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Attorneys for Plaintiff and the Aggrieved Employees

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SANTA CLARA

JUSTIN BUI, as an individual and on behalf of all
others similarly situated,

Plaintiff,

vs.

THE RANCH STEAKHOUSE AND SALOON,
INC., a California corporation; RGB SYSTEMS,
INC., a California corporation; and DOES 1
through 50, inclusive,

Case No. 24CV439149

**DECLARATION OF KRISTEN M. AGNEW
IN SUPPORT OF MOTION TO APPROVE
SETTLEMENT AGREEMENT PURSUANT
TO THE PRIVATE ATTORNEYS
GENERAL ACT**

Date: March 20, 2025

Time: 1:30 p.m.

Dept.: 7

1 I, Kristen M. Agnew, hereby declare as follows:

2 1. I am an attorney at law duly licensed to practice before all courts in the State of California.
3 I am an attorney with Diversity Law Group, P.C., counsel of record for Plaintiff Justin Bui ("Plaintiff").
4 Based on my personal knowledge, I assert the facts set forth herein and, if called as a witness, I could and
5 would competently testify thereto.

6 **PRE-LITIGATION INVESTIGATION**

7 2. From the inception of the case, my firm has zealously represented the interests of the
8 aggrieved employees.

9 3. Before initiating the Action, I investigated and researched the facts and circumstances
10 underlying the pertinent factual and legal issues and applicable law. This required thorough discussions
11 and interviews between counsel and Plaintiff, an analysis of Plaintiff's time and payroll records, and
12 research into the various legal issues involved in the case.

13 4. As part of my investigation, I reviewed Plaintiff's daily time entries. The records
14 demonstrated that Defendants The Ranch Steakhouse and Saloon, Inc. and RGB Systems, Inc.
15 (collectively, "Defendants") captured the time entries to the minute, but consistently rounded the daily
16 total hours worked to the nearest quarter hour. As a result, Defendants failed to pay for every minute that
17 Plaintiff worked. I estimate that the rounding resulted in the loss of over one hour of work time for Plaintiff
18 during his employment with Defendants.

19 5. I also reviewed Plaintiff's wage statements. The wage statements failed to identify the
20 name of the legal entity that is the employer. On different occasions, the wage statements have identified
21 two different entities as the employer: The Ranch Steakhouse & Saloon and RGB Systems, Inc. It is
22 confusing which, if any, of these entities is/are the actual legal entity that is the employer.

23 **PROCEDURAL HISTORY**

24 6. On March 13, 2024, Plaintiff submitted written notice under Labor Code section 2699.3 to
25 the LWDA and Defendants alleging that Defendants violated Labor Code sections 201, 202, 203, 226(a),
26 510, 558, 1194, 1197, and 1197.1 (the "PAGA Notice"). Attached hereto as **Exhibit 2** is a true and correct
27 copy of the PAGA Notice.

28 7. As set forth in the PAGA Notice, Plaintiff contends that, as matter of policy and practice,

1 Defendants: (1) failed to pay for all hours worked due to the unlawful rounding of employee time; (2)
2 failed to provide accurate, itemized wage statements; and (3) failed to pay all wages to employees upon
3 separation of employment, as a result of the underpayment of wages due to Defendants' unlawful rounding
4 policy.

5 8. On May 17, 2024, Plaintiff filed the instant representative PAGA action against Defendants
6 (the "Action"). As set forth in the Complaint, Plaintiff asserts a single cause of action for violation of
7 PAGA predicated on the alleged Labor Code violations set forth in the PAGA Notice. Plaintiff seeks civil
8 penalties under PAGA, as well as attorneys' fees, and costs.

9 9. Defendants dispute and deny Plaintiff's allegations and claims asserted in the Complaint.

10 **INFORMED SETTLEMENT NEGOTIATIONS**

11 10. Shortly after Plaintiff served the Complaint, Plaintiff and Defendants (collectively, the
12 "Parties") agreed to direct their efforts towards an early resolution of the Action.

13 11. On June 18, 2024, the Parties agreed to participate in private mediation with Michael
14 Mandel, an experienced wage and hour class action mediator. The Parties agreed to the informal exchange
15 of information leading up to mediation. Defendants provided data points regarding the number of non-
16 exempt employees who worked for Defendants during the period of March 13, 2023 to October 29, 2023,
17 the number of pay periods worked by employees during this period of time, and the number of non-exempt
18 employees who separated employment. Defendants also produced a sampling of time and payroll records
19 for non-exempt employees. The records confirmed that Defendants ceased their rounding practices, as of
20 October 29, 2023. Using the data provided by Defendants, I conducted a full penalties analysis as to the
21 value of the PAGA claims.

22 12. On September 19, 2024, the Parties engaged in mediation with Mr. Mandel. After the
23 exchange of further information and extended negotiations following mediation, the Parties reached the
24 present settlement. The mediation and all subsequent settlement negotiations were conducted at arms'
25 length.

26 13. The terms of the settlement are set forth in the Joint Stipulation of Settlement and Release
27 under the Private Attorneys General Act, California Labor Code section 2698 *et seq.* ("Agreement" or
28 "Settlement Agreement"). The Settlement Agreement sets forth all terms of the agreement reached by the

Parties. A true and correct copy of the Settlement Agreement is attached hereto as **Exhibit 1**.

MONETARY TERMS OF SETTLEMENT

14. The current Action is being settled on behalf of all current and former non-exempt employees of Defendants in the State of California who worked at least one shift at any time from March 13, 2023, through October 30, 2023 (“PAGA Employees”). *See* Settlement Agreement (“SA”) § B-13. The PAGA Period is March 13, 2023, through October 30, 2023. *See id.* at § A-15. Defendants have determined that there are 590 PAGA Employees employed during the PAGA Period. *See id.* at § B-13.

15. The Settlement Agreement requires Defendants to pay the gross amount of Three Hundred Thirty Thousand Two Hundred-Fifty Dollars (\$330,250.00) (the “Gross Settlement Amount”). *See* SA § B-9. The Gross Settlement Amount was calculated with, and is premised on, Defendants’ representation that there are 590 PAGA Employees who worked approximately 13,210 pay periods during the PAGA Period. *See id.* at § B-15. Thus, the approximate dollar value for each pay period being released by the Settlement is roughly \$25.00.

16. Should the number of pay periods encompassed by the Settlement exceed 13,210 by more than five percent (5%) (i.e., 13,871 or more pay periods), the Gross Settlement Amount shall be increased proportionally to the amount of the total increase above five percent (5%). *See* SA §C-2. For instance, a twelve percent (12%) increase in the number of pay periods will result in a seven percent (7%) increase in the Gross Settlement Amount.

17. As part of the Settlement, Defendants do not object to a request by Plaintiff’s Counsel for an award of Attorneys’ Fees of up to one-third (1/3) of the Gross Settlement Amount, *i.e.*, the sum of One Hundred Ten Thousand Eighty-Three Dollars and Thirty-Three Cents (\$110,083.33), and reimbursement for actual litigation costs in an amount up to Twenty Thousand Dollars (\$20,000.00) (“Attorneys’ Fees and Costs”). *See* SA § C-5. However, Plaintiff’s Counsel’s anticipated actual litigation costs total \$6,554.16. Any portion of the Attorneys’ Fees and Costs not awarded to Plaintiff’s Counsel shall be added to the Net PAGA Pool. *See id.*

18. Defendants also do not object to Plaintiff’s request for an Enhancement Payment of up to Ten Thousand Dollars (\$10,000.00) in recognition for the work Plaintiff has done on behalf of the State of California and the PAGA Employees. *See* SA § C-4. Any portion of the requested Enhancement

1 Payment not approved by the Court shall be added to the Net PAGA Pool. *See id.*

2 19. The Settlement provides for the payment of the fees and expenses reasonably incurred by
3 the Settlement Administrator. *See* SA § C-6. The Parties have agreed to utilize Phoenix Settlement
4 Administrators to administer the settlement, with the Settlement Administration Costs estimated to be Six
5 Thousand Nine Hundred Fifty Dollars (\$6,950.00). *See* SA §§ B-22; C-6. Any portion of the requested
6 Settlement Administration Costs not approved by the Court shall be added to the Net PAGA Pool. *See id.*

7 **PAYMENTS TO AGGRIEVED EMPLOYEES AND THE LWDA**

8 20. The Net PAGA Pool is the maximum amount that will be available for distribution to the
9 LWDA and PAGA Employees in full satisfaction of all Released Claims. *See* SA § C-7. Assuming that the
10 Court awards the requested attorneys' fees (\$110,083.33), actual litigation costs (\$6,554.16), Settlement
11 Administration Costs (\$6,950.00), and the Enhancement Payment (\$10,000.00), I estimate that the Net
12 PAGA Pool will be at least \$196,662.51. *See id.* at § B-12. By statute, seventy-five percent (75%) of the
13 Net PAGA Pool, or approximately \$147,496.88, will be paid to the LWDA for PAGA penalties ("LWDA
14 Payment"). *See id.* at §§ B-11, C-7. The remaining twenty-five percent (25%), or approximately
15 \$49,165.63, will be distributed to PAGA Employees. *See id.* at § C-7.

16 21. Based on the number of PAGA Employees, employees will be entitled to recover, on
17 average, approximately \$83.33 each. However, the amount that any particular PAGA Employee will be
18 entitled to recover will be greater or lower than this average depending on the number of pay periods in
19 which the individual worked during the PAGA Period. *See* SA § C-8. This is fair, as it directly allocates
20 greater penalties to PAGA Employees who have allegedly suffered greater harm.

21 22. Any uncashed checks will be paid out pursuant to California Code of Civil Procedure
22 section 384 to the *cy pres* recipient, Legal Aid at Work. *See* SA § D-5. Legal Aid at Work, is a 501(c)(3)
23 nonprofit legal services organization that provides services to working families with low-incomes. Neither
24 I nor Diversity Law Group have a relationship, financial or otherwise, with Legal Aid at Work.

25 **POTENTIAL CIVIL PENALTIES**

26 23. Due to the discretionary nature of PAGA penalties, PAGA civil penalties are difficult to
27 evaluate. Defendant has represented that there are 13,210 pay periods in which PAGA Employees
28 collectively worked at least one shift during the PAGA Period. Assuming that Plaintiff was to prevail on the

merits, applying the standard penalty of \$100 per pay period yields approximately \$1,321,000 in potential liability. In the alternative, if the Court were to “stack” penalties, (*ie*, award multiple PAGA penalties for different Labor Code violations in the same pay period), the potential PAGA penalties could total as high as \$2,648,100:

Lab. Code Section	Violation	Pay Periods or Employees	PAGA Penalties
Lab. Code §§ 510, 558, 1194, 1197, and 1197.1	Unlawful Rounding	13,210 pay periods	\$1,321,000
Lab. Code § 226(a)	Derivative Wage Statement Violations	13,210 pay periods	\$1,321,000
Labor Code § 203	Failure to Pay Wages at Termination	61 employees	\$6,100
TOTAL			\$2,648,100

24. However, in light of Defendants’ articulated defenses to liability, I believe that is unrealistic to assume that the Court would award \$100 per pay period or permit the “stacking” of PAGA penalties in this manner. Indeed, the above penalty calculations assume that Plaintiff will prevail on the merits. Plaintiff’s claims are contested.

25. **Rounding.** Plaintiff seeks civil PAGA penalties based on Defendants’ rounding policy. There is no dispute that Defendants utilized a common rounding practice to calculate and pay wages to PAGA Employees. Despite capturing an employee’s precise work time to the minute, Defendants took the additional step of rounding the daily hours worked to the nearest quarter hour. The Parties sharply dispute whether this rounding policy violates California law and, if so, the extent to which it resulted in the underpayment of wages to individual PAGA Employees.

26. Defendants rounded the time entries of PAGA Employees during each of the 13,210 pay periods during the PAGA Period. Defendants argue, however, that the rounding resulted in the overpayment of wages to PAGA Employees during some pay periods. Relatedly, Defendants maintain that overall a significant number of PAGA Employees were “overpaid” as a result of the rounding that occurred during the PAGA Period. Accepting Defendants’ arguments as true, Plaintiff can still prove that

each PAGA Employee experienced at least one underpayment of wages during the PAGA Period, and is therefore an “aggrieved employee” under the statute.

27. **Wage Statement Violations.** Plaintiff also seeks civil PAGA penalties based on Defendants’ violations of Labor Code section 226(a). Plaintiff alleges that Defendants’ wage statements failed to identify the legal entity that is the employer. In response, Defendants contend there is no merit to this claim. As argued by Defendants, The Ranch Steakhouse & Saloon and RGB Systems, Inc are two separate employers, and not one joint employer, with Plaintiff having worked for both companies in two different stints but never at the same time. *See* Agnew Decl. ¶ 27. The two entities have common ownership, but separate management and separate payroll.

28. Plaintiff also alleges a separate derivative violation of Section 226(a). As a result of the alleged underpayment and/or non-payment of wages to PAGA Employees, Plaintiff contends that the wage statements omit information required by Labor Code 226, including all applicable hourly rates and the total hours worked. As argued by Defendants, Plaintiff’s derivative wage statement violation is vulnerable to a motion for summary judgment based on the weaknesses of the underlying primary claims. *See Maldonado v. Epsilon Plastics, Inc.*, 22 Cal. App. 5th 1308 (2018) (finding that the employees did not suffer a violation under 226(a) where their wage statement cause of action was derived from an underlying wage and hour violation for overtime).

29. The penalty calculations set forth in paragraph 23 further assume that the Court would award full PAGA penalties for each pay period during the PAGA Period. However, the PAGA penalties are subject to reduction. In negotiating the amount of the settlement, I took into account the inherent uncertainty in the potential recovery in a PAGA action. By statute, the Court can decline to award the full amount of PAGA penalties where “...if, based on the facts and circumstances of the particular case, to do otherwise, would result in an award that is unjust, arbitrary and oppressive, or confiscatory.” *See* Cal. Labor Code § 2699(e)(2). Assuming that Plaintiff prevailed on liability, under the facts of this case, I appreciate the substantial risk that Defendants could present a persuasive argument to reduce the amount of PAGA penalties at trial.

30. In this case, Defendants asserted that a substantial reduction in potential PAGA penalties was warranted because: (1) even assuming that Plaintiff could establish the predicate violations, the

1 alleged violations were inadvertent; (2) prior to recent changes in California law, state and federal courts
2 endorsed rounding practices for over sixty years; (3) PAGA Employees did not suffer substantial
3 economic harm as a result of the alleged rounding; and (4) Defendants voluntarily discontinued its
4 rounding practices prior to the submission of the PAGA Notice. Thus, Defendants contend that no PAGA
5 penalties were needed to punish or deter Defendants for its inadvertent behavior, much less to deter it
6 from committing any future violations that were completely foreclosed by its new payroll practices.

7 31. I am also aware that Courts routinely award far less than the statutory maximum amount
8 of civil penalties, even where an underlying violation of the Labor Code is found. As shown in the Court
9 of Appeal's decision in *Carrington v. Starbucks Corp.*, while the plaintiff prevailed on his PAGA claim
10 at trial, the trial court reduced the maximum PAGA penalty amount by 90%, citing the employer's good
11 faith attempt at complying with the law. 30 Cal. App. 5th 504, 517 (2018). Upon review, the Court of
12 Appeal found such reduction to be proper. *Id.* at 539; *see O'Connor v. Uber Technologies, Inc.*, 201
13 F.Supp.3d 1110, 1133 (N.D. Cal., 2016). Assuming that the Court uses *Carrington* as a benchmark and
14 assesses PAGA penalties of approximately 10% of the total maximum, a more realistic estimate of the
15 maximum PAGA penalties at issue—even with “stacking”—is \$264,810.

16 **THE SETTLEMENT IS FAIR, REASONABLE AND ADEQUATE**

17 32. Upon the Effective Date of the Settlement, Plaintiff and PAGA Employees will release
18 Defendants and Released Parties from the Released Claims. *See* SA § E-2. As defined in the Agreement,
19 the term “Released Claims” means:

20 All claims for civil PAGA penalties, including attorneys' fees and costs
21 related thereto, that were alleged, or reasonably could have been alleged,
22 based on the facts stated in the PAGA Notice and Complaint for violation
23 of Labor Code sections 201, 202, 203, 226(a), 510, 558, 1194, 11971 and
24 1197.1 during the PAGA Period.

25 *See id.* at § B-20. The Settlement is not intended to release and does not extend to violations of any
26 predicate statutes other than PAGA. The Settlement also does not affect a waiver of claims by PAGA
27 Employees against the Released Parties for any individual wage and hour claims.

28 33. Even though I strongly believe that Plaintiff can prevail at trial, given Defendants' potential
defenses to the alleged violations at issue, and the risks and costs of continued litigation, I believe that the

1 Settlement is fair and reasonable. Moreover, as Defendants adamantly deny that they should be liable for
2 the full extent of the alleged penalties, there is a possibility that Plaintiff and the aggrieved employees
3 would be awarded less or recover nothing at trial. Thus, after taking into account sharply disputed legal
4 issues involved in this litigation, the risks associated with further prosecution, delays caused by potential
5 appeals, and the substantial benefits to be received pursuant to the Settlement, I believe that the proposed
6 settlement is fair, reasonable, and adequate and is in the best interests of Plaintiff and the aggrieved
7 employees.

8 **ATTORNEY EXPERIENCE**

9 34. Diversity Law Group has a great deal of experience in wage and hour class action litigation
10 and has been approved as class counsel in a number of class actions.

11 35. My qualifications are as follows: I was the 2003 recipient of the Spelman Presidential
12 Scholarship to Emory University School of Law. During law school, I was a summer associate at the law
13 firm of Sonnenschein, Nath and Rosenthal, and clerked with the Atlanta office of the Equal Employment
14 Opportunity Commission. I received my J.D. from Emory University in 2006 and was admitted to the
15 California Bar in December 2006. Following law school, I was an associate at Sonnenschein from
16 September 2006 to May 2009.

17 36. Since 2009, my primary area of practice has been employment litigation. I have practiced
18 law at two preeminent employment defense firms. From May 2009 to June 2011, I was an associate at
19 Ogletree, Deakins, Nash, Smoak & Stewart, P.C. I was also an associate, and then senior associate, in the
20 labor and employment practice group of Seyfarth Shaw, LLP from June 2011 to May 2016. At both
21 Ogletree and Seyfarth, I represented a wide array of fortune 500 companies in employment litigation in
22 both state and federal courts, as well as before government agencies, including the California Department
23 of Labor. My practice included the defense of single plaintiff and multi-plaintiff lawsuits involving claims
24 under the California Fair Employment and Housing Act, the California Labor Code and the Fair Labor
25 Standards Act. I also handled a number of wage and hour class actions.

26 37. While at Ogletree and Seyfarth, I served as the lead associate on a number of wage and
27 hour class actions, including *Martha Cardenas v. Gold's Gym*, Los Angeles County Superior Court Case
28 No. BC445112; *Nathaniel Werner v. Crown Equipment Corporation*, Los Angeles County Superior Court

Case No. BC439428; *Christopher Williams v. Allstate Insurance Co.*, Los Angeles County Superior Court Case No. BC382577; *Hwang v. Caltech*, Los Angeles County Superior Court Case No. BC464894; *Melissa Roberts v. Zale Delaware, Inc.*, Los Angeles Superior Court Case No. BC523610; *Michael Oliver v. Konica Minolta Business Solutions U.S.A., Inc.*, Santa Clara County Superior Court Case No. 114-CV-263183; *Tessa Hodge v. Zale Delaware, Inc., d/b/a Piercing Pagoda*, San Bernardino Superior Court Case No CIVVS1301632; *Warren v. Paychex, Inc.*, N.D. Cal. Case No. 3:10-cv-02006; *Tapia v. Zale Delaware Inc. et al*, S.D. Cal. Case No. 3:13-cv-01565; and *Benjamin Burgess et al v. Tesoro Refining and Marketing Company et al*, C.D. Cal. Case No. 2:10-cv-05870.

38. I also second chaired two jury trials where I represented the prevailing defendant. Both cases involved employees who brought claims against their former employers pursuant to the Fair Employment & Housing Act. The cases are: *Jeff Cowell v. Eaton Aerospace LLC et al*, Los Angeles County Superior Court Case No. BC401543; and *Richard Gulden v. Pratt & Whitney Rocketdyne Inc. et al.*, Los Angeles County Superior Court Case No. BC468909.

39. In June 2016, I joined Diversity Law Group, P.C. where I spend most of my time handling employment cases. I primarily represent employees.

40. I have been approved as class counsel in numerous wage/hour class actions that have been granted class certification and final approval, including: *Antonio Becerra-Mata v. PSC Industrial Outsourcing, LP*, San Benito County Superior Court Case No. CU-15-00030; *Kosal So v. Owens-Brockway Glass Container, Inc.*, Los Angeles County Superior Court Case No. BC608609; *Sarah Rodriguez v. Manpower, Inc.*, Santa Clara County Superior Court Case No. 1-16-CV-294904; *Shannon Sanchez v. American Para Professional Systems, Inc.*, Santa Clara County Superior Court Case No. 17CV306751; *Foaad Hanna v. Equinix, LLC*, Santa Clara County Superior Court Case No. 18CV339365; *Alicia Harris v. 24 Seven LLC*, Los Angeles County Superior Court Case No. BC720144; *Mary Della Maggiora v. Watsonville Community Hospital*, Santa Cruz Superior Court Case No. 18CV00191; *Michael Randolph v. Pacific Racing Association*, Alameda County Superior Court Case No. RG18908139; *Cody Wirbick v. Sundt Construction, Inc.*, U.S. District Court for the Eastern District of California Case No. 2:19-cv-02067-MCE-CKD; *Jose Vasquez Ruiz v. Perdue Foods, LLC*, Sonoma County Superior Court Case No. SCV 264649; *Delmer Wood III v. Reeve Trucking Company Inc.*, San Joaquin Superior Court

Case No. STK-CV-UOE-2018-0004414; *Eric Chavez v. Converse, Inc.*, U.S. District Court for the Northern District of California Case No. 15-cv-03746-NC; *Jharett Siron v. Raypak, Inc.*, Ventura County Superior Court Case No. 56-2019-00527959-CU-OE-VTA; *Prexxie Pascual and Arturo Fonseca v. Satellite Healthcare, Inc.*, Santa Clara Superior Court Case No. 19CV345211; and *Markham v. Quik Stop Markets, Inc.*, Santa Clara Superior Court Case No. 19CV341582.

41. More recently, I have served as lead trial counsel on a PAGA bench trial, in which the plaintiff was the prevailing party.

ATTORNEYS' FEES AND LITIGATION COSTS

42. To date, I have incurred approximately 67.70 hours in connection with the litigation of this lawsuit. Attached hereto as **Exhibit 3** is a summary of the hours I have incurred to date. Counsel anticipates spending an additional three hours on this matter through its final resolution, including preparing for the approval hearing, conferring with Settlement Administrator regarding distribution of payment to Aggrieved Employees, and fielding phone calls regarding inquiries about the Settlement.

43. As of January 1, 2024, my hourly rate in class and representative actions increased to \$800. Accordingly, the total lodestar for my hours will be approximately \$54,160 (67.70 hours x \$800). I have been approved at an hourly rate of \$800 in the matters of *Robert Jordan v. Mondelez Global, LLC*, San Bernardino County Superior Court Case No. CIVSB2202758; *Alexis Tristan v. American Homes 4 Rent, L.P.*, Los Angeles County Superior Court Case No. 23STCV17006; and *Jose Valencia v. Sentinel Transportation, LLC*, Santa Barbara Superior Court Case No. 22CV00951; *In re Humano Wage and Hour Cases*, Judicial Council Coordination Proceeding Case No. 5240. I was also previously approved at an hourly rate of \$700.00 in a number of matters, including: *Foaad Hanna v. Equinix, LLC*, Santa Clara County Superior Court Case No. 18CV339365; *Alicia Harris v. 24 Seven LLC*, Los Angeles County Superior Court Case No. BC720144; *Mary Della Maggiora v. Watsonville Community Hospital*, Santa Cruz Superior Court Case No. 18CV00191; *Michael Randolph v. Pacific Racing Association*, Alameda County Superior Court Case No. RG18908139; *Gutierrez v. Spa Havens, LP*, San Diego Superior Court Case No. 37-2019-00057065-CU-OE-NC; *Cruzado v. Ontario T, Inc.*, San Bernardino Superior Court Case No. CIVSB2027249; *Ray v. C&W Facility Services, Inc.*, San Bernardino Superior Court Case No. CIVSB2101321; *Alvarez v. Forterra Building Products*, San Diego Superior Court Case No. 37-2020-

00018179-CU-OE-CTL; *Dunn v. Universal Plant Services of California, Inc.*, Solano County Superior Court Case No. FCS056134, *Pulido v. Georgia-Pacific Corrugated III LLC*, Fresno Superior Court Case No. 18CECG00265; *In re: FPI Management Wage and Hour Cases*, Los Angeles Superior Court Case No. JCCP5050; *Delgado v. Kloeckner Metals Corporation*, Los Angeles Superior Court Case No. 20STCV22503; *Jackson v. Samuel, Son & Co. (USA) Inc.*, Riverside County Superior Court Case No. CVRI2101679, *Blanton v. Communications Test Design, Inc.*, San Joaquin Superior Court Case No. STK-CV-UOE-2021-0005136; *Diaz v. Acuity Brands Lighting, Inc.*, San Bernardino Superior Court Case No. CIVDS2015583; *Flournoy v. Partners Personnel – Management Services, LLC*, Riverside County Superior Court Case No. CVRI2102372; *Idian v. VHSD ES INC.*, San Diego Superior Court Case No. 37-2019-00018927-CU-OE-CTL; *Miller v. Stanbridge University*, Orange County Superior Court Case No. 30-2021-01206298-CU-OE-CXC; *Romano v. SSA Terminals, LLC*, Los Angeles Superior Court Case No. 20STCV29048; *Wise v. Le Petite Academy, Inc.*, San Joaquin Superior Court Case No., STK-CV-UOE-2021-10561; *Chambers v. SOMACIS, Inc.*, San Diego Superior Court Case No. 37-2021-00033445-CU-OE-CTL; *Johnson v. FS Palo Alto Employment, Inc.*, Santa Clara Superior Court Case No. 21CV389927; *Rodriguez v. U.S. Bank National Association*, Los Angeles Superior Court Case No. BC617356; *Moss v. Sares Regis Operating Company, L.P.*, Orange County Superior Court Case No. 30-2021-01201041-CU-OE-CXC; and *Rodriguez v. City National Bank*, Los Angeles Superior Court Case No. 20STCV29761.

44. At the time the Parties negotiated the Settlement Agreement, I did not have a final tally of the litigation costs incurred to date. As such, the Parties included a maximum amount that could be attributed to costs under the settlement. To date, Diversity Law Group has incurred costs in the amount of \$6,554.16 for litigation related expenses. Attached hereto as **Exhibit 4** is a true and correct copy of the cost report.

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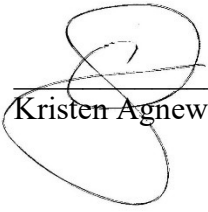
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NOTICE TO LWDA

45. On February 6, 2025, my office submitted a copy of the Court's Order approving the PAGA Settlement to the LWDA. Attached hereto as **Exhibit 5** is a true and correct copy of the submission confirmation.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on February 6, 2025, at Los Angeles, California.



Kristen Agnew

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EXHIBIT 1

SETTLEMENT AGREEMENT

EXHIBIT 2

PAGA NOTICE

EXHIBIT 3

AGNEW TIME AND TASK CHART

EXHIBIT 4

COST REPORT

EXHIBIT 5

PROOF OF SUBMISSION TO THE LWDA

EXHIBIT 1

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Attorneys for Defendants The Ranch Steakhouse & Saloon, Inc,
And RGB Systems Inc.

SUPERIOR COURT OF THE STATE OF CALIFORNIA
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JUSTIN BUI, as an individual and on
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THE RANCH STEAKHOUSE AND
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Case No.: 24CV439149

The Honorable Charles F. Adams, Department 7

**JOINT STIPULATION OF SETTLEMENT
AND RELEASE UNDER THE PRIVATE
ATTORNEYS GENERAL ACT, CALIFORNIA
LABOR CODE § 2698, ET SEQ.**

Complaint Filed: May 17, 2024

Trial Date: None

1 This Joint Stipulation of Settlement and Release (“Agreement” or “Settlement”) under the
2 Private Attorneys General Act, California Labor Code section 2698 *et seq.* (“PAGA”), is made by
3 and between Justin Bui (“Plaintiff”), individually and as representative on behalf of PAGA
4 Employees as further defined herein and the State of California, and The Ranch Steakhouse and
5 Saloon, Inc. (“The Ranch”), and RGB Systems, Inc. dba Extron Electronics (“Extron”)(together, the
6 “Company” or “Defendants”). Plaintiff and Defendants are collectively referred to herein as the
7 “Parties” and may be individually referred to as a “Party.”

8 **A. FACTUAL BACKGROUND**

9 1. This is a “PAGA-Only” representative action by a former hourly employee against
10 two related former employers for civil penalties under the California Labor Code Private Attorneys
11 General Act, *Calif. Labor Code §§ 2698 et seq.* (“PAGA”) based on rounding off of time entries for
12 payroll purposes. Plaintiff was employed as an hourly employee by Extron from May 1, 2023, until
13 June 29, 2023, when he transferred to The Ranch where he worked until he resigned on September
14 28, 2023. Extron is a manufacturer of audio-visual technology used in business, government, and
15 education. The Ranch is a high end fine dining restaurant and western themed saloon created by the
16 CEO of Extron and located in the ground floor of Extron’s corporate headquarters in Anaheim.

17 2. This Settlement is made and entered into by and between Plaintiff and Defendants,
18 and is subject to the terms and conditions hereof, and to the Court’s approval. The Parties expressly
19 acknowledge that this Agreement is entered into solely for the purpose of compromising significantly
20 disputed claims and that nothing herein is an admission of liability or wrongdoing by Defendants.
21 Defendants deny that the Company is liable to Plaintiff or the PAGA Employees and deny that the
22 Company has violated any law.

23 3. On March 13, 2024, Plaintiff filed a notice with the Labor & Workforce Development
24 Agency (“LWDA”) alleging that Defendants violated Labor Code sections 201, 202, 203, 226(a),
25 510, 558, 1194, 1197 and 1197.1 pursuant to Labor Code section 2699 (“PAGA Notice”).

26 4. On May 17, 2024, Plaintiff filed a Representative Action Complaint in the Superior
27 Court of California, County of Santa Clara, Case No. 24CV439149. As set forth in the Complaint,
28 Plaintiff asserts a single cause of action for violation of Labor Code section 2698, *et seq.* (“PAGA”)

1 predicated on the Labor Code violations set forth in the PAGA Notice. Plaintiff alleges that
2 Defendants engaged in a policy and practice of: (a) failing to pay for all hours worked due to the
3 unlawful rounding of employee time, in violation of Labor Code sections 510, 558, 1194, 1197 and
4 1197.1; (b) failing to provide accurate, itemized wage statements, in violation of Labor Code section
5 226(a); and (c) failing to pay all wages to employees upon separation of employment, as a result of
6 the underpayment of wages due to Defendants' unlawful rounding policy, in violation of Labor Code
7 sections 201, 202, and 203.

8 5. Defendants contend that venue is not proper in this Court because they did not employ
9 any hourly employees in Santa Clara County during the period at issue so no Labor Code violation
10 ever occurred in the County. However, pursuant to this Court's Order Deeming Case Complex and
11 Staying Discovery and Responsive Pleading Deadline, Defendants were precluded from moving for
12 change of venue until the first Case Management Conference set for October 10, 2024, so the Parties
13 agreed that Defendants have reserve their objection to venue. Defendants hereby consent to venue in
14 this Court solely for purposes of approving and enforcing this Settlement. In the event that this
15 settlement is not approved for any reason and the matter will then be litigated on the merits,
16 Defendants reserve the right to move for change of venue.

17 6. Shortly after the filing of the Complaint, the Parties agreed to explore the possibility
18 of an early settlement and they participated in an all day mediation with Michael Mandel, Esq. on
19 September 19, 2024. In connection therewith, Defendants produced the timekeeping and payroll
20 records of all the PAGA Employees, as well as data relating to the number of PAGA Employees and
21 pay periods worked by each PAGA Employee, which allowed Plaintiff's Counsel to conduct a full
22 damage analysis. After extended negotiations conducted at arm's length, Plaintiff and Defendants
23 reached the present settlement. The Parties recognize the risk, expense, and delay in continuing the
24 Action, and therefore believe the Settlement to be fair, reasonable, and adequate.

25 **B. DEFINITIONS**

26 1. "Action" means *Justin Bui v. The Ranch Steakhouse and Saloon, Inc., and RGB*
27 *Systems, Inc.*, filed on May 17, 2024, in the Superior Court of California, County of Santa Clara, Case
28 No. 24CV439149.

2. "Attorneys' Fees" means the amount of attorneys' fees awarded to Plaintiff's Counsel as determined by the Court in approving this settlement.

3. "Complaint" means the Representative Action Complaint filed by Plaintiff in this Action.

4. "Costs" means the amount of reasonable costs actually incurred by Plaintiff or Plaintiff's Counsel to be awarded to Plaintiff's Counsel as determined by the Court in approving this settlement.

5. "Defendants" or the "Company" means The Ranch Steakhouse and Saloon, Inc., and RGB Systems, Inc. dba Extron Electronics.

6. "Defense Counsel" means Bruce D. May of Stuart Kane LLP.

7. "Effective Date" shall mean the date of entry of both: (i) the Court's order approving the Settlement and (ii) the Judgment. However, if an individual moves to intervene and/or object to the settlement and the objection is sustained by the Court, and/or an appeal or other effort to obtain reconsideration or review has been initiated, the "Effective Date" shall instead mean five court days after the date that such objection and/or appeal is withdrawn, or such appeal or other reconsideration or review has been finally concluded in favor of the PAGA Settlement Order and Judgment and the PAGA Settlement Order and Judgment are no longer subject to review by any means.

8. "Enhancement Payment" means the amount that the Court authorizes to be paid to Plaintiff, in addition to his Individual Settlement Payment, in recognition of his efforts and risks in assisting with the prosecution of the Action. Subject to the Court granting approval of the Settlement, Defendants do not object to an Enhanced Payment not to exceed Ten Thousand Dollars (\$10,000.00) from the Gross Settlement Amount.

9. "Gross Settlement Amount" means the maximum settlement amount of Three Hundred Thirty Thousand Two Hundred Fifty Dollars (\$330,250.00) to be paid by Defendants as a result of this Agreement. The Gross Settlement Amount includes all Individual Settlement Payments to PAGA Employees, payment to the LWDA, the Enhancement Payment to Plaintiff, Settlement Administration Costs and Attorneys' Fees and Costs. No other sums shall be due or owed by Defendants or by the other Released Parties in connection with the Action and this Settlement.

1 10. “Individual Settlement Payment” means the amount payable from the Net PAGA Pool
2 to each PAGA Employee.

3 11. “LWDA Payment” means the amount to be paid to the LWDA from the Net PAGA
4 Pool.

5 12. “Net PAGA Pool” means the balance of the Gross Settlement Amount remaining after
6 deduction of the Attorneys’ Fees, Costs, Enhanced Payment, LWDA Payment, and Settlement
7 Administration Costs.

8 13. “PAGA Employees” means all current and former non-exempt employees of
9 Defendants in the State of California who worked at least one shift at any time from March 13, 2023,
10 through October 30, 2023. Defendants have determined that there are 590 PAGA Employees.

11 14. “PAGA Notice” means the letter dated March 13, 2024, from Diversity Law Group to
12 the LWDA on behalf of Plaintiff.

13 15. “PAGA Period” means March 13, 2023, through October 30, 2023.

14 16. “Parties” means Plaintiff and Defendants.

15 17. “Plaintiff” means Justin Bui.

16 18. “Plaintiff’s Counsel” means Diversity Law Group, P.C., and Shimoda & Rodriguez,
17 PC.

18 19. “Released Parties” means The Ranch Steakhouse & Saloon, RGB Systems, Inc. dba
19 Extron Electronics, any parents, subsidiaries, or affiliated entities thereof, and any employees, agents,
20 officers, directors, attorneys, insurers, predecessors, successors, or assigns of The Ranch Steakhouse
21 & Saloon, RGB Systems, Inc. dba Extron and any of their parent, subsidiary, or affiliated entities .

22 20. “Released Claims” means all claims for civil PAGA penalties, including attorneys’
23 fees and costs related thereto, that were alleged, or reasonably could have been alleged, based on the
24 facts stated in the PAGA Notice and Complaint for violation of Labor Code sections 201, 202, 203,
25 226(a), 510, 558, 1194, 11971 and 1197.1 during the PAGA Period.

26 21. “Settlement Administration Costs” means the fees and expenses reasonably incurred
27 by the Settlement Administrator as a result of the procedures and processes expressly required by this
28 Agreement, which are estimated at Six Thousand Nine Hundred Fifty Dollars (\$6,950.00). Any

1 portion of the Settlement Administration Costs not used or approved by the Court shall be added to
2 the PAGA Penalties Fund.

3 22. "Settlement Administrator" means Phoenix Settlement Administrators.

4 **C. PAYMENT OF CONSIDERATION**

5 1. Settlement Consideration. Defendants shall pay the Gross Settlement Amount as
6 specified in this Agreement, which shall be used to pay: (1) each Individual Settlement Payment; (2)
7 Attorneys' Fees; (3) Costs; (4) Enhancement Payment; (5) Settlement Administration Costs; and (5)
8 the LWDA Payment. The Parties agree that this is a non-reversionary Settlement and that no portion
9 of the Gross Settlement Amount shall revert to Defendants.

10 2. Escalator Clause. The Gross Settlement Amount was calculated with, and is premised
11 on, Defendants' representation that there are 13,210 pay periods in which PAGA Employees
12 collectively worked at least one shift during the PAGA Period. Should the number of pay periods
13 exceed this amount by more than five percent (5%) (i.e., 13,871 or more pay periods), the Gross
14 Settlement Amount shall be increased proportionally to the amount of the total increase above five
15 percent (5%). For instance, a twelve percent (12%) increase in the number of pay periods will result
16 in a seven percent (7%) increase in the Gross Settlement Amount.

17 3. Funding of the Gross Settlement Amount. Within fifteen (15) business days after the
18 Effective Date, Defendants shall deposit the Gross Settlement Amount with the Settlement
19 Administrator who shall place that sum into a Qualified Settlement Fund ("QSF"). The QSF shall be
20 an interest-bearing account at a federally insured bank that is established by the Settlement
21 Administrator and which is mutually acceptable to the Parties and the Settlement Administrator. The
22 funds in the QSF shall be invested either in short-term U.S. Treasury securities with maturity dates
23 of less than 90 days at the time of deposit, or in an SEC-registered money market fund investing
24 exclusively in U.S. Treasury securities with average maturities of less than 90 days and rated AAA
25 by Standard & Poor's. Any interest earned by the QSF shall be added to the Net PAGA Pool. The
26 Parties agree that the QSF is intended to be a "Qualified Settlement Fund" under Section 468B of the
27 Internal Revenue Code and Treas. Reg. § 1.468B-1, 26 C.F.R. § 1.468B-1, et seq., and will be
28 administered by the Settlement Administrator as such. With respect to the QSF, the Settlement

1 Administrator shall: (1) open and administer the Settlement Account in such a manner as to qualify
2 and maintain the qualification of the QSF as a “Qualified Settlement Fund” under Section 468B of
3 the Internal Revenue Code and Treas. Reg. § 1.468B-1; (2) satisfy all federal, state and local and
4 income and other tax reporting, return, and filing requirements with respect to the QSF and any
5 interest or other income earned by the QSF, and (3) satisfy out of the QSF all (i) taxes (including any
6 estimated taxes, interest, or penalties) with respect to the interest or other interest earned by the QSF,
7 and (ii) fees, expenses and costs incurred in connection with the opening and administration of the
8 QSF and the performance of its duties and functions as described in this Agreement. The
9 aforementioned taxes, fees, costs, and expenses shall be treated as and included in the costs of
10 administering the QSF and as Settlement Administration Costs, with no additional payment owed by
11 Defendants. The Parties and the Settlement Administrator shall treat the QSF as coming into existence
12 as a Qualified Settlement Fund on the earliest date permitted as set forth in 26 C.F.R. § 1.468B-
13 1(j)(2)(i), and such election statement shall be attached to the appropriate returns as required by 26
14 C.F.R. § 1.468B-1(j)(2)(ii). The Parties agree to cooperate with the Settlement Administrator and one
15 another to the extent reasonably necessary to carry out the provisions of this Section.

16 4. Enhancement Payment. Defendants agree not to oppose or impede any application or
17 motion by Plaintiff for an Enhancement Payment of up to Ten Thousand Dollars (\$10,000.00). The
18 Enhancement Payment shall be paid from the Gross Settlement Amount and shall be paid in addition
19 to Plaintiff’s Individual Settlement Payment as an PAGA Employee. It is understood by Plaintiff that
20 the Court has final discretion in any Enhancement Payment. The Settlement Administrator shall
21 issue an IRS Form 1099 to Plaintiff reflecting the Enhancement Payment. Plaintiff shall be solely
22 and legally responsible to pay any and all applicable taxes on his Enhancement Payment and shall
23 hold Defendants and the other Released Parties harmless from any claim or liability for taxes,
24 penalties, or interest arising as a result of the Enhancement Payment. Any portion of the
25 Enhancement Payment not awarded to Plaintiff shall be added to the PAGA Penalties Fund and shall
26 be distributed to PAGA Employees as provided in this Agreement.

27 5. Attorneys’ Fees and Costs: In full satisfaction of all claims Plaintiff or Plaintiff’s
28 Counsel may have for attorneys’ fees, litigation costs, and expenses arising out of the Action,

Defendants agree not to oppose a request by Plaintiff's Counsel for an award of Attorneys' Fees of up to one-third (1/3) of the Gross Settlement Amount, *i.e.*, the sum of One Hundred Ten Thousand Eighty-Three Dollars and Thirty-Three Cents (\$110,083.33), and an award of Costs in the amount of up to Twenty Thousand Dollars (\$20,000.00) ("Attorneys' Fees and Costs"), which, if approved by the Court, shall be paid from the Gross Settlement Amount. It is understood by Plaintiff and Plaintiff's Counsel that the Court has final discretion in the award of Attorneys' Fees and Costs. The Settlement Administrator shall issue an IRS Form 1099 to Plaintiff's Counsel reflecting the awarded attorneys' fees, costs, and expenses and Plaintiff's Counsel shall be solely and legally responsible to pay any and all applicable taxes on the Attorneys' Fees and Costs and shall hold Defendants and the other Released Parties harmless from any claim or liability for taxes, penalties, or interest arising as a result of the payment of Attorneys' Fees and Costs. Any portion of the Attorneys' Fees and Costs not awarded to Plaintiff's Counsel shall be added to the PAGA Penalties Fund and shall be distributed to PAGA Employees as provided in this Agreement.

6. Settlement Administration Costs. The Settlement Administrator shall be paid for the reasonable costs of administration of the Settlement from the Gross Settlement Amount, currently estimated at Six Thousand Nine Hundred Fifty Dollars (\$6,950.00). These costs, which shall be paid from the Gross Settlement Amount, shall include, *inter alia*, the required tax reporting on the Individual Settlement Payments, the issuing of 1099 IRS Forms, establishing a Qualified Settlement Fund, administering, and distributing the Gross Settlement Amount, and providing necessary reports and declarations. Any portion of the Settlement Administration Costs not allowed shall be added to the Net PAGA Pool and shall be distributed to PAGA Employees as provided in this Agreement.

7. Allocation of the Net PAGA Pool . The Net PAGA Pool shall be used to satisfy Individual Settlement Payments to PAGA Employees and the LWDA Payment in accordance with the terms of this Agreement. The Net PAGA Pool is the maximum amount that will be available for distribution to the LWDA and PAGA Employees in full satisfaction of all Released Claims. Except as provided in Section C-2, no other sums are due or payable by Defendants. Pursuant to PAGA, seventy-five percent (75%) of the Net PAGA Pool will be paid to the LWDA, and the remaining twenty-five percent (25%), will be paid to all PAGA Employees ("Net PAGA Payment").

1 8. Calculation of Individual Settlement Payment. The Net PAGA Pool shall be allocated
2 proportionally to PAGA Employees on a pro rata basis, based on the number of pay periods each
3 PAGA Employee worked during the PAGA Period. The Settlement Administrator shall calculate
4 the Individual Settlement Payments by first dividing the Net PAGA Pool by the aggregate number
5 of pay periods in which PAGA Employees collectively worked at least one shift during the PAGA
6 Period which Defendants represent is 13,210. That number will then be multiplied by the number of
7 pay periods that each individual PAGA Employee worked at least one shift during the PAGA Period.
8 PAGA Employees are entitled to 100% of the Net PAGA Payment. Defendants maintain no
9 reversionary right to any portion of the Net PAGA Payment.

10 The Parties agree that if any PAGA Employee disputes the basis for determining their
11 share of the Net PAGA Payment, Defendants' records shall presumptively control unless the PAGA
12 Employee can produce documentation evidence of other pay periods worked during the PAGA
13 Period.

14 9. Tax Treatment of Individual Settlement Payment. All Individual Settlement
15 Payments shall be allocated as 100% as civil penalties. The payments shall be reported on an IRS
16 Form 1099 by the Settlement Administrator.

17 10. No Credit Toward Benefit Plans. Payments to PAGA Employees as referenced herein
18 will not be utilized to calculate any additional benefits under any benefit plans to which any PAGA
19 Employee may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k)
20 plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan.
21 Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights,
22 contributions, or amounts to which any PAGA Employee may be entitled under any benefit plans.

23 **D. ADMINISTRATION OF SETTLEMENT**

24 1. Approval of PAGA Settlement. Plaintiff will present this Agreement to the Court and
25 will request that the Court issue an Order and Judgment, approving and incorporating by reference
26 the terms and conditions of the Agreement. More specifically, Plaintiff's Counsel shall request the
27 entry of an order granting approval of the Agreement, which shall include findings and orders: (i)
28 approving the settlement, (ii) adjudging the terms to be fair, reasonable, and adequate and binding on

1 Plaintiff, the PAGA Employees and the State of California, (iii) reciting the release terms, (iv)
2 directing that the settlement's terms and provisions be carried out; (v) entering final judgment in
3 accordance with this Agreement and without further fees or costs to any party except as expressly set
4 forth in this Agreement; and (vi) retaining jurisdiction to oversee administration and enforcement of
5 the terms of this Agreement and the Court's orders. Defendants shall not oppose Plaintiff's motion
6 unless Plaintiff's approval motion seeks relief inconsistent with or not specified by this Agreement.
7 In such event, Defendants reserve the right to address any assertions that are not contained in this
8 Agreement. Plaintiff shall submit a copy of this Agreement to the LWDA at the same time that it is
9 submitted to the Court.

10 2. Settlement Administration. The Parties agree to cooperate in the administration of the
11 Settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred
12 in the administration of the Settlement. The Settlement Administrator shall provide the following
13 services:

- 14 a. Establish and maintain the Qualified Settlement Fund;
- 15 b. Calculate the Individual Settlement Payments to be paid to PAGA Employees
16 in accordance with the terms and provisions of this Agreement;
- 17 c. Print and issue Individual Settlement Payment checks;
- 18 d. Verify the last known address for each PAGA Employee through a generally
19 utilized, national address update database prior to mailing the Individual Settlement Payment check;
- 20 e. Disburse any awards of Attorneys' Fees and Costs and the Enhancement
21 Payment;
- 22 f. Prepare and issue 1099 Forms; and
- 23 g. Perform such other tasks necessary to effectuate the terms of this Agreement
24 or as the Parties mutually agree or the Court orders the Parties to perform.

25 3. Delivery of the PAGA Employee List and Data. Within ten (10) business days after
26 the Effective Date, and to the extent the information is available, Defendants shall provide the
27 Settlement Administrator with a Microsoft Office Excel spreadsheet and shall include each PAGA
28 Employee's; full name; employee number; most recent mailing address; social security number; and

1 number of pay periods in which each PAGA Employee worked at least one shift during the PAGA
2 Period.

3 4. Timing of Distribution. Within five (5) business days after the payment of the entire
4 Gross Settlement Amount, the Settlement Administrator will issue (a) the Individual Settlement
5 Payments to the PAGA Employees; (b) the LWDA Payment to the LWDA; (c) the Enhanced Payment
6 to Plaintiff; (d) the Attorneys' Fees and Costs to Plaintiff's Counsel. The Settlement Administrator
7 will issue the appropriate tax forms for all payments issued under this Settlement.

8 5. Mailing of Individual Settlement Payments to PAGA Employees: The Settlement
9 Administrator will issue each PAGA Employee a check for his or her Individual Settlement Payment.
10 Checks will remain negotiable for 180 days. Any checks returned as non-deliverable on or before the
11 check cashing deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding
12 address affixed thereto. Those funds represented by settlement checks returned as undeliverable and
13 the funds which correspond with the settlement checks that are not negotiated within one hundred
14 and eighty (180) calendar days after issuance shall be remitted to the *cy pres* recipient, Legal Aid at
15 Work.

16 **E. RELEASE OF CLAIMS**

17 1. Denial of Liability. The Parties expressly recognize that this Agreement does not in
18 any way constitute an admission or concession of wrongdoing on the part of Defendants who
19 expressly deny all liability. Nothing in this Settlement, nor any action taken in implementation
20 thereof, nor any statements, discussions or communications, nor any materials prepared, exchanged,
21 issued or used during the course of this Action, is intended by the Parties to, nor will any of the
22 foregoing constitute, be introduced, be used or be admissible in any way in any other judicial, arbitral,
23 administrative, investigative or other forum or proceeding, as evidence of any violation of any federal,
24 state, or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at
25 law or in equity. Notwithstanding the foregoing, this Settlement Agreement may be used in any
26 proceeding in court or arbitration for the purpose of approving, interpreting, implementing, or
27 enforcing this Settlement or any orders or judgments of the Court entered into in connection
28 therewith.

1 2. Release of Claims by PAGA Employees. Upon the Effective Date, each of the PAGA
2 Employees, including Plaintiff, for themselves and for their respective spouses, domestic partners,
3 marital community, children, estates, trusts, attorneys, heirs, successors, beneficiaries, devisees,
4 legatees, executors, administrators, trustees, conservators, guardians, assigns, and representatives
5 (whether current or former), fully release and forever discharge all of the Released Parties of and
6 from all Released Claims. PAGA Employees are bound by the terms of this Settlement Agreement
7 and the releases provided herein, regardless of whether the PAGA Employee receives an Individual
8 Settlement Payment, or any funds being held in their name by the California State Controller.

9 3. No Right to Opt-Out. The Parties agree there is no statutory right for any PAGA
10 Employee to opt out or otherwise exclude himself or herself from the Settlement.

11 4. General Release and Waiver of Claims by Plaintiff. As a condition to obtaining the
12 Enhancement Payment provided for herein, Plaintiff (on behalf of himself and his spouses,
13 domestic partners, marital community, children, estates, trusts, attorneys, heirs, successors,
14 beneficiaries, devisees, legatees, executors, administrators, trustees, conservators, guardians,
15 assigns, and representatives (whether current or former) also agrees to a general release of any and
16 all claims against the Released Parties—which shall include without limitation any and all claims
17 which in any way relate to his employment with Defendants (or separation therefrom), under State,
18 Federal or local law, in tort, common law, statute, contract, or equity, whether pled in the
19 Complaint or not, including but not limited to any claims under the FLSA, Title VII, ADA, FEHA,
20 ADEA, FMLA, CFRA, PAGA, California Labor Code, or any Industrial Welfare Commission
21 Wage Order—now existing or arising in the future, based on any act, omission, event, occurrence,
22 or nonoccurrence from the beginning of time to the date of execution of this Settlement Agreement.
23 This release is intended to be as broad as possible to release and extinguish all claims of any kind.
24 Plaintiff further expressly waives and relinquishes, to the fullest extent permitted by law, the
25 provisions, rights and benefits of Section 1542 of the California Civil Code, which provides: “A
26 general release does not extend to claims that the creditor or releasing party does not know or
27 suspect to exist in his or her favor at the time of executing the release and that, if known by
28 him or her, would have materially affected his or her settlement with the debtor or released

1 party.”

2 **F. MISCELLANEOUS**

3 1. Tax Liability. Defendants, Defense Counsel, the Settlement Administrator, and
4 Plaintiff’s Counsel make no representation as to the tax treatment or legal effect of the payments
5 called for hereunder, and Plaintiff and PAGA Employees are not relying on any statement,
6 representation, or calculation by Defendants, Defendants’ counsel, Plaintiff’s Counsel, or by the
7 Settlement Administrator in this regard. Plaintiff and PAGA Employees understand and agree that
8 they will be solely responsible for the payment of any and all taxes and penalties assessed on their
9 respective payments described herein and will defend, indemnify, and hold Defendants, Defendants’
10 counsel, Plaintiff’s Counsel and the Settlement Administrator free and harmless from and against any
11 claims resulting from treatment of such payments as non-taxable penalties/damages.

12 2. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES
13 OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY TO THIS
14 AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER PARTY”)
15 ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND
16 NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES
17 OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR
18 SHALL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE
19 CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED
20 STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED);
21 (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS/HER OR
22 ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX
23 ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS
24 AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY
25 ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY
26 UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO
27 ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE
28 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER

1 PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF
2 ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF
3 WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE
4 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY
5 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS
6 AGREEMENT.

7 3. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant
8 that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign,
9 transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause
10 of action or right herein released and discharged. This is a material term of this Agreement.

11 4. Nullification of Settlement Agreement. In the event that: (i) the Court does not
12 approve the Settlement as provided herein; or (ii) the Settlement does not become final for any other
13 reason, then this Settlement Agreement, and any documents generated to bring it into effect, will be
14 null and void, and the Parties will be returned to their original respective positions.

15 5. Continued Jurisdiction. After entry of the judgment, the Court will have continuing
16 jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement of the terms of
17 the Settlement, (ii) settlement administration matters, and (iii) such post-Court Approval matters as
18 may be appropriate under court rules or as set forth in this Settlement.

19 6. Waiver of Appeal: Each of the Parties waives any right to appeal from the approval
20 of this Settlement.

21 7. Entire Agreement. This Settlement Agreement constitutes the entirety of the Parties'
22 settlement terms. No other prior or contemporaneous written or oral agreements may be deemed
23 binding on the Parties.

24 8. Disputes Regarding Language of Final Settlement Agreement. If the Parties have a
25 dispute with regard to the language of the Agreement, the Parties agree to attempt to informally
26 resolve the dispute by engaging Michael Mandel to mediate such dispute.

1 9. Amendment or Modification. This Settlement Agreement may be amended or
2 modified only by a written instrument, signed by either the Parties or their successors-in-interest or
3 counsel for all Parties, and approved by the Court.

4 10. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and
5 represent they are expressly authorized by the Parties whom they represent to negotiate this
6 Settlement Agreement and to take all appropriate action required or permitted to be taken by such
7 Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other
8 documents required to effectuate the terms of this Settlement Agreement. The Parties and their
9 counsel will cooperate with each other and use their best efforts to effect the implementation of the
10 Settlement. If the Parties are unable to reach agreement on the form or content of any document
11 needed to implement the Settlement, or on any supplemental provisions that may become necessary
12 to effectuate the terms of this Settlement, the Parties may seek the assistance of mediator Michael
13 Mandel, or the Court to resolve such disagreement.

14 11. Binding on Successors and Assigns. This Settlement Agreement will be binding upon,
15 and inure to the benefit of, the successors or assigns of the Parties hereto.

16 12. California Law Governs. All terms of this Settlement Agreement will be governed by
17 and interpreted according to the laws of the State of California.

18 13. Execution and Counterparts. This Settlement Agreement may be executed in one or
19 more counterparts and may be signed electronically in accordance with California law. All executed
20 counterparts and each of them, including facsimile and scanned copies of the signature page, will be
21 deemed to be one and the same instrument provided that counsel for the Parties will exchange among
22 themselves original signed counterparts.

23 14. Acknowledgement that the Settlement is Fair and Reasonable. The Parties and their
24 counsel believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action
25 and have arrived at this Settlement after arm's-length negotiations. The Parties further acknowledge
26 that they are each represented by competent counsel and that they have had an opportunity to consult
27 with their counsel regarding the fairness and reasonableness of this Settlement.

1 15. Invalidity of Any Provision. Before declaring any provision of this Settlement
2 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent
3 possible consistent with applicable precedents so as to define all provisions of this Settlement
4 Agreement valid and enforceable. If any provision is ruled by the Court as invalid or unenforceable,
5 in whole or in part, the invalid or enforceable provision shall be stricken and the Parties shall take
6 reasonable steps to replace the stricken provision with a provision as similar in tenor as legally
7 possible.

8 16. Captions. The captions and section numbers in this Settlement Agreement are inserted
9 for the reader's convenience, and in no way define, limit, construe or describe the scope or intent of
10 the provisions of this Settlement Agreement.

11 17. Waiver. No waiver of any condition or covenant contained in this Settlement
12 Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to
13 imply or constitute a further waiver by such party of the same or any other condition, covenant, right
14 or remedy.

15 18. Enforcement Action. In the event that one or more of the Parties institutes any legal
16 action or other proceeding against any other Party or Parties to enforce the provisions of this
17 Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or
18 Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with
19 any enforcement actions. Other than as stated in this Agreement, the Parties are responsible for their
20 own attorneys' fees and costs in the prosecution and defense of this Action. There is no prevailing
21 party.

22 19. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and
23 conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be
24 construed more strictly against one party than another merely by virtue of the fact that it may have
25 been prepared by counsel for one of the Parties, it being recognized that, because of the arms-length
26 negotiations between the Parties, all Parties have contributed to the preparation of this Settlement
27 Agreement.

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

IN WITNESS WHEREOF, the undersigned Settling Parties and their duly authorized representatives accept and agree to the terms of this Agreement and hereby execute it voluntarily and with a full understanding of its consequences.

DATED: 10/14/24

PLAINTIFF JUSTIN BUI


Justin Bui (Oct 14, 2024 09:53 PDT)

Plaintiff Justin Bui

DATED: Oct. 10, 2024

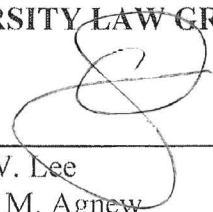
**DEFENDANT THE RANCH STEAKHOUSE
AND SALOON, INC., AND RGB SYSTEMS,
INC.**


Edward Ellingwood
Please Print Name of Authorized Signatory

APPROVED AND ACKNOWLEDGED AS TO FORM

DATED: 10/14/2024

DIVERSITY LAW GROUP, P.C.


Larry W. Lee
Kristen M. Agnew
Attorneys for Plaintiff and the Aggrieved
Employees

1 DATED: Oct. 10, 2024

2 STUART KANE LLP

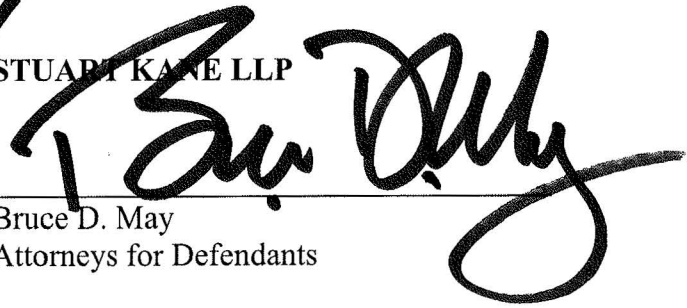
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4 Bruce D. May
5 Attorneys for Defendants
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EXHIBIT 2

EXHIBIT A

<<DATE>>

<<FIRST NAME>> <<LAST NAME>>
<<ADDRESS>>

Re: *Justin Bui v. The Ranch Steakhouse and Saloon, Inc., and RGB Systems, Inc.*
Santa Clara Superior Court Case No. 24CV439149

Dear <<FIRST NAME>> <<LAST NAME>>:

Enclosed you will find a check made payable to you. This is your payment from the settlement of the lawsuit entitled *Justin Bui v. The Ranch Steakhouse and Saloon, Inc., and RGB Systems, Inc.*, Santa Clara Superior Court Case No. 24CV439149 (the “Action”).

The named plaintiff in the Action claimed that The Ranch Steakhouse and Saloon, Inc. (“The Ranch”), and RGB Systems, Inc. dba Extron Electronics (“Extron”) owed penalties under California Labor Code section 2698 *et seq.* (“PAGA”) for rounding the time punch entries of hourly employees. You have been identified as one of the individuals whose time was rounded.

Neither the Court nor the State of California has concluded that the Ranch or Extron did anything wrong or that it owes penalties to any entity or individual. However, in an effort to avoid the costs associated with defending against the Action, the Ranch and Extron agreed to enter into a settlement of the Action.

The settlement provides for a payment by The Ranch and Extron in the amount of \$330,250.00 (“Gross Settlement Amount”). After deducting the Enhancement Payment to the named plaintiff (\$*****), attorneys’ fees (\$*****), costs (\$*****), and the settlement administration costs (\$*****), from the Gross Settlement Amount, the remaining balance represents the Net PAGA Pool.

The Court has approved a Net PAGA Pool in the amount of \$*****. By statute, seventy-five percent of the Net PAGA Pool (\$*****) goes to the State of California’s Labor and Workforce Development Agency. The remaining twenty-five percent (\$*****) will be paid to all current and former non-exempt employees of The Ranch and Extron in the State of California based on the number of pay periods in which the employee worked during the period of March 13, 2023 through October 30, 2023. Pursuant to the settlement, enclosed is a check for your share of a portion of the civil penalties.

As part of the settlement, you will be giving up or “releasing” The Ranch and Extron from all claims for civil PAGA penalties, including attorneys’ fees and costs related thereto, that were alleged, or reasonably could have been alleged, based on the facts stated in the Action for violation of Labor Code sections 201, 202, 203, 226(a), 510, 558, 1194, 11971 and 1197.1 during the period of March 13, 2023 through October 30, 2023.

PLEASE DO NOT CALL OR WRITE THE COURT OR OFFICE OF THE CLERK TO ASK QUESTIONS ABOUT THE SETTLEMENT. IF YOU HAVE ANY QUESTIONS, YOU MAY CALL OR WRITE TO THE SETTLEMENT ADMINISTRATOR AT:

EXHIBIT 3

Justin Bui v. The Ranch Steakhouse and Saloon, Inc., and RGB Systems, Inc.
Superior Court of California, County of Santa Clara, Case No. 24CV439149.
Time and Task Chart for Kristen Agnew

Hours	Description of Work
6.80	Review intake notes and analyze time and payroll records; conduct legal research and analysis re potential theories of liability and prepare memorandum to file re same; confer with co-counsel re claims and likely defenses.
4.00	Review and analyze arbitration agreement; conduct legal research and analysis re defenses to arbitration and arbitrability of PAGA claim; confer with co-counsel re same.
2.40	Draft PAGA notice and representative action complaint; confer with co-counsel re same.
8.90	Meet and confer with defense counsel re motion to transfer venue; conduct legal research re venue requirements in PAGA action; confer with co-counsel re same.
2.30	Meet and confer with defense counsel re mediation; prepare outline of data points required for mediation; confer with co-counsel re same.
1.20	Review proposed confidentiality agreement and protective order.
3.60	Review and analyze time and payroll records for aggrieved employees; prepare damages analysis re rounding; confer with co-counsel re same.
12.20	Draft mediation statement; conduct legal research and analysis re rounding and wage statement claims; review and analyze Defendant's mediation statement; confer with co-counsel re same.
9.40	Travel to and attend all day mediation.
7.70	Draft joint stipulation of representative action settlement ("settlement agreement"); confer with defense counsel and co-counsel re revisions to settlement agreement; review and incorporate proposed revisions to settlement agreement.
9.20	Draft motion for approval of settlement agreement and supporting declarations; conduct legal research and analysis re same.
67.70	<u>TOTAL HOURS</u>

EXHIBIT 4



Diversity Law Group

515 South Figueroa Street, Suite 1250, Los Angeles, California, 90071

lwlee@diversitylaw.com

Invoice

Invoice #:10036

Invoice Date:02/06/2025

Terms:Upon Receipt

Due Date:02/06/2025

PO #:

Summary

Type	Description	Amount (\$)
Expenses		6554.16
Subtotal:		\$6,554.16

Discount: \$0.00

Total: \$6,554.16

Prior \$0.00

Balance:

Total Due: \$6,554.16



Invoice

Diversity Law Group

515 South Figueroa Street, Suite 1250, Los Angeles, California, 90071

lwlee@diversitylaw.com

Invoice #:10036

Invoice Date:02/06/2025

Terms:Upon Receipt

Due Date:02/06/2025

PO #:

Details - Bui, Justin v. RGB Systems, Inc.; The Ranch Restaurant and Saloon, Inc.

Expenses

Category	Date	Expense Code	Description	Amount (\$)
	03/13/2024	E112 Court fees	LWDALWDA	75.00
	03/31/2024	Photocopies	PhotocopiesPhotocopies	1.00
	03/31/2024	E108 Postage	PostagePostage	17.38
	05/17/2024	E112 Court fees	Odyssey - ComplaintOdyssey - Complaint	1483.77
	05/23/2024	E112 Court fees	Odyssey - Ntc of ErrataOdyssey - Ntc of Errata	5.72
	06/27/2024	E112 Court fees	Odyssey - POS of SummonsOdyssey - POS of Summons	5.72
	08/29/2024	E124 Other expenses	Lexitas RetainerLexitas Retainer	202.50
	08/28/2024	E121 Arbitrators/mediators	Michael Mandel MediationMichael Mandel Mediation	4500.00
	10/15/2024	E124 Other expenses	LexitasLexitas	180.00
	09/19/2024	E111 Meals	MealMeal	14.23
Court Fees	01/29/2025		Odyssey - Est Motion Filing Fee	68.84
Subtotal:				\$6,554.16
Tax:				\$0.00
Total:				\$6,554.16

EXHIBIT 5