreement shall create any partnership, joint venture, agency, franchise, sales representative or employment relationship between Client and CPT. Each Party understands that it does not have authority to make or accept any offers or make any representations on behalf of the other. Neither Party may make any statement that would contradict anything in this section.
- m) Subcontractors. CPT may use subcontractors to perform Client-specific Services; provided however, that CPT shall be responsible for its subcontractors' performance of Services under this Agreement.
- n) Headings. The headings of the sections of this Agreement are for convenience only, do not form a part hereof, and in no way limit, define, describe, modify, interpret, or construe its meaning, scope or intent.
- o) Waiver. No failure or delay on the part of either Party in exercising any right, power or remedy under this Agreement shall operate as a waiver, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise or the exercise of any other right, power, or remedy.
- p) Acceptance. If, when requested in writing by Client, CPT then provides any Service to Client, whether or not such Services were specified in the original Bid, these Terms and Conditions shall apply to the provision of such Services and be deemed accepted and approved by Client concerning such Services.
- q) Survival. Sections of the Agreement intended by their nature and content to survive termination of the Agreement shall so survive.

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3 Helga Hakimi (SBN 257381)
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5 Los Angeles, California 90067
Telephone: (310) 556-4811
6 Facsimile: (310) 943-0396

7 Attorneys for Plaintiff Luis Corona

8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

9 **FOR THE COUNTY OF RIVERSIDE**

10 LUIS CORONA, individually, and on behalf of
11 other members of the general public similarly
situated,

12 Plaintiff,

13 vs.

14 S. P. RICHARDS COMPANY, doing business
in California as, GEORGIA S.P. RICHARDS
15 COMPANY, a Georgia corporation; and DOES
1 through 10, inclusive,

16 Defendants.
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Case No. CVRI2401430

Assigned to the Hon. Harold W. Hopp

RESERVATION NO. 172241745083

**DECLARATION OF ADAM REED ON
BEHALF OF RIVERSIDE LEGAL AID**

Date: July 10, 2025

Time: 8:30 a.m.

Place: Department 1

Complaint Filed: March 15, 2024

Trial Date: None Set

DECLARATION OF ADAM REED

I, Adam Reed, hereby declare as follows:

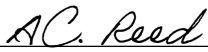
1. I am an attorney at law licensed to practice before the courts of the State of California, and the Executive Director of Public Service Law Corporation (“PSLC”), doing business as Riverside Legal Aid.
2. PSLC was established in 1982 as a Section 501(c)(3) nonprofit charitable corporation by the Riverside County Bar Association and has operated continuously as such since then. Its mission was, and continues to be, to provide pro bono legal services to indigent residents of Riverside County.
3. In 2012, PSLC began doing business as Riverside Legal Aid.
4. We have offices in Riverside and Indio and offer additional self-help services in the in the United States Bankruptcy Court for the Central District of California, Eastern (Riverside) Division.
5. Riverside Legal Aid provides civil legal services to indigent residents of Riverside County and indigent non-residents who have cases pending in the Riverside County Superior Court in the following areas:
 - Family law, including but not limited to dissolution, support, custody, paternity.
 - domestic violence and elder abuse restraining orders.
 - Guardianships
 - Conservatorships
 - Unlawful Detainer defense
 - Consumer debt collection and other civil matters
 - Bankruptcy self-help
 - Federal civil self-help
6. The clients served by Riverside Legal Aid are “indigent,” as defined in California Business & Professions Code, Section 6213(d). Most have incomes below 200% of the federal poverty level.
7. Riverside Legal Aid’s funding comes from the California State Bar IOLTA program, Equal Access Funds of the California Justice Gap program, State Bar Homelessness Prevention, the Attorney Admissions Fund of the United States

1 District Court for the Central District of California, the American College of
2 Bankruptcy Foundation, Inland Empire Chapter of the Federal Bar Association, and
3 private individual donations.

4 8. Over the past several years Riverside Legal Aid has developed and
5 implemented a bankruptcy and federal civil self-help clinic located in the bankruptcy
6 court in Riverside, implemented a satellite bankruptcy self-help clinic located in the
7 Cathedral City public library, implemented a program of monthly public probate
8 accounting workshops in Riverside and in the Coachella Valley, and greatly
9 expanded the services we offer in the Coachella Valley.

10 9. Any unpaid residue Riverside Legal Aid receives, in this case, will be
11 used to continue providing and expanding civil legal services to the indigent.

12 I declare under penalty of perjury under the laws of the State of California that I have
13 personal knowledge of the foregoing, that it is true and correct, and that this declaration
14 is executed at Riverside, California, on June 4, 2025.

15 
16 Adam C. Reed, Declarant

1 Raul Perez (SBN 174687)
Raul.Perez@capstonelawyers.com
2 Orlando Villalba (SBN 232165)
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7 Attorneys for Plaintiff Luis Corona

8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

9 **FOR THE COUNTY OF RIVERSIDE**

10 LUIS CORONA, individually, and on behalf of
11 other members of the general public similarly
situated,

12 Plaintiff,

13 vs.

14 S. P. RICHARDS COMPANY, doing business
in California as, GEORGIA S.P. RICHARDS
COMPANY, a Georgia corporation; and DOES
15 1 through 10, inclusive,

16 Defendants.

Case No. CVRI2401430

Assigned to the Hon. Harold W. Hopp

RESERVATION NO. 172241745083

**[PROPOSED] ORDER GRANTING MOTION
FOR PRELIMINARY APPROVAL OF
CLASS ACTION AND PAGA SETTLEMENT**

Date: July 10, 2025

Time: 8:30 a.m.

Place: Department 1

Complaint Filed: March 15, 2024

Trial Date: None Set

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1 conform the pleadings with the scope of the Released Class Claims and Released PAGA Claims.
2 Defendant will not be required to file an answer or other responsive pleading to the SAC. If, for any
3 reason, the Court does not approve of the Settlement, or if the Settlement does not become final for any
4 reason, then the SAC will be deemed withdrawn and the First Amended Complaint will again become
5 the operative complaint without prejudice to Plaintiff's right to seek leave to file another amended
6 complaint and without prejudice to Defendant's rights to object and/or challenge the First Amended
7 Complaint or an other amended pleading. Defendant does not impliedly or expressly waive any
8 arguments or defenses to the First Amended Complaint or SAC or other amended pleading.

9 8. The rights of any potential dissenters to the proposed Settlement are adequately
10 protected in that they may exclude themselves from the Settlement and proceed with any alleged claims
11 they may have against Defendant, or they may object to the Settlement and appear before this Court.
12 However, to do so they must follow the procedures outlined in the Settlement Agreement and Notice of
13 Class Action Settlement.

14 9. The Court approves, as to form and content, the proposed Notice of Class Action
15 Settlement ("Class Notice"), Request for Exclusion Form, and Objection Form, attached at **Exhibits 1-3**.

16 10. The Settlement Administrator is ordered to authenticate any Request for Exclusion
17 Forms or Objection Forms received.

18 11. The Court directs the mailing, by First-Class U.S. mail, of the Class Notices to Class
19 Members in accordance with the schedule set forth below and the other procedures described in the
20 Settlement Agreement. The Court finds that the method selected for communicating the preliminary
21 approval of the Settlement Agreement to Class Members is the best notice practicable under the
22 circumstances, constitutes due and sufficient notice to all persons entitled to notice, and thereby satisfies
23 due process.

24 12. The Court appoints Plaintiff Luis Corona as the representative for the Settlement Class
25 conditionally certified by this Order.

26 13. The Court appoints Capstone Law APC as Class Counsel. The Court finds that counsel
27 have demonstrable experience litigating, certifying, and settling class actions, and will serve as adequate
28 counsel for the Class conditionally certified by this Order.

14. The Court approves and appoints CPT Group, Inc. as the Settlement Administrator.

15. The following dates shall govern for purposes of this Settlement:

Date	Event
July 30, 2025 (or not later than 20 calendar days after the Court grants preliminary approval of the Settlement Agreement, if later)	Last day for Defendant to produce the Class List to the Settlement Administrator.
August 11, 2025 (or not later than 10 calendar days after Defendant produces the Class List, if later)	Last day for the Settlement Administrator to mail Class Notices to all Class Members.
September 25, 2025 (or not later than 45 calendar days after the Settlement Administrator mails the Class Notices, if later)	Last day for Class Members to submit Requests for Exclusion or Objections to the Settlement.
October 17, 2025	Last day for Plaintiff to file and serve the: (1) Motion for Final Approval of Class Action Settlement and (2) Motion for Attorneys' Fees, Costs, and a Class Representative Enhancement Payment.
November 10, 2025 at 8:30 a.m.	Hearing on the: (1) Motion for Final Approval of Class Action Settlement and (2) Motion for Attorneys' Fees, Costs, and a Class Representative Enhancement Payment.

16. The Court expressly reserves the right to reschedule the Final Approval Hearing. The Settlement Administrator is ordered to notify any objecting party if the Final Approval Hearing is rescheduled.

IT IS SO ORDERED.

Dated: _____

Hon. Harold W. Hopp
Riverside County Superior Court Judge

EXHIBIT 1

Corona v. S. P. Richards Company, No. CVRI2401430
SUPERIOR COURT OF THE STATE OF CALIFORNIA, FOR THE COUNTY OF RIVERSIDE
NOTICE OF CLASS ACTION SETTLEMENT

You are not being sued. This notice affects your rights. Please read it carefully

Si desea una traducción al Español de este Aviso, por favor llame al administrador al ***--*******

To: All persons who worked for Defendant S.P. Richards Company (“Defendant”) as non-exempt, hourly paid employees in the State of California at any time from March 15, 2020 through March 9, 2025 (“Class Members”).

All persons who worked for Defendant as non-exempt, hourly paid employees in the State of California at any time from March 15, 2023 through March 9, 2025 (“PAGA Members”).

On _____, the Honorable Harold W. Hopp of the Riverside County Superior Court granted preliminary approval of the Joint Stipulation of Class Action and PAGA Settlement and Release (attached as Exhibit 1 to the Declaration of Raul Perez filed on June 16, 2025) and ordered the litigants to notify all Class Members of the settlement. The Court has only determined that there is evidence suggesting that the settlement is fair, adequate, and reasonable but that any final determination will be made at the Final Approval Hearing.

You have received this notice because Defendant’s records indicate that you are a Class Member, and therefore entitled to a payment from the settlement.

Unless you choose to opt out of the settlement by following the procedures described below, you will be deemed a Class Member and, if the Court grants final approval of the settlement, you will be mailed a check for your share of the settlement fund. The Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at ____:00 __.m. on _____, 2025 in Department 1 of the Riverside County Superior Court located at 4050 Main Street, Riverside, California 92501.

Please also note that the Final Approval Hearing may be rescheduled by the Court to another date and/or time. Please visit [settlement website] for any scheduling changes.

If you move, you must send the Settlement Administrator your new address; otherwise, you may never receive your settlement payment. It is your responsibility to keep a current address on file with the Settlement Administrator.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don’t Have to Do Anything to Participate in the Settlement	If you do nothing, you will be deemed a “Participating Class Member,” and will be eligible for a payment from the Net Settlement Fund and, if you are also a PAGA Member, the PAGA Fund. In exchange, you will be bound by the terms of the proposed Settlement and give up your right to assert wage and hour claims, rights, demands, liabilities, causes of action and relief asserted in the Action against Defendant or which reasonably could have been asserted by reason of, or on connection with, any matter or fact set forth or referred to in the Action and ascertained in the course of the Action during the Class Period.
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Questions? Contact the Settlement Administrator toll free at 1-*-***-******

You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is [DATE]	If you don't want to participate in the proposed class settlement, you can opt-out of the class settlement by sending the Settlement Administrator a written Request for Exclusion. Once excluded, you will no longer be eligible for a payment from the Net Settlement Fund and will not be bound by the terms of the proposed class settlement. You cannot opt-out of the PAGA portion of the proposed Settlement. PAGA Members remain eligible to receive a payment from the PAGA Fund and will be bound to the PAGA Settlement regardless of whether they opt out of the class settlement.
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by [DATE]	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed class settlement.
You Can Participate in the [DATE] Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on [DATE] in Department 1 of the Riverside County Superior Court located at 4050 Main Street, Riverside, California 92501. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. If the Court grants final approval of the Settlement despite your objection, you will receive a payment from the Net Settlement Fund and you will be bound by the terms of the Settlement and Release.

Summary of the Litigation

Plaintiff Luis Corona, on his behalf and on behalf of other current and former non-exempt employees, alleges that Defendant violated California state labor laws as a result of its alleged failure to, among other things: (1) pay minimum and overtime wages to employees for all hours worked; (2) provide employees with compliant meal and rest breaks; (3) timely pay all wages owed to employees during each pay period and upon termination of their employment; (4) provide employees with accurate, itemized wage statements and maintain records; (5) pay vested vacation time; (6) reimburse business expenses; (7) engage in lawful and fair business practices; and (8) pay sick pay at the proper rate.

After the exchange of relevant information and evidence, the parties agreed to enter into settlement negotiations in an attempt to informally resolve the claims in the case. On December 20, 2024, the parties participated in a mediation with Steven Serratore, Esq., an experienced and well-respected class action mediator. With Mr. Serratore's guidance, the parties were able to negotiate a complete settlement of Plaintiff's claims.

Counsel for Plaintiff, and the attorneys appointed by the Court to represent the class, Capstone Law APC ("Class Counsel"), have investigated and researched the facts and circumstances underlying the issues raised in the case and the applicable law. While Class Counsel believe that the claims alleged in this lawsuit have merit, Class Counsel also recognize that the risk and expense of continued litigation justify settlement. Based on the foregoing, Class Counsel believe the proposed settlement is fair, adequate, reasonable, and in the best interests of Class Members.

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

Defendant has denied, and continues to deny the factual and legal allegations in the case and believes that it has valid defenses to Plaintiff's claims. By agreeing to settle, Defendant is not admitting liability on any of the factual allegations or claims in the case or that the case can or should proceed as a class action or representative action. Defendant has agreed to settle the case as part of a compromise with Plaintiff.

Summary of The Proposed Settlement Terms

Plaintiff and Defendant have agreed to settle the underlying class claims in exchange for a Gross Settlement Amount of \$375,000. This amount is inclusive of: (1) individual settlement payments to all Participating Class Members; (2) a Class Representative Enhancement Payment of \$10,000 to Luis Corona for his services on behalf of the class, and for a release of all claims arising out of his employment with Defendant; (3) \$125,000 in attorneys' fees and up to \$30,000 in litigation costs and expenses; (4) a \$20,000 settlement of claims under the Labor Code Private Attorneys General Act of 2004 ("PAGA"), inclusive of a \$15,000 payment to the California Labor and Workforce Development Agency ("LWDA") in connection with the PAGA, and a \$5,000 payment ("PAGA Fund") to all PAGA Members; and (5) reasonable Settlement Administrator's fees and expenses currently estimated at \$_. After deducting the above payments, a total of approximately \$_ will be allocated to Class Members who do not opt out of the Settlement Class ("Net Settlement Fund"). Additionally, all PAGA Members will receive a proportional share of the \$5,000 PAGA Fund, regardless whether they opt out of the Settlement Class.

Payments from Net Settlement Fund. Defendant will calculate the total number of Workweeks worked by each Class Member from March 15, 2020 through March 9, 2025 ("Class Period") and the aggregate total number of Workweeks worked by all Class Members during the Class Period. To determine each Class Member's estimated share of the Net Settlement Fund, the Settlement Administrator will use the following formula: The Net Settlement Fund will be divided by the aggregate total number of Workweeks during the Class Period, resulting in the "Workweek Value." Each Class Member's share of the Net Settlement Fund will be calculated by multiplying each individual Class Member's total number of Workweeks by the Workweek Value. The Individual Settlement Payment will be reduced by any required deductions for each Class Members as specifically set forth herein, including employee-side tax withholdings or deductions. If there are any valid and timely Requests for Exclusion, the Settlement Administrator shall proportionately increase each Participating Class Member's share of the Net Settlement Fund according to the number of Workweeks worked, so that the amount actually distributed to the Settlement Class equals 100% of the Net Settlement Fund.

According to Defendant's records, you worked during the Class Period in a non-exempt position for a total of ____ Workweeks. Accordingly, your estimated payment from the Net Settlement Fund is approximately \$_____.

Payments from PAGA Fund. Defendant will calculate the total number of Workweeks worked by each PAGA Member from March 15, 2023 through March 9, 2025 ("PAGA Period") and the aggregate total number of Workweeks worked by all PAGA Members during the PAGA Period. To determine each PAGA Member's estimated share of the PAGA Fund, the Settlement Administrator will use the following formula: The PAGA Fund will be divided by the aggregate total number of Workweeks during the PAGA Period, resulting in the "PAGA Workweek Value." Each PAGA Member's share of the PAGA Fund will be calculated by multiplying each individual PAGA Member's total number of Workweeks by the PAGA Workweek Value. A Request for Exclusion does not exclude a PAGA Member from the release of claims under California Labor Code §§ 2698, *et seq.* and the PAGA Member will receive their portion of the PAGA fund even if he/she/they submits a valid Request for Exclusion.

According to Defendant's records, you worked during the PAGA Period in a non-exempt position for a total of ____ Workweeks. Accordingly, your estimated payment from the PAGA Fund is approximately \$_____.

Your Estimated Payment: Based on the above, your estimated payment from the settlement is approximately \$_____. If you believe the Workweek information provided above is incorrect, please contact the Settlement Administrator to

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

dispute the calculation. You must attach all documentation in support of your dispute (such as check stubs, W2s, or letters from HR). All disputes must be postmarked or faxed on or before [insert date of Response Deadline] and must be sent to:

Settlement Administrator

c/o _____

Fax No. _____

If you dispute the information stated above, Defendant's records will control unless you are able to provide documentation that establishes otherwise.

Taxes on Settlement Payments. IRS Forms W-2 and 1099 will be distributed to participating Class Members and the appropriate taxing authorities reflecting the payments they receive under the settlement. Class Members should consult their tax advisors concerning the tax consequences of the payments they receive under the Settlement. For purposes of this settlement, 20% of each settlement payment will be allocated as wages for which IRS Forms W-2 will be issued, and 80% will be allocated as non-wages for which IRS Forms 1099-MISC will be issued. Payments issued to PAGA Members from the PAGA Fund will be treated as non-wages for which IRS Forms 1099-MISC will be issued.

Your Options Under the Settlement

Option 1 – Automatically Receive a Payment from the Settlement

If want to receive your payment from the settlement, then no further action is required on your part. You will automatically receive your settlement payment from the Settlement Administrator if and when the Settlement receives final approval by the Court.

If you choose **Option 1**, and if the Court grants final approval of the settlement, you will be mailed a check for your share of the settlement funds. In addition, on the date on which Defendant fully funds the Gross Settlement Amount, you will be deemed to have released or waived the Released Class Claims during the Class Period:

Released Class Claims: All claims, rights, demands, liabilities, causes of action and relief asserted in the Action (including any amended complaint), or which reasonably could have been asserted by reason of, or in connection with, any matter or fact set forth or referred to in the Action (including any amended complaint) and ascertained in the course of the Action (including any amended complaint), including, but not limited to, statutory, constitutional, tort, common law, and/or contract claims and associated relief related to alleged failure to pay wages for off-the-clock work, failure to pay minimum wage, failure to incorporate all compensation, including shift differential pay, incentive pay, nondiscretionary bonuses, and/or other forms of remuneration, into the calculation of the regular rate of pay, failure to properly calculate the regular rate of pay and/or to pay overtime for overtime hours worked, failure to pay meal and/or rest break premium pay, failure to timely pay all wages owed (including but not limited to overtime wages, minimum wages, meal and rest period premiums, and/or vested vacation wages) during employment or on termination of employment, failure to reimburse business expenses and for passing off the cost of doing business and operating costs/expenses onto employees, failure to provide meal periods, failure to authorize and permit rest breaks, improper reimbursement practices, failure to provide accurate itemized wage statements, failure to keep accurate payroll records of hours worked, failure to provide written notice of all material terms of employment, failure to properly calculate paid sick leave and failure to timely pay all wages owed during employment (including but not limited to overtime wages, minimum wages, and/or meal and rest period premiums). This release expressly includes, without limitation, all such claims arising under Labor Code §§ 201, 202, 203, 204, 210, 226, 226(a), 226(e), 226(h), 226.3, 226.7, 227.3, 245.5, 246, 246.5, 247, 247.5, 248.5, 249, 256, 510, 512(a), 516, 558, 558(a), 558(c), 1021.5, 1174(d), 1174.5, 1182.12, 1194, 1194(a), 1194.2, 1197, 1197.1, 1198, 1198.5, 2802, 2810, 2810.5, Business & Professions Code §§ 17200 *et seq.*,

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

California Code of Regulations Title 8, § 11000 *et seq.*, 29 U.S.C. § 211(c), and all other state and local wage/hour and wage payment laws, including wage orders (including, but not limited to, IWC wage order nos. 1, 4, 7, 9 and 17), and common law theories against the Released Parties up to and including March 9, 2025.

Additionally, Plaintiff will release on behalf of the LWDA and all PAGA Members all Released PAGA Claims during the PAGA Period:

Released PAGA Claims: All claims and relief for civil penalties under California Labor Code §§ 2698, *et seq.*, that were asserted or could reasonably have been asserted based on any matter or fact set forth or referred to in Plaintiff's Second Amended Complaint and Plaintiff's LWDA letter and ascertained in the course of this Action including, but not limited to claims related to alleged failure to pay wages for off-the-clock work, failure to pay minimum wage, failure to incorporate all compensation, including shift differential pay, incentive pay, nondiscretionary bonuses, and/or other forms of remuneration, into the calculation of the regular rate of pay, failure to properly calculate the regular rate of pay and/or to pay overtime for overtime hours worked, failure to pay meal and/or rest break premium pay, failure to timely pay all wages owed (including but not limited to overtime wages, minimum wages, meal and rest period premiums, and/or vested vacation wages) during employment or on termination of employment, failure to reimburse business expenses and for passing off the cost of doing business and operating costs/expenses onto employees, failure to provide meal periods, failure to authorize and permit rest breaks, improper reimbursement practices, failure to provide accurate itemized wage statements, failure to keep accurate payroll records of hours worked, failure to provide written notice of all material terms of employment, failure to properly calculate paid sick leave and failure to timely pay all wages owed during employment (including but not limited to overtime wages, minimum wages, and/or meal and rest period premiums). This release expressly includes, without limitation, all such claims arising under Labor Code §§ 201, 202, 203, 204, 210, 226, 226(a), 226(e), 226(h), 226.3, 226.7, 227.3, 245.5, 246, 246.5, 247, 247.5, 248.5, 249, 256, 510, 512(a), 516, 558, 558(a), 558(c), 1021.5, 1174(d), 1174.5, 1182.12, 1194, 1194(a), 1194.2, 1197, 1197.1, 1198, 1198.5, 2802, 2810.5 and §§ 2698 *et seq.* (Private Attorneys General Act). and IWC wage order nos. 1, 4, 7, 9 and 17 and California Code of Regulations Title 8, §§ 11000 *et seq.* based on the preceding claims and relief for civil penalties under California Labor Code §§ 2698, *et seq.*, that were asserted or could reasonably have been asserted based on any matter or fact set forth or referred to in Plaintiff's Second Amended Complaint and Plaintiff's LWDA letter and ascertained in the course of this Action as further detailed herein.

Option 2 – Opt Out of the Settlement

If you do not wish to participate in the settlement, you may exclude yourself from participating by submitting the enclosed Request for Exclusion form. The Request for Exclusion must be postmarked no later than _____, 2025. If you submit a Request for Exclusion which is not postmarked by _____, 2025, your Request for Exclusion will be rejected, and you will be included in the settlement class.

If you choose **Option 2**, you will no longer be a Class Member, and you will:

- Not Receive a Payment from the Net Settlement Fund.
- Not release the Released Class Claims.
- If you are a PAGA Member, you will still be bound by the PAGA settlement, and will receive a payment from the PAGA Fund.

Option 3 – Object to the Settlement

If you want to object to the settlement because you find it unfair or unreasonable, you may submit a written objection stating why you object to the settlement, or you may instead appear at the Final Fairness Hearing to object to the Settlement. Written objections can be submitted via the enclosed form. The objection must be mailed to the administrator at [administrator's address].

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

All written objections must be received by the administrator by not later than _____ 2025. By submitting an objection, you are not excluding yourself from the settlement. To exclude yourself from the settlement, you must follow the directions described above. Please note that you cannot both object to the settlement and exclude yourself. You must choose one option only.

You may also, if you wish, appear at the Final Fairness Hearing set for _____ at _____ a.m./p.m. in the Superior Court of the State of California, for the County of Riverside and discuss your objection with the Court and the Parties at your own expense. You may also retain an attorney to represent you at the hearing.

If you choose **Option 3**, you will still be entitled to the money from the settlement. If the Court overrules your objection, you will be deemed to have released the Released Class Claims.

Additional Information

This Notice of Class Action Settlement is only a summary of the case and the settlement. For a more detailed statement of the matters involved in the case and the settlement, you may refer to the pleadings, the settlement agreement, and other papers filed in the case. All inquiries by Class Members regarding this Class Notice and/or the settlement should be directed to the Settlement Administrator or Class Counsel.

Raul Perez
Capstone Law APC
1875 Century Park E., Suite 1000
Los Angeles, CA 90067
Phone: 1 (877) 495-1081

PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE, DEFENDANT'S ATTORNEYS WITH INQUIRIES.

EXHIBIT 2

REQUEST FOR EXCLUSION

COMPLETE THIS FORM ONLY IF YOU WISH TO EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS.

YOU MUST POSTMARK THIS FORM TO THE SETTLEMENT ADMINISTRATOR NO LATER THAN **[DEADLINE]**.

**THIS MUST BE MAILED TO:
CPT GROUP, INC., THE SETTLEMENT ADMINISTRATOR
50 Corporate Park, Irvine, CA 92606**

IF YOU EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS, YOU **WILL NOT RECEIVE** YOUR PAYMENT FROM THE CLASS SETTLEMENT, BUT IF YOU ARE A PAGA MEMBER, YOU WILL STILL RECEIVE YOUR PAYMENT FROM THE PAGA FUND.

I _____ request to be excluded from the Settlement Class in the matter of *Corona v. S. P. Richards Company*, Case No. CVRI2401430 (Riverside County Superior Court). I understand that by submitting this Request for Exclusion, I will no longer be eligible for a payment from the class settlement.

Sign your name here

Print your name here

Address

Telephone

EXHIBIT 3

OBJECTION FORM

COMPLETE THIS FORM ONLY IF YOU WISH TO OBJECT TO THE SETTLEMENT.

YOU MUST POSTMARK THIS FORM TO THE SETTLEMENT ADMINISTRATOR NO LATER THAN [**DEADLINE**].

**MAIL OR FAX TO: CPT GROUP, INC., THE SETTLEMENT ADMINISTRATOR
50 Corporate Park, Irvine, CA 92606**

NOTE: If you submit an objection to the settlement, your objection will become a part of the public record and will be available for the public to review.

Please provide the following information for the public record:

Name: _____

Address: _____

Telephone: _____

Signature: _____

I OBJECT TO THE SETTLEMENT BECAUSE _____

